



# Board Orientation/Governance Package

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## DEFINITIONS

<b>AGM</b>	Annual General Meeting held pursuant to the Canada Not-for-profit Corporations Act
<b>AOP</b>	The Annual Operating Plan produced by the GM, with input from the Board, which describes the work that Community Futures Boundary will undertake to deliver on the strategic plan during a calendar year
<b>Auditor</b>	The chartered professional accountant appointed annually in accordance with the Bylaws.
<b>Board</b>	Governing body of CFB
<b>Board members</b>	Directors (elected and appointed in accordance with the By-laws)
<b>Board record</b>	recorded information which is created by or for the Board, which may include, but is not limited to: meeting agendas, meeting minutes, any personal notes related to the meeting or agenda, briefing notes, reports, summaries, and policies
<b>Budget</b>	Annual budget of Community Futures Boundary
<b>By-laws</b>	Rules governing Community Futures Boundary created pursuant to the Canada Not-for- profit Corporations Act
<b>CED</b>	Community Economic Development
<b>CFB</b>	Community Futures Development Corporation of the Boundary
<b>BEH</b>	Boundary Enterprise Holdings
<b>GM</b>	General Manager of CFB
<b>Social media</b>	refers to online tools that provide individual users and/or organizations with the ability to create and share content with online communities. This could include, but is not limited to Facebook, Twitter, Video/Photo sharing sites (i.e., Instagram, U Tube, Blogs, etc.)

## INTRODUCTION

### Background

Community Futures Development Corporation of the Boundary Area (CFB) is a non-profit incorporated community economic development agency founded in 1992. CFB operates from an office located at 1647 Central Avenue, Grand Forks, B.C. serving the Boundary Region. This vast service region includes the communities of Christina Lake, Grand Forks, Greenwood, Midway, Rock Creek, Bridesville, Westbridge, Beaverdell and Big White.

CFB is part of a large network consisting of **34** offices in British Columbia and **267** offices across Canada. Each Community Futures is an umbrella agency focused on building local capacity as a means of facilitating growth from within communities. Community Futures' are locally autonomous, non-profit organizations made up of community volunteers who, together with their professional staff, are actively engaged in helping their communities develop and implement community-based economic development strategies. Core Funding is provided through Pacific Economic Development Canada (PacifiCan).

CFB's program delivery consists of 3 focus areas:

1. Loans Program
2. WorkBC (Employment Services)
3. Community Economic Development

### Purpose of this Manual

CFB's **Board Orientation/Governance Package** has been developed on the basic principles of policy governance. The Board of Directors sets policies, delegates' implementation, and monitors the results.

The purpose of this manual is to serve as a comprehensive orientation guide and reference for all board volunteers and management on governance policies. The policies are continuously reviewed by the Board of Directors and the manual is updated accordingly. The policies recognize that the role of the Board is to give strategic leadership to the organization by setting

policy and direction, and monitoring organizational performance while delegating administrative responsibilities to the GM.

The Board Orientation/Governance Package is supplemented by CFB's Staff Policies and Procedures manual, the principal written document by which the GM directs the operations of the organization. Both manuals are reviewed by the Board as needed.

CFB's Financial and Performance Reports can be found at [www.boundarycf.com](http://www.boundarycf.com)

