

# **Governance Policy Manual**

**SOUTH CENTRAL COMMUNITY FUTURES  
DEVELOPMENT CORPORATION**

# **Introduction and Overview of Governance Policy Manual**

Board leadership requires, above all, that the Board lead through the development of vision. To do so, the Board must first have an adequate vision of its own job. The Policy Governance approach provides a powerful framework for structuring this task. Following this approach, the Board can free itself from unnecessary, time-consuming involvements and focus on the real business of governance: creating, sustaining, and fulfilling a vision.

The Policy Governance Model, in brief, reduces or eliminates meaningless Board and committee work, trivia, Board interference in administration, staff manipulation of the Board, unclear evaluation criteria, and role confusion.

Policy Governance emphasizes vision and values, the empowerment of both Board and staff, and the strategic ability to lead leaders. Because policies dominate all organizational life, they are the most powerful way a Board to exercise leadership. Using the Policy Governance approach, Boards lead by establishing policy in four areas. As a total system they encompass all expressions of Board wisdom; the policy categories are: Ends, Executive Limitations, Board-Executive Relations, and Board Process.

## **EXECUTIVE LIMITATIONS**

While the Board prescribes what ends (what results for whom at what cost) it wants to achieve, it only sets limits on the means with which the staff operates. These limits are principles of prudence and ethics that form a boundary on staff practices, activities, circumstances and methods. In Executive Limitations policies, the Board states clearly what the Board will *not* allow, but it is otherwise silent regarding staff actions. This empowers staff to use their full creative powers but at the same time safeguarding against potential abuses, enabling the Board to concentrate its energies on ends issues.

## **BOARD-STAFF LINKAGE**

In addition to providing the Community Futures Development Corporation with a vision and defining what constitutes inappropriate staff practices, the Board must set policies about how it relates to staff for example, its view of the Chief Executive Officer's role, and how it will assess staff performance. The Policy Governance model envisions the Chief Executive Officer as a link between the Board and the staff. In essence, the Chief Executive Officer is the Board's only employee. The only specific duty of the Chief Executive Officer is to be accountable to the entire Board for the performance of the Community Futures Development Corporation; on how well the Board's ends are being met and the limitations not violated. This maintains accountability while allowing the Chief Executive Officer a great deal of latitude to act and to empower others to act.

## **GOVERNANCE PROCESS (The Board's Job)**

The Board must also set policies for its own internal workings, how meetings will be conducted, what topics will be addressed, the role of officers and committees, how the Board will discipline itself. An effective design of Board process ensures that the Board fulfil its three primary responsibilities:

1. Maintain links to the ownership, that is, a grouping that is equivalent to stockholders in an equity corporation. For a community Board, for example, community members are the owners.
2. Establishing the four categories of written policies as defined by the Policy Governance approach, so that everything the Board has to say is included in their encompassing framework.
3. Assuring executive performance. These are areas in which the Board, and only the Board, must assume full responsibility. By setting clear Board Process policies the Board develops a consistent plan for *how* it will operate compelling it to remain focused on the critical challenges of providing vision and leadership.

Except for what belongs in bylaws or enabling statutes, these categories of Board policy are exhaustive, that is, they contain everything the Board has to say about values and perspectives that underlie all organizational decisions, activities, practices, budgets, and goals. These policies are succinct and few.

Policy Definition: Policy is a value- or philosophically-based guide for discretionary action and serves to prescribe the ends and limit the means.

## ENDS

The Board's most important job is to devise a mission and related statements that clearly set out what the desired *results or outcomes* the Ends of the Community Futures Development Corporation's actions are to be. What needs are to be met, for whom, and at what cost including, but not limited to the mission statement, Board-generated ends are further defined at all levels of organization. They comprise the organizational vision. The Board leaves it up to the staff to decide on the means by which to achieve these ends and evaluates staff performance based on how well the *results* of the Community Futures Development Corporation's actions match the desired ends.

## MANUAL USAGE AND LINKAGES:

**This manual is intended to provide a current and up-to-date policy framework for the operation of the SCCFDC. In its application, it is intended to clearly define the outcomes the Board intends to achieve and how it enables the policy directives to be delivered in the community. The Manual is structured to be read as a set of guidelines and must be taken as a whole. All other SCCFDC work plans, operating polices, and procedures are intended to align with and support the policies in this document.**

**Section 3**

**Governance Policies**

## Governance Policies

<b>Policy: GP – 1 Governance Process Overview</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: November 25, 2010

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- .1 The Purpose of the Board is to “Govern” the South Central Community Futures Development Corporation to achieve what it should (ends) while acting prudently and lawfully.

