

Section 3.1 BOARD OPERATIONS

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Distribution: All Employees and Board Members

POLICY ON SETTING POLICIES

Bylaws will take precedence over policies.

Governance policies will take precedence over other administrative policies.

The principles that guide us in board policy development are:

- Board policies are broad guides to action. They explain *why* rather than *how* things will be done;
- Board policies must be based on fundamental values or fact, not opinion;
- Board policies must contribute to fulfilling our mission;
- Board policies must be written in a simple style with clear intent;
- Board policies must comply with all federal, provincial and other legislative regulations; as well as other stipulations such as might apply under any collective agreements;
- Board policies must be kept current and reviewed regularly.

ROLE OF THE BOARD

The role of the Board is as follows:

- To govern not manage;
- To envision the future;
- To set policy;
- To hire and to terminate the Executive Director;
- To provide links to member groups and the community at-large;
- To develop needed resources;
- To delegate appropriately to the Executive Director.

In extenuating circumstances, the Board as a whole may deem it necessary to fulfil or delegate some or all management responsibilities for a specified period of time.

AUTHORITY

Once the Board has approved an action through a motion, it becomes the Agency's official policy or position.

- Individual Directors are bound by these decisions, even if they disagree;
- Individual Directors must not undermine the authority of Board decisions;

- If an individual Director cannot accept the authority of the Board, the Director should resign.

The Board of Directors is an elected corporate body which implements action through the Executive Director. The Board of Directors hires, supervises and terminates only one employee: the Executive Director.

- The Executive Director is supervised between meetings by the Chair of the Board.
- The Executive Director hires, supervises and terminates the rest of the Agency's employees.
- The Executive Committee of the Board may, as a function of the grievance procedure, be called upon as the final arbitrator of employee or volunteer grievances.

Unless specifically designated by the Board of Directors as a whole,

- No individual Board member, including the Chair, has the authority to direct the Agency and its staff;
- No group of individuals, such as Board Committees, has the authority to direct the Agency and its staff.

Individual Directors may have expertise in specific areas and provide guidance, when requested, but will avoid making management and operational decisions.

The Board of Directors defines the parameters within which the Executive Director will operate through policy. These policies are called "Executive Limitations Policies".

PUBLIC RELATIONS AND IMAGE

The Chair of the Board, or the Board's designate, and the Executive Director, in consultation with the Chair, are the primary public spokespersons for the Society on all policy issues with the media or elected officials.

All correspondence to elected public officials will be under the signature of the Chair of the Board or their designate.

No individual Director may take any action which may negatively impact the public image or reputation of the Society.

The Board of Directors may not cause nor allow any activity and/or behaviour that is deemed unethical, imprudent or illegal.

CONFLICT OF INTEREST

A conflict of interest arises when, in the course of meetings or other activities of Lethbridge HIV Connection, the personal or business interest of a board member (including those of a close personal relationship or business associate), or those interests of the Lethbridge HIV Connection member group the board member represents, will or be perceived to receive benefit or gain from the way a particular issue under consideration by the Board of Directors is decided or as a result of activities in which the Agency is engaged.

Conflict of interest may be self-disclosed or a Director may raise a question of potential conflict of interest concerning another Director at any time. If a question of potential conflict of interest is raised concerning another Director, the Executive Committee shall rule if the conflict exists. If the question of potential conflict is raised about the Chair of the Board, a simple majority of those Board members present (not including the Chair) will determine if the conflict exists.

Any conflict of interest on the part of an individual Director shall be disclosed to the Board at the earliest possible time. Such disclosure, or if a determination of conflict is made, shall be recorded in the minutes. The Director(s) in question,

- Shall not vote on the matter in which he/she has a conflict;
- Shall not use personal influence on the matter;
- May briefly state a position on the matter;
- Shall answer pertinent questions raised by other Board members about the nature of the conflict.

Anyone found in conflict of interest will be removed from their position.

CONFIDENTIALITY

Anyone who, as a result of their involvement with the Society, obtains proprietary or privileged information concerning the Society, or personal information about another individual, including her/his medical and health status, shall treat this information as confidential and shall not disclose it to anyone else, unless required to do so by law or as a stated part of duties.