## Mission Statement

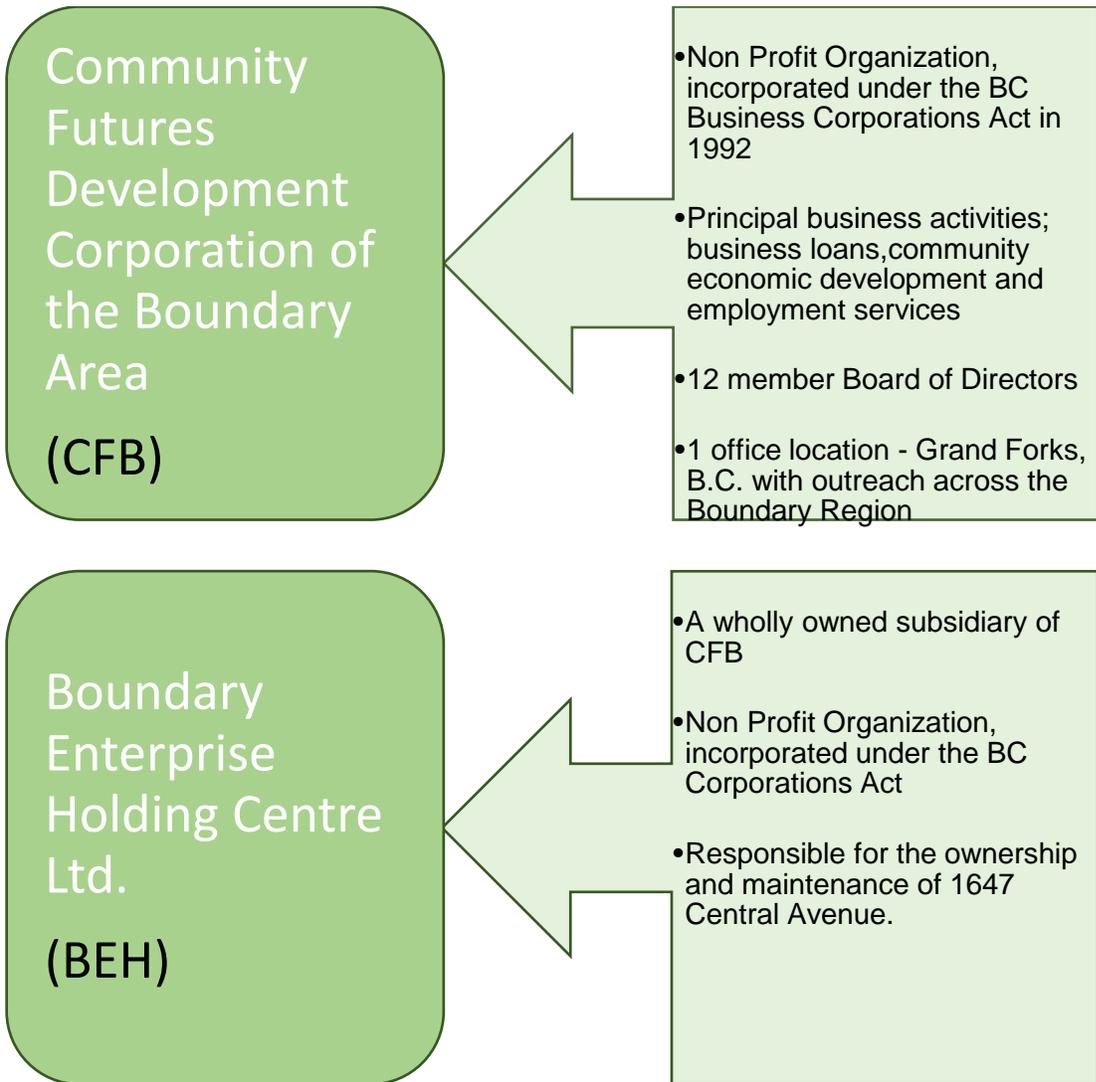
“Community Futures Boundary is a community driven organization comprised of business savvy individuals and governed by a volunteer Board of Directors. We have a passion for working with budding entrepreneurs, existing business, and local community partners.”