## Governance Policies

<b>Policy: GP – 2 Governance Process</b>	Date Approved: March 4, 2004
Type: Governance	Review Date: November 25, 2010

- .1 In order to preserve the integrity and the public confidence in the corporation, members of the Board charged with any offence under *The Criminal Code of Canada* or other statutes dealing with criminal offences shall, subject to the review provided herein, be immediately suspended from the Board of the corporation and shall not participate in any of the decision making processes of the Board.
- .2 At its first regular meeting after the suspension of a member charged with a criminal offence, the Board shall review the suspension and the Board may, if the Board deems it is in the best interests of the corporation, revoke the suspension of the member without waiting for the resolution of the charge.
- .3 The suspension, subject to the review provided for herein, shall continue until the charges against the member are resolved. If the resolution is favourable to the member, the member shall immediately be reinstated to full membership. If the resolution is unfavourable to the member, the member shall immediately be terminated as a member of the Board.

## Governance Policies

<b>Policy: GP – 3 Governance Process</b>	Date Approved: March 4, 2004
Type: Governance	Review Date: November 25, 2010

- .1 Upon becoming aware that an employee has been charged with a criminal offence, The Board shall, at its next regular meeting, review the employee's status and either:
  - .1 suspend the employee, with or without pay, if the charge is such as may damage the public perception of the integrity and honesty of the employee in performing his/her duties or which otherwise may impair the public image of the corporation.
  - .2 terminate the employee, with or without notice, if the charge is such as impugns the honesty and integrity of the operations of the corporation.
  - .3 do nothing if the charge itself will not cause any damage to the image of the corporation or to its operations.

## Governance Policies

<b>Policy: GP – 4 Governance Process</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: November 25, 2010

The Board will govern respectfully, in keeping with its code of ethics, provide leadership, plan pro-actively, strategically and act collectively and in a timely manner, while encouraging diversity of thought, candid discussion on all matters derived from its approved monitoring and variance reports and the operations of the Corporation.

## Governance Policies

<b>Policy: GP – 5 Board’s Job Description</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: December 10, 2010

- .1 The role of the Board is to represent community economic development interest of the Region as reflected in the Contribution agreement and funded by the Federal Government through the Department of Western Diversification, and the management of the Small Business Loans Agreement, to ensure appropriate SCCFDC performance in the matters that come before it as contained in its Ends Policies.
- .2 The Board’s Fiduciary responsibilities require that it act prudently and manage the trust on behalf the “owners” and other stakeholders of the Corporation, which for the purpose of this policy include businesses involved in the creation of jobs, businesses and wealth through community economic development within the Region.
- .3 Using timely accurate information, the Board will engage successful business leaders, financial leaders, economic development authorities, young entrepreneurs and Small Business Development Graduates, and Provincial officials, providing, sharing and soliciting information and linkages to further enhance the mandate and opportunities of SCCFDC

## Governance Policies

<b>Policy: GP – 6 Categories of Board Policies</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: December 10, 2010

The Board will be a “Policy Board” as generally represented in the following model and will produce written polices that, at the broadest levels address each category of organizational decision.

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- .1 Ends: The Board defines which economic and community development needs are to be met, for whom, and at what cost. From a long-term perspective, these written, mission related policies embody the Board’s long-range vision.
- .2 Executive Limitations: The Board establishes the Boundaries of acceptability for organizational means within which staff methods and actions can responsibly be left to staff.
- .2 Board-Chief Executive Officer Linkages: The Board clarifies the manner in which it delegates authority to the Chief Executive Officer as well as how it evaluates Chief Executive Officer performance against the provisions of the Ends and Executive Limitations policies.
- .4 Governance Process: The Board determines its philosophy, accountability, and specifics of it own job. The effective design of its own board processes ensures that the Board will fulfill its duties.

## Governance Policies

<b>Policy: GP – 7 Assure Chief Executive Officer Performance</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: December 10, 2010

The Board will assure organizational performance through the Chief Executive Officer by:

- .1 Negotiating an annual work plan with the Chief Executive Officer that is presented to the Board by the end of January each year and based on the Board's Mission and Ends policies.
- .2 Assess the Chief Executive Officer's performance against the Ends and Executive Limitations every April.