From time to time, sensitive or privileged in camera items may be discussed or decisions made by the Board and deemed confidential. When these items arise, the Board shall:

- Not disclose the confidential information.

Any Board member, volunteer or employee who breaches confidentially will be removed from their position.

FISCAL RESPONSIBILITY

The Board will ensure that the Agency uses its funds efficiently, as donors / Funders have designated and in pursuit of the Agency's goals.

The Board will examine and discuss at each meeting the Treasurer's Report. This may include:

- Quarterly financial statements;
- Report on variances in revenues and expenditures;
- Budget adjustments.

The Board or its designate will periodically review:

- Society accounting policies and procedures;
- Internal control procedures;
- Salary grid;
- Personnel policies and procedures;
- Employee benefits.

The Board will ensure that adequate insurance coverage is in place and necessary precautions are taken to avoid injury to people and damage or loss of equipment, buildings or other assets.

RESOURCE DEVELOPMENT

The signature of the Chair or designate will appear on all:

- Requests for donations of corporate and private funds;
- Proposals for government funding.

MEETINGS

Meetings are an important part of our operations and provide an excellent means of sharing information, generating ideas, clarifying values, discussing matters of importance and making decisions. All meetings of the Board will:

- Have a clearly defined purpose which cannot be achieved by other means;
- Be attended by only those whose presence is required;
- Have an agenda circulated at a minimum of two working days before the meeting;
- Follow well understood procedures and timelines;
- Produce written minutes or a report that records any decisions that were made.

In meetings we will be guided by the following principles:

- We put the good of the Society ahead of personal interests;
- We endeavour to maintain a safe and trusting environment;
- We listen carefully to understand;
- We speak openly to be understood;
- We express our feelings honestly;
- We endeavour to exclude pre-conceived ideas;

- We welcome other people's points of view;
- We address behaviours, not personalities; consequences rather than motives;
- We try to maintain a balance between process and task;
- We support decisions duly arrived at and speak with one voice;
- We take responsibility for our own comfort.

RESPONSIBILITIES AND LEGAL LIABILITY OF DIRECTORS

The members of the Board will:

- Accept responsibility and be accountable for the Society's operations;
- Attend scheduled meetings of the Board whether held in person, by teleconference or by other means unless significant circumstances affect their ability to do so;
- Ensure that the Executive Director is properly chosen;
- Ensure that the Executive Director is adequately supervised and operating within the Executive Limitations Policies;
- Focus on the whole Agency rather than on particular issues of interest to individual Directors.

Directors are not normally liable for the debts or liabilities of the Society, though any Director who had directed, authorized, assented to, acquiesced in or participated in an illegal act is personally liable for that offence.

Any Director of the Society at the time that wages should have been paid but were not is liable for the unpaid wages and an amount to the Receiver General for Canada for legal payroll deductions corresponding to the wages paid.

Section 3.2

EXECUTIVE LIMITATIONS

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OVERVIEW

In order to facilitate optimum effectiveness of the organization, the Board recognizes that its responsibility is generally confined to establishing topmost policies while leaving implementation and subsidiary policy development to the Executive Director. "Results and Priorities" as decided on by the Board direct the Executive Director to act within acceptable boundaries of prudence and ethics. All Board authority delegated to staff is delegated through the Executive Director, so that all authority and accountability of staff - in so far as the Board is concerned - resides with the Executive Director.

The Executive Director is answerable to the Board as a whole. Individual Directors, including the Chair, have collegial, not hierarchical, relationship with the Executive Director. Information may be requested by a Director or Board committee, but if any such request, in the Executive Director's judgment, requires an inordinate amount of staff time, it may be refused.

The freedom of the Executive Director to act as he/she deems fit is only limited to the extent that he/she may not perform, allow or cause to be performed any act which is unlawful, which is insufficient to comply with commonly accepted business and professional ethics of the "prudent person" test, which is in violation of the request of a donor or the requirements of regulatory bodies, or which is contrary to the explicit constraints set by the Board in its "Executive Limitations" policies.