## Vision and core values

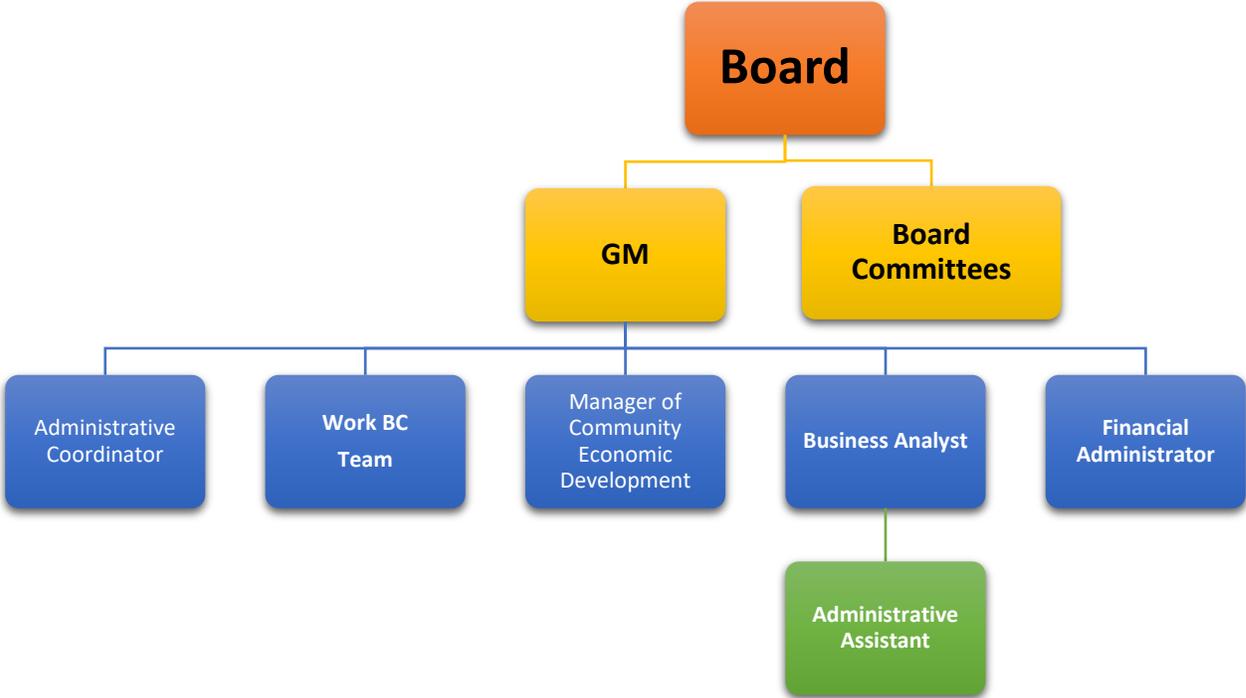
CFB's core values of teamwork, accountability, communication, innovation, performance and spirit are the guiding principles of the organization. CFB's purpose is to:

- Promote and contribute to the development of a sustainable and diversified regional economy
- Encourage and facilitate the cooperation and participation of stakeholders and government for the creation and maintenance of a positive economic climate for business and community
- Provide direction and/or improve the skills and abilities of the local labour force so that it may compete in a complex and changing economy
- Maintain a quality system that ensures a standard of excellence in all programs and services.
- Encourage new approaches in delivering quality services by supporting staff and board development

## Organizational Structure



# CFB Organizational Flow Chart

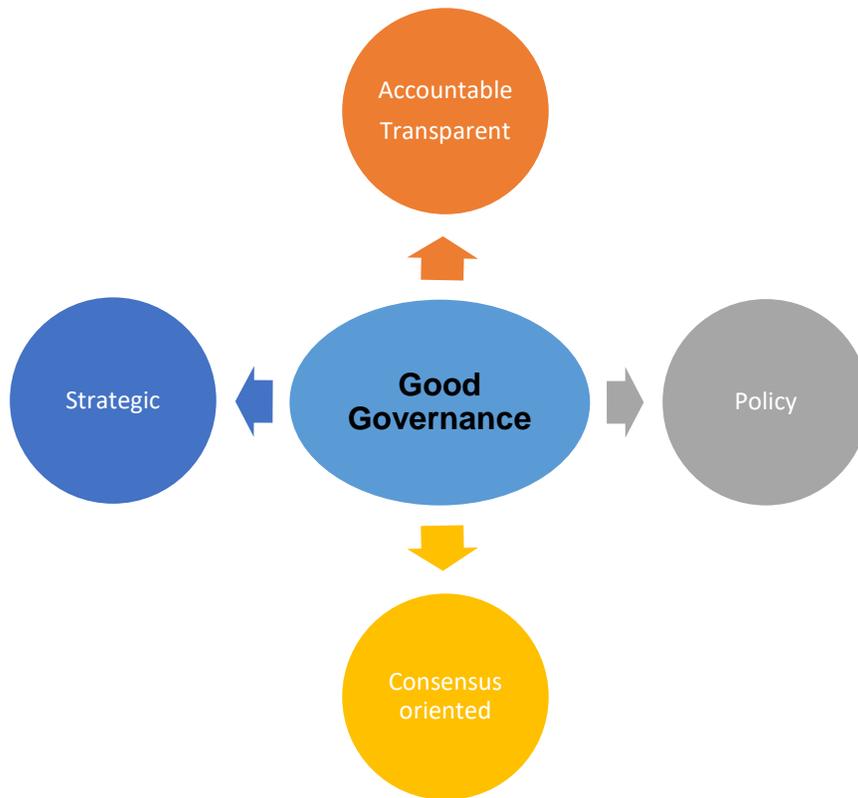


## Governance Model

A Board of Directors is a legal requirement of a non-profit organization. The primary role of the Board is governance, meaning that in its leadership capacity, the Board guides the achievements of the organization by making high level decisions, providing strategic direction and ensuring appropriate financial and risk management. The Board is also responsible for hiring and providing direction to the GM.