## Governance Policies

<b>Policy: GP – 8 Board Officers</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: December 10, 2010

The Board will elect officers to hold office for one year as follows:

- .1 The election to be held annually at the SCCFDC annual meeting.
- .2 Elect from its membership an executive composed of a Chairperson, First Vice Chairperson, Second Vice Chairperson.

## Governance Policies

<b>Policy: GP – 9 Executive Board Members responsibilities</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: January 27 <sup>th</sup> , 2011

.1 The Chairperson is responsible for the management and assurance of integrity in the Board process and where directed, occasionally represents the Board.

.2 The Board Chairperson's authority is limited to making decisions that fall within the areas and subject matter contained in Board policies on Governance Process and Board Chief Executive Officer linkages, except where the Board specifically delegates portion of this authority to others.

.3 The chairperson is expected and authorized to use any reasonable interpretation of these policies.

.4 The Chairperson is authorized by the Board to Chair Board meetings, within the normally accepted procedures and bylaws.

.5 The Executive members are approved by the Board to perform specific duties as follows:

.1 First Vice Chairperson:

- .1 Act as Chairperson in the absence of the elected Chairperson.
- .2 Be a signing officer of SCCFDC

.2 Second Vice-Chairperson:

- .1 Act as Chairperson in the absence of the elected Chairperson and First Vice Chairperson.
- .2 Be a signing officer of the SCCFDC.

## Governance Policies

<b>Policy: GP – 10 Chairperson and Chief Executive Officer</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: Jan 24/11

- .1 The Chairperson has no authority to supervise or direct the daily activities or operations or any employee or the Chief Executive Officer.
- .2 The Chairperson may delegate the position authority but remains accountable for its use.
- .3 The Chairperson may represent the Board to outside parties and organizations in confirming Board positions or as a Board process representative as authorized by the Board.
- .4 The Board Chairperson will behave and operate in such a manner as to ensure:
  - .1 Meeting and discussion content will be only those issues that clearly belong to the Board to decide (not the Chief Executive Officer).
  - .2 Board meetings will be fair, open, timely, orderly and thorough, while efficient.

## Governance Policies

<b>Policy: GP – 11 Code of Conduct for Board members.</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: Feb 24/11

### CODE OF CONDUCT - Board Members

The Board commits itself and its members to ethical, responsible, and lawful conduct including the proper use of authority and appropriate decorum when acting as Board members.

- .1 To devote time, thought, and study to activities, duties and responsibilities of a SCCFDC Board member.
- .2 To work with fellow Board members in a spirit of harmony and cooperation in spite of differences of opinion that may arise during debates.
- .3 To publicly support the decisions of the majority of the Board and if dissenting, work for change within the normal Board structure and process and not revisit or bring forward the issue of dissent for discussion or reconsideration of Board decisions on the matter without significant change in circumstances or new information.
- .4 Avoid conflict of interest with respect to their fiduciary responsibilities including:
  - .1 Not using their position to obtain employment or favour for themselves or members of their family. To do so will require a resignation first.
  - .2 Disclosure of their involvements with other organizations or associations that might produce a conflict
  - .3 Absent themselves from decision items in which they have a real or perceived conflict of interest.
- .5 To base decisions upon all available facts in each situation: to vote honestly, avoiding partisan bias or interests in advocacy or interest groups of any kind; and to abide by and uphold the final majority decision of the Board.
- .6 A Board Member has no legal authority outside the meetings of the Board. All business with the SCCFDC staff, clients, and media shall be conducted accordingly. Interaction with the Chief Executive Officer and staff recognize the lack of authority vested in individuals except where specifically authorized by the Board

- .7 Members will give no consequence or voice to individual judgements of the Chief Executive Officer or staff performance.
- .8 To accept that the primary function of the Board is to establish the policies by which the SCCFDC is to be administered, but that the delivery and administration of the programs of SCCFDC business shall be delegated to the Chief Executive Officer of the SCCFDC and through the Chief Executive Officer to the appropriate staff.
- .9 To support co-operative initiatives of Community Future's Organizations when it promotes Community Futures within the Province.
- .10 To strive to create ideal conditions for the most effective SCCFDC Board service to the Region.