Should the Executive Director deem it necessary to contravene a board policy, he/she shall seek approval from the Board.

In as much as the Board governs through explicit and succinct policies which address the topmost level of organizational values, the Board will evaluate the Executive Director based on the performance of the Agency in its entirety in the following areas:

- Agency accomplishments with respect to the "Results and Priorities" set by the Board;
- Agency operations within the boundaries of prudence and ethics as established by the Board policies "Executive Limitation" policy; and
- The Agency's annual work plan and goals set in previous performance evaluation(s).

ACCOUNTABILITY

Accountability is the requirement of answering for one's actions or performance to the delegated authority. The Executive Director is answerable and accountable to the Board as a whole.

AUTHORITY

Authority is the right to decide what should be done. It provides the power and right to take action, or to require someone else to take action.

The Executive Director is authorized to establish all further policies and procedures, make all decisions, take all actions and develop all activities which are true to the policies set by the Board.

The freedom of the Executive Director to act as he or she deems fit is only limited to the extent that he or she may not perform, allow or cause to be performed any act which is:

- Unlawful;
- Insufficient to comply with commonly accepted business and professional ethics or the “prudent person” test;
- In violation of the request of a donor or the requirements of regulatory bodies; or,
- Contrary to the explicit constraints set by the Board in its “Executive Limitations” policy.

PUBLIC RELATIONS AND IMAGE

The Executive Director functions, in consultation with the Chair of the Board, as a primary spokesperson for the Society.

The Executive Director may not cause or allow any action that may threaten or damage, or appear to threaten or damage, the reputation of the Society or its ability to function effectively.

TREATMENT OF MEMBERS

The Executive Director may not cause or allow any action that might harm the dignity and respect of Agency’s members, or infringe upon their rights.

PERSONNEL

The authority of the Executive Director with respect to the treatment of both paid staff and volunteers is only limited to the extent that he/she may not:

- Cause or allow anything that would impede the rights of employees to fair, equitable, and humane treatment; or
- Cause or allow anything that could limit the professional growth of employees within the bounds of available resources and their job descriptions.

Grievances by employees shall receive fair internal process containing appropriate procedural safeguards with the Executive Committee of the Board being the final appeal.

Employees and candidates for employment may not be judged against any criteria other than their own job performance or job-relevant qualifications.

Staff will not be left unprepared to take prompt action in case of emergency or disaster.

FINANCIAL CONTROLS

Probity:

The Executive Director may not cause or allow any action that places the financial management of the Society at risk through fraud, indebtedness or poor accounting practices.

Budgeting:

When budgeting for all or any remaining part, of a fiscal period, the Executive Director may not jeopardize the fiscal integrity of the organization or its programs.

The Executive Director may not cause or allow budgeting which contains too little detail to enable:

- A reasonably accurate projection of revenues and expenses;
- The separation of capital and operational items;
- The forecasting of cash flow; and
- Subsequent audit trails.

The Executive Director may not cause or allow budgeting plans for the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

The Executive Director may not cause or allow budgeting which materially deviates from the Board's stated priorities in its allocation among competing budgetary needs.

SAFE FACILITIES

The Executive Director will ensure that our facilities provide a safe environment for all who use them; he/she will not allow them to be used for any purpose unless it conforms to relevant codes and standards for such use, and have been approved by the appropriate public authorities.

PROTECTION OF ASSETS

To prevent loss, deterioration, excessive risks, untraceable transactions, or conflict of interest in the management of the Society, the Executive Director will not:

- Allow any one individual to have complete authority over any financial transaction;
- Permit any non-full-time staff (e.g. volunteers, students, contractors) to handle cash over an amount of \$100, unless they are directly supervised by a full time staff member;
- Deposit agency funds with any institution not fully covered by the Canada Deposit Insurance Corporation;

- Allow abuse or misuse of the assets of the Society. Agency property will be inventoried and adequate safeguards and systems will be in place to prevent loss, damage, or theft of property;
- Allow insurance coverage of stock and equipment, furniture, and fixtures to fall below 90 percent of replacement value;
- Allow Directors' and Officers' Liability Insurance to expire without notifying the Board beforehand.

