


<b>MANUAL: BOARD POLICY MANUAL</b>	<b>INDEX I.D.: D.5</b>
<b>SECTION D: BOARD/STAFF RELATIONS</b>	<b>PAGE NO. 1 OF 5</b>
<b>TITLE: EXECUTIVE DIRECTOR LIMITATIONS POLICY</b>	<b>ORIGINAL: FEBRUARY 19, 2017</b>
<b>APPROVAL: BOARD OF DIRECTORS</b> 	<b>REVIEWED:</b>

**Purpose**

One of the Board’s important functions is to ensure there is effective leadership in place to manage the organization. The Board discharges the duties of the Executive Director and establishes clear guidelines of work parameters.

The Board’s job is to supervise the Executive Director to ensure there is effective leadership of the Agency.

**Application**

This policy applies to the Executive Director of Lumacare.

**Policy**

1. The Executive Director shall perform any and all duties, tasks, and activities and make all Agency decisions in:
  - o A manner which utilizes commonly accepted business and professional ethics, and which operate within a planned quality management program;
  - o A prudent manner; and
  - o A lawful manner.
  
2. With respect to interactions with Clients or those applying to be Clients, the Executive Director shall always utilize procedures, conditions and decisions that are safe, respectful, dignified, and which provide appropriate confidentiality and privacy. All actions should be free of circumstances that permit mental, physical or financial abuse. Accordingly, the Executive Director shall:
  - o Only use application forms or procedures that elicit information for which there is a clear necessity;
  - o Use methods of collecting, reviewing, and storing Client information that protects against improper access to the information elicited;
  - o Maintain facilities that provide reasonable levels of privacy, both auditory and visual;
  - o Establish with Clients a clear understanding of what may be expected from the services offered;

- Inform Clients of this Policy and provide a grievance process to those who believe that they have not been accorded a reasonable interpretation of their rights under this policy.
3. With respect to treatment of paid and volunteer staff, the Executive Director shall promote conditions which are fair, safe and free from discrimination. Accordingly, he/she shall:
- Operate with written personnel procedures that:
    - Clarify personnel rules for paid and volunteer staff;
    - Provide for effective handling of grievances; and
    - Protect against wrongful conditions.
  - Not discriminate against any paid or volunteer staff member for expressing an ethical dissent.
  - Allow paid or volunteer staff to grieve to the Board when:
    - Internal grievance procedures have been exhausted; and
    - The paid or volunteer staff alleges that either:
      - A Human Rights policy has been violated to his/her detriment; or
      - A Human Rights policy does not adequately protect his/her human rights.
  - Acquaint paid or volunteer staff with their rights under this Policy.
4. With respect to employment, compensation and benefits to employees, consultants and contract workers, the Executive Director shall protect the fiscal integrity and public image of the Agency. Accordingly, he/she may not:
- Alter his/her own compensation or benefits;
  - Promise or imply employment that cannot be terminated for cause or on reasonable notice;
  - Establish current compensation and benefits which deviate materially from the geographic or professional market for the skills employed;
  - Create obligations over a longer term than revenue can be safely projected; and
  - Establish or change pension benefits so as to cause unpredictable or inequitable situations.
5. The Executive Director shall maintain the actual, ongoing health of the Agency's financial system according to Board priorities as established in its Policies. Accordingly, he/she shall:
- Only expend as much or fewer funds than have been received in the fiscal year to date on both a cash flow and an income basis;
  - Use any long term reserves only with prior Board approval;
  - Settle payroll and debts in a timely manner;
  - Remit tax payments and other government related and funder-ordered payments and filings in a timely (by the due date) and accurate manner;
  - Make a single purchase or commitment of greater than \$5,000 only with prior Board approval;

- Acquire encumber or dispose of real property only with prior Board approval; and
  - Aggressively pursue receivables after a reasonable grace period.
6. Financial planning for any fiscal year shall work within the Board's priorities; shall show an acceptable level of foresight; and shall be derived from a multi-year plan. Accordingly, the Executive Director shall allow budgeting which:
- Contains sufficient information to enable credible projection to revenues and realistic projection of expenses;
  - Allows:
    - Separate capital and operational items;
    - Cash flow analysis if reserves are expected to fall below \$300,000; and
    - Disclosure of planning assumptions.
  - Plans an expenditure in any fiscal year of no more funds than are conservatively projected to be received in that period; and
  - Allows cash to remain above a safety reserve of \$200,000 at any time.
7. The Executive Director shall ensure assets are protected, adequately maintained and not unnecessarily risked. Accordingly, he/she shall:
- Insure against theft, fire and casualty losses to a prudent replacement value and against liability losses to Board members, staff, volunteers and the Agency itself in an amount consistent with the average for comparable organizations;
  - Only subject vehicles and equipment to appropriate wear and tear and allow for adequate maintenance;
  - Prevent unnecessary exposure of the Agency, its Board, staff and volunteers to claims of liability;
  - Receive, process and disburse sufficient funds under his/her control to meet the Board-appointed auditor's standards;
  - Only make purchases and commitments wherein a normally prudent protection has been given against conflict of interest;
  - Protect property, information and files from loss and significant damage;
  - Only invest and hold operating capital in instruments such as those issued by:
    - The Government of Canada, or guaranteed by the Government of Canada;
    - The Government of any province of Canada, or guaranteed by the Government of any province of Canada;
    - Any Bank listed to the Bank Act (Canada); and
    - Any Trust Corporation registered under the Loan and Trust Corporations Act.
  - Protect the Agency's public image and credibility, particularly in ways that allow accomplishment of its mission; and
  - Allow cheques or external bank transfers:

- Of less than \$2000 to be signed by no fewer than the Executive Director and one designated staff director/manager; or by 2 approved staff signatories.
  - Of \$2000 or greater to be signed by no fewer than the Executive Director, one designated staff director/manager, and one of the approved Board signatory.
8. The Executive Director shall inform and support the Board in its work. Accordingly, he/she shall:
- Submit monitoring data required by the Board in a timely, accurate and understandable fashion, directly addressing provisions of the Board policies being monitored;
  - Make the Board aware of relevant trends, anticipated adverse media coverage, material external and internal changes and particularly changes in the assumptions upon which any Board policy has been previously established;
  - Advise the Board if, in the Executive Director's opinion the Board is not in compliance with its own policies on the Governance Process and Board-Executive Director Linkage, particularly in the case of Board behavior which is detrimental to the working relationship between the Board and the Executive Director;
  - Marshal the Board, staff and volunteers around external points of view, issues and opinions needed for fully informed Board choices;
  - Only present information which is not unnecessarily complex or overly lengthy;
  - Provide a mechanism for official Board, officer and committee communication;
  - Deal with the Board as a whole except when (a) fulfilling individual request for information or (b) responding to officers or committees duly charged by the Board;
  - Report in a timely manner an actual or anticipated noncompliance with any policy of the Board; and
  - Supply for the agenda all items delegated to the Executive Director.
9. In order to protect the Board from the sudden loss of Executive Director Services, the Executive Director shall have no fewer than 2 staff familiar with Board and Executive Director issues and procedures.
10. With respect to enhancing the Agency's financial resources through fundraising activities, the Executive Director shall:
- Only allow the Agency's name to be used in endorsement of its own products;
  - Not accept corporate sponsorship from organizations which seek to directly solicit the Agencies Clients, volunteers or staff; and
  - Not allow gambling other than lotteries and raffles.

## **Amendment**

This policy may be amended by the Board.