## Governance Policies

<b>Policy: GP – 12 Board Committees</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: Feb 24/11

The Board will, wherever possible work as a whole. When committees are required, they will be mandated so as never to interfere with the delegation from the Board to the Chief Executive Officer and will be involved in doing Board work. The principles for Board Committees are:

- .1 Board Committees are to help the Board do its job.
- .2 Board Committees do not exercise authority over the Chief Executive Officer or Staff.
- .3 Board committees help create policy. They are not used to monitor performance of policy that is the job of the Board.
- .4 Boards used committees sparingly.

## Governance Policies

<b>Policy: GP – 13 SBLA Committees</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: March 24/11

The Board shall appoint three members to each Small Business Loans Committee within the Region. The meetings shall:

- .1 Be called at the pleasure of the Chairperson.
- .2 Held in person or by Tele-conference.
- .3 Make decisions based upon a quorum of 50% + 1.
- .4 Have accurate minutes of Committee decisions recorded and reported as a monitoring report to the Board of SCCFDC.

## Governance Policies

<b>Policy: GP – 14 SBLA Committee Guidelines.</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: March 24/11

The SLBA Committee shall approve or decline loans applying the following guidelines:

- .1 Disqualify requests for Working Capital, Direct farming, Exploration, Charity, Residential Real estate, Pyramid sales.
- .2 Maximum loans will not exceed \$20,000.
- .3 Split decisions are declined requests.
- .4 Sask. Economic Development criteria as from time to time amended will be used for evaluation.
- .5 Committee members, the Business Development Officer and the Chief Executive Officer will have signing authority for SBLA accounts.

## Governance Policies

<b>Policy: GP – 15 Board Maintenance.</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: March 24/11

The Board will ensure that the Region is represented equitably through the recruitment of competent and committed members as defined by the following Board membership selection criteria that includes:

- .1 Time to attend Board meetings and do Board work.
- .2 Sufficient energy and commitment to do Board work.
- .3 An interest in Provincial and Regional Community and Economic Development.
- .4 Knowledge of the Region and the principles of Community and Economic Development.
- .5 Regional interests.
- .6 Representative of the sectoral, demographic, ethnic, and geographic interests of the Region.
- .7 Ex-Officio members will be afforded all rights and voting privileges of regular members of the Board

## Governance Policies

<b>Policy: GP – 16 Board Self-Regulation.</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: March 24/11

The Board will manage itself and its members including the removal of members who:

- .1 the Board believes that regular attendance by members of the board at meetings of the board are important for thoughtful and effective decision making.
  - .1 The Chair of the Board shall not, when a member has failed to attend three consecutive regular meetings of the board, fail to
    - .1 advise the board at the next regular meeting of the board of the status of that member, if the member is not present at that meeting.
    - .2 contact non-attending member, after advising the Board of the status of the non-attending member, to ascertain the reasons for the non-attendance and the non-attending members interest in continuing to serve as a member of the Board.
    - .3 advise the Board of the results of the discussion with the non-attending member at the next regular meeting of the Board
  - .2 At the regular meeting where advised by the Chair of the Board of the results of the discussion with the non-attending member, the Board shall not fail to either:
    - .1 remove the non-attending member from the Board, or
    - .2 accept the non-attending member's reason for not attending and fix a period after which such member's position should be reviewed using the process set out in subparagraph .1.1.2 above or
    - .3 grant the non-attending member a leave of absence from the Board for a fixed period of time.
  - .3 A member granted a leave of absence under subparagraph .1.2.3 shall not
    - .1 during such period cease to be a member of the Board, and

.2 be permitted to vote on any decisions of the Board

.3 be removed from the distribution list for Board meetings packages and minutes.

.4 fail to become a full regular member of the board after the expiration of the period.

.4 upon return of a member granted a leave of absence under subparagraph.1.2.3 to full membership. All provisions hereof shall apply to such member.

- .2 Do not perform their duties and responsibilities or act in a constructive and positive manner in relation to attitudes, behaviours, and full commitment to the SCCFDC and its Board or Directors, and who are asked to resign by 2/3 of the full membership of the Board
- .3 Do not comply with the Board's Code of Ethics.

## Governance Policies

<b>Policy: GP – 17 Board Development</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: March 24/11

The Board will invest in its own development. To not do so will cost the Board, time, money, and effort and create undue risks and hardship for individual members. Investment in education, Training and skill development will occur in the following areas:

- (1) Governance.
- (2) Work planning and review.
- (3) Board and self-evaluation.
- (4) Financial and Business reports, plans and practices.
- (5) Economic and Regional Development.