COMMUNICATION WITH THE BOARD

The Executive Director may not cause or allow the Board to be uninformed or misinformed with regard to critical issues and activities that relate to the policies and actions they have endorsed or are considering.

The Executive Director will always remain proactive in his/her communication with the Board and not knowingly allow crisis situations to develop.

ADMINISTRATIVE CLARITY

The Executive Director may not operate without:

- Procedures to assure operational and administrative continuity;
- Operational policies and procedures known and available to all employees.

VERIFYING EXECUTIVE PERFORMANCE

The Board of Directors or its designate will verify the performance of the Executive Director in the following areas:

- Organization accomplishments with respect to the Results and Priorities set by the Board;
- Organization operations within the boundaries of prudence and ethics as established by Board policies;
- The annual Agency work plan and goals set in previous performance evaluation(s).

Board meetings are not, in general, to be used for verification.

Verification of compliance to Executive Limitations Policies will occur in one or a combination of two ways:

- Internal Reports: Periodic Reports from the Executive Director to the Board;
- External Judges: Auditors, site inspectors, or a committee struck by the Board specifically to answer certain verification questions.

Board members involved in verification or evaluation processes have only the authority to state whether, in their opinion, required results are being achieved within the limits set (not the authority to determine how these should be achieved or to direct staff to take specific actions).

Verification schedule for Results:

Programs & Services	Internal Reports	ED Reports to Board	At least 10 per year
		Society's Annual Report	Yearly
		ED Reports to Funders	As per agreements
	External Judge	Program Evaluation	As needed
Personnel	Internal Reports	ED Reports to Board	At least 10 per year
	External Judge	Vice Chair of the Board	Annually
Financial Condition	Internal Reports	Financial reports	Monthly
	External Judge	Financial audit	Annually
Public Relations	Internal Reports	ED Reports to Board	At least 10 per year
	External Judge	Program Evaluation	As needed
Facilities	Internal report		As needed

Verification schedule for Executive Limitations:

Public Image	Internal Report	ED Reports to Board	At least 10 per year
	External Judge	Program Evaluation	As needed
Treatment of Members	External Judge	Program Evaluation	As needed
Personnel	Internal Report	ED Reports to Board	At least 10 per year
	External Judge	Vice Chair of the Board	Annually
Financial Controls	External Judge	Financial Audit	Annually
Budget	Internal Report	Financial Reports	Monthly
Protection of Assets	External Judge	Financial Audit	Annually
Facilities	External Judge	Program Evaluation	As needed

Section 3.3

BEHAVIOUR CONTRARY TO GOVERNANCE POLICIES

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The Agency establishes its Governance Policies to guide, assist and support the work of the Board, individual Directors and the Executive Director. Behaviour contrary to the Governance Policies is considered a breach of policy. A breach of policy may have varying degrees of impact on individuals or the agency as a whole.

BREACH OF POLICY

Any Director or the Executive Director may bring forward information alleging breach of policy at any time.

Allegations of a potential breach of policy concerning the Executive Director or any individual Director should be given, in writing, to the Chair of the Board.

Allegations of a potential breach of policy concerning the Chair of the Board should be given, in writing, to the Vice-Chair of the Board.

BREACH OF POLICY BY A DIRECTOR OR THE EXECUTIVE DIRECTOR

The Chair of the Board will convene a meeting of the Executive Committee, to review any written allegation of breach of policy against an individual Director or the Executive Director and determine its validity. The Executive Committee may discuss the allegation with the Director or Executive Director in making this determination. If the Executive Committee determines the allegation does not sustain merit, the matter is ended.

If the Executive Committee determines the allegation sustains merit, the Chair will place the allegation as an item on the next immediate Board meeting agenda, for the Board's consideration.

The Board will consider the allegation at its next scheduled meeting. The Director or the Executive Director against whom an allegation has been made, may be present at this meeting and may have a representative present if she/he so chooses.

