

Governance Policies and Procedures



Policy Name:	Board Member/Director Policy
Policy Number:	003
Policy Type:	Board Officer's Roles and Accountability
Approval Date:	October 23, 2017
Date for Review:	Every 3 Years

INTRODUCTION:

GENERAL

Authority

Subject to the By-Laws and Articles of the Federation, the Board of Directors is the legal authority and governing body of the CFLA-FCAB.

Composition

Subject to By-Laws and Articles of the Federation, in addition to the Chair, Vice-Chair Secretary and Treasurer of CFLA-FCAB, the Board is comprised of geographic and special representative representation.

Quorum

A majority that is greater than 50% on any given Board or Committee shall form a quorum for the transaction of business. Quorum for Annual meetings of the members is defined in By-Law 1, section 27.

Accountability

As a member of the Board, each Director acts in a position of trust for the Membership and is responsible for the effective governance of the organization. Board members are accountable for the CFLA-FCAB's performance in relation to its mission and strategic goals, and for the effective stewardship of financial and human resources.

PROCEDURES:

RESPONSIBILITIES

Each Director has the responsibility to become fully informed on the Federation's matters, participates in the Board's deliberations, and makes decisions in matters of policy, finance, programs, personnel and advocacy.

As a member of the Board, and to contribute to the collective achievement of the role of the Board, the individual Director shall exercise:

Fiduciary Duty [Amplified in Annex A, attached]

Each Director is responsible to act in good faith and in the best interests of the Federation and to support the Federation in fulfilling its mission.

Accountability

A Director shall be knowledgeable of the Membership to whom the Federation is accountable and shall appropriately take into account the interests of the Members when making decisions as a Director.

By-laws and Policies

A Director shall comply with the Federation by-laws and policies that are applicable to the board. In addition, a Director will help establish, review and monitor policies that direct the operations of the Federation.

Time and Commitment

A Director shall commit the time required to prepare for, and participate in, board meetings. This includes articulating different points of view, active listening, respecting the view of others and supporting Board decisions once made.

Contribution to Governance

Directors are expected to make a contribution to the governance role of the Board through:

- Supporting and participating in the hiring, performance measurement and performance evaluation of the Executive Director.
- Establishing and reviewing the Federation's mission, vision and monitoring of the progress towards the goals of the Strategic Plan.
- Participating in the approval of the annual budget and monitoring of the financial performance of the Federation.
- Completing the annual Board self-evaluation.

TERMS OF OFFICE

The Vice-Chair, Chair and Past-Chair, Treasurer and Secretary of CFLA-FCAB, are appointed to one year positions as per section 47 of the CFLA-FCAB By-Law.

MEETINGS

- As per By-Law 1, section 37, meetings of the board may be called by the Chair, the Vice-Chair, or any two directors at any time.
- Notwithstanding this, the board of directors shall meet monthly. It is at the discretion of the CFLA-FCAB Chair to schedule additional meetings.

Fiduciary Responsibilities of CFLA-FCAB Board Members

A primary responsibility of a Board Member is to maintain financial accountability of the CFLA-FCAB. Board Members act as trustees of the Federation's assets and must exercise due diligence to oversee that the Federation is well-managed and that its financial situation remains sound.

The following is an outline on how Board Members may fulfil their role as fiduciaries:

What does 'Fiduciary' Mean? Fiduciary duty requires Board Members to stay objective, unselfish, responsible, honest, trustworthy, and efficient. Board Members, as stewards of public trust, must always act for the good of the Federation, rather than for personal benefit. Reasonable care must be exercised in all decision making, without placing the Federation under unnecessary risk.

Understanding of Financial Basics: It is understood that not every Board Member has financial acumen. However, every Board Member should act as a financial inquisitor. It is essential to understand basic terminology, be able to read financial statements, judge their soundness, and have the capacity to recognize warning signs that might indicate a change in the overall health of the Federation. A Board Member must undertake the necessary steps required to understand any information that he/she may not comprehend.

Examples of Items Board Members Might Question:

Is our financial plan consistent with our strategic plan?

- Is our cash flow projected to be adequate?
- Do we have sufficient reserves?
- Are any specific expense areas rising faster than their sources of income?
- Are we regularly comparing our financial activity with what we have budgeted?
- Are our expenses appropriate?
- Do we have the appropriate checks and balances to prevent errors, fraud, and abuse?
- Are we meeting guidelines and requirements set by our Membership and/or funders?

Setting up and Monitoring Key Financial Indicators: Having the proper tools to monitor and evaluate financial performance strengthens the Board's capacity to judge the health of the Federation. Board Members need to agree on general guidelines and standards to measure the effectiveness of organizational accomplishments.

Appropriate policies must be in place to guide management and Board decision-making.

Ensuring Adequate Control Mechanisms: Control mechanisms are not intended to detect fraud but rather to prevent it. Ensuring clarity in job descriptions and responsibilities; defining financial and accounting procedures (signing cheques, handling of cash, approving expenses and outlining parameters for credit card usage); managing potential conflicts of interest with a clear policy; and requesting regular external audits are all manifestations of fiduciary responsibility

Approving the Budget: The annual budget creates the framework for program management and overall administrative decisions.

The annual budget approval process helps curb any tendency for the Board to micromanage.

Securing necessary funding is part of a viable budget. Examining financial statements regularly, comparing actual figures to the projected ones, allows the Board to verify that the general guidelines stay on track. The Board should question any major variances.

Overseeing the Federation's Legal Obligations: The Board of Directors is responsible for ensuring that any and all legislated requirements regarding financial reporting mechanisms, are followed and that reports are completed and submitted on time.