<b>Policy: GP – 18 Board Development</b>	Date Approved: Feb 05/07
Type: Governance	Review April 28 <sup>th</sup> , 2011

The Board in the interests of its own development will invest in education; through the creation of updated awareness based on the following schedule and will occur in the following areas:

<b>ORGANIZATION</b>	<b>TIMING</b>
Western Economic Diversification #2	September/07
Chamber of Commerce (Provincial)	TBA
Sask. Small Business Federation #1	May/07
SARM/SUMA #3	Jan/08
REDA's	TBA
Sask. Water	TBA
FSIN and Native AGDEV Corporation	TBA

Prior to each meeting with the officials of these agencies, the Board will have prepared a specific set of questions and/or expectations to be provided to the officials. The objective is to clarify the Corporations interests in how their various programs, initiatives, and research provides meaningful information to inform the Board's change policies and intervention initiatives to improve community economic development.

## Governance Policies

<b>Policy: GP – 19 Board Reimbursement</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: April 28 <sup>th</sup> , 2011

- 1) The South Central Community Futures Development Corporation shall compensate members of the Board for out of pocket expenses and actual and reasonable costs for the time they devote to Board Business.
- 2) A board member who has been appointed to represent SCCFDC on an outside Board or Committee or who has been appointed to represent SCCFDC in another organization which does not pay expenses shall have their expenses paid by SCCFDC in accordance with usual expense reimbursement policies.
- 3) A board member who has been appointed to represent SCCFDC on an outside Board or Committee or who has been appointed to represent SCCFDC in another organization which pays an honorarium, the funds paid shall be paid to the board member for his sole use

## Governance Policies

<b>Policy: GP – 20 Board Reimbursement</b>	Date Approved: April 24, 2004
Type: Governance	Review Date: May26th, 2011

- .1 The Board will establish, and from time to time amend, honoraria for Board members.
- .2 The Board may claim Honoraria in the amount of \$100 for each regular meeting plus six other official approved meetings per year.
- .3 The Board Chair may claim Honoraria in the amount of \$125 for each regular meeting plus six official approved meetings per year.

## Governance Policies

<b>Policy: GP – 21 Travel</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: May26th, 2011

- .1 The Board **members of the SCCCFDC are required to travel in the normal course of their business. They authorized to attend the following:**
  - .1 All regular and special Board meetings.**
  - .2 Chairperson and one other Board member to Community Futures Partners meetings.**
  - .3 Two Board members to the SEDA annual conference.**
  - .4 Two Board members to Sask. Community Futures Annual Conference.**
  - .5 Any other Board and Committee meetings, conferences, conventions, or learning seminars as approved by the Board.**
- .2 Reimbursement of Board members for travel expenses shall be based upon the Federal Treasury Board rates as from time to time amended:
- .3 Claims for remuneration under this policy shall be made as follows:
  - .1 On each occasion a Board member incurs expense and/or travels under this policy to be paid as soon as practicable after receipt of the claim.

## Governance Policies

<b>Policy: GP – 22 Independent Board Audits and Reporting.</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: May 26 <sup>th</sup> , 2011

**.1 The Board shall call for and cause to be delivered, independently and directly to the Board, such audits in matters of operations, policies, and financial management as it deems fit.**

## Governance Policies

<b>Policy: GP – 23 Board Recognition.</b>	Date Approved: Feb 22/01
Type: Governance	Review Date: May 23 <sup>rd</sup> , 2011

- .1 The Board will recognize its members as follows:
  - .1 All past SCCFDC Board members who have attended a minimum of six Board meetings will be included on a plaque.
  - .2 A certificate of recognition will be presented to all Board members upon resignation from the Board.
  - .3 Those who have served on the Board for two years or more who resign be presented with a plaque.

## Governance Policies

<b>Policy: GP – 26 Personal Information Protection and Electronic Documents Act</b>	Date Approved: July 24/04
Type: Governance	Review Date:

- .1 The Board recognizes Policy: EL - 24 “Personal Information Protection and Electronic Documents Act” and has adopted and fully implemented a “Code for the Protection of Personal Information”.
- .2 The Board shall appoint a Privacy officer and will ensure that if the office is vacated for any reason that a new Officer is appointed to fill the position as soon as is reasonably possible.