The Board will consider all information relevant to the allegation and make a final determination of breach of policy or no breach of policy.

The Board may make this consideration and determination in camera, without the presence of the individual against whom the allegation has been made.

The Board will issue its decision in writing and distribute it to all appropriate parties, in accordance with the confidentiality sections of Agency's Governance Policies.

The Board has complete authority to determine what, if any, appropriate action will be made upon a finding of breach of policy.

BREACH OF POLICY BY THE CHAIR

The Vice-Chair of the Board will convene a meeting of the Executive Committee, excepting the Chair, to review any written allegation of potential breach of policy by the Chair of the Board to determine its validity. The Executive Committee may discuss the allegation with the Chair in making this determination. If the Executive Committee determines the allegation does not sustain merit, the matter is ended.

The Board will consider the allegation at its next scheduled meeting. The Chair may be present at this meeting and may bring a representative if she/he so choose.

The Board will consider all information relevant to the allegation and make a determination of breach of policy or no breach of policy.

The Board may make a final consideration and determination without the presence of the Chair.

The Board will issue its decision in writing and distribute it to all appropriate parties, in accordance with the confidentiality sections of the Agency's Governance Policies.

The Board has complete authority to determine what, if any, appropriate action will be made upon a finding of a breach of policy.

Section 3.4

FINANCIAL MANAGEMENT

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POLICY

The Executive Director will:

1. Assure adequate control over funds including developing and maintaining sound financial practices;
2. Consult with staff and the board Treasurer (on behalf of the Board) in preparing a budget; ensure that the organization operates within budget guidelines;
3. Provide the Board with regular financial reports as required;
4. Maintain official records and documents and ensures compliance with municipal, provincial, and federal regulations and reporting requirements (such as annual information returns, payroll reporting, etc.);
5. Assure that funds are disbursed in accordance with contract requirements and donor designations.

PROCEDURE

Budgeting For Expenditures And Revenues

Budgeting will reflect the Agency's Ends Policies and work plans, and will project a reasonable 3 year target for revenues and expenses. Budgeting will reflect the Financial Conditions Policy of the Agency and will reflect a conservative estimate of available funds. Financial reports comparing actual expenditures to Budget will be presented to the Board on a timely basis.

Budgeting for expenditures and revenues will be detailed in the Executive Director's work plan. These plans will be reviewed annually by the Board. Financial reports will be made available to the Board on a quarterly basis.

Financial Conditions

The Executive Director will:

- Ensure that financial information and reports are prepared in accordance with generally accepted accounting principles;
- Provide financial reports to the Board upon request and during quarterly and annual reporting;
- Follow the annual budget.

Asset Protection and Risk Management

The Executive Director will ensure that an adequate system of internal financial control is maintained which provides reasonable assurance that the following objectives are met:

- The orderly and efficient conduct of the Agency's business;
- Effective budgetary control and reliable financial information to assist in determining effective policies and monitoring the efficient implementation of these policies;
- The prevention and detection of fraud and error;
- The safeguarding of the Agency's assets;
- The reliability of the Agency's account records;
- The timely preparation of financial information.

The Executive Director will:

- Ensure that financial statements are prepared in accordance with generally accepted accounting principles and are audited by independent Chartered Accountants within four months of the Agency's fiscal year end;
- Provide financial reports to the Board upon request and during quarterly and annual reporting;
- Complete and amend annually a three year funding development strategy;
- All services contracted out must adhere to legally binding conditions;
- Not deposit Agency funds into any single banking institution which cannot fully insure all such funds via existing provincial or federal bank or trust law against failure of the banking institution;
- Ensure the operation of Agency assets are reasonably insured for loss and adequate Board and management liability insurance is in place. This will include professional liability insurance is in place for \$2 million;
- Ensure all bank statements are reconciled within four weeks of the closing of the month. The Executive Director will review all financial statements on a monthly basis to ensure this condition is being met;
- Ensure that no overdraft takes place and that all funds are deposited prior to expending. The Executive Director will review all financial statements on a monthly basis to ensure this condition is being met.