In this spirit, the Board will:

1. Focus its involvement with strategic planning and leadership decisions that benefit the long-term impacts of the organization, not with administrative detail.
2. Direct and inspire the organization through careful deliberation and establishment of policies that reflect the values and priorities of CFB.
3. Speak with one voice.
4. Be accountable and transparent for its obligations as a governing body.



## Transparency

CFB's Board is accountable to our communities, funders, stakeholders and to the Community Futures network to meet or exceed expectations, while reflecting our core values. In keeping with the expectation of transparency, the following shall be available on CFB's website:

- Audited Financial statements (past 3 years)
- Current list of board members, along with photos, community they reside in, and a brief profile
- Board Recruitment and Nomination Process
- Annual Reports (past 3 years)
- Notice of next AGM

## Annual Cycle

The following represents the annual cycle for key dates and board activities:



# ROLE OF THE BOARD

## Guiding Principles

1. The Board will focus its energy and dedication on effective governance via high level decisions and strategic planning, rather than the details of daily activities.
2. All managerial and administrative authority is delegated to the GM.
3. Annually, the Board will approve the operating budget, consistent with the priorities defined in the Strategic plan.
4. The Board will ensure transparency, accountability and integrity.

## Responsibilities

The Board provides governance, and has fiduciary oversight of the organization. The Board sets the strategic direction for the organization, adopts sound, ethical and legal governance and financial management policies. Ultimately, the Board accepts legal responsibility and accountability for the organization's actions.

In order to achieve CFB's mandate, the Board must have current and effective corporate governance practices that reflect best practices and take into consideration CFB's values and culture of community engagement.

It is an expectation that all board members:

- Participate in board training as required
- Act as a resource to the GM
- Familiarize themselves with the organization's mandate, strategic plan, policies, and financials
- Participate in monthly board meetings. Attend at least 80 % of board meetings. If more than 3 consecutive meetings are missed, the Board Chair will initiate discussion regarding the ongoing interest and ability to continue as a Board member.
- Attend training as required
- Volunteer time for special projects and community events
- Actively participate at a committee level as required
- Act as an ambassador for CFB

## Terms

The Board of Directors is comprised of a maximum of 15 volunteers who act on behalf of businesses and residents of the Boundary Region.

Directors are elected annually at the AGM. Officer Terms will be for a one (1) year period, with the exception of the Chair and Vice Chair who will have 2 year terms. The maximum tenure of Directors is nine (9) consecutive years.

## Roles

The **Board Chair** is the leader of the Board, and is responsible for:

- Ensuring the integrity and effectiveness of the Board's governance role and processes through leadership, modeling of good governance, maintaining good relationships with board members and encouraging full Board participation
- Presiding at board meetings and the Annual General Meeting in accordance with Roberts Rules of Order
- Representing the Board within the organization and to external stakeholders
- Representing CFB at various functions and events where the presence of members of the Board would enhance the organizations' profile
- Acting as spokesperson for CFB to the media when required
- Acting as a signing officer
- Providing support and guidance to the GM

In the absence of the Chair, the **Vice Chair** will perform the duties and responsibilities of the Board Chair. The Vice Chair will assist the Board Chair in ensuring that the Board operates in accordance with its policies. The Vice Chair shall be an alternate or 2<sup>nd</sup> signing officer.

The **Secretary's** primary role is to ensure records of board meetings are maintained and safely stored in accordance with CFB policies and procedures. The Secretary will also:

- Ensure Minutes of Board meetings and any related correspondence be accurately maintained
- Act as a signing officer

- Carry out the duties and responsibilities of the Chair if the Chair or Vice-Chair are not available

The **Treasurer** provides financial management oversight:

- Reports on the financial affairs of the organization
- Acts as a signing officer
- Conducts periodical reviews and recommends changes and/or additions to existing procedures for financial controls
- Prepares an annual financial report and presents it at the Annual General Meeting
- Carries out the duties and responsibilities of the Chair should that individual, the Vice Chair or the Secretary not be available

## Recruitment Process

In order to be effective and fulfill their fiduciary duties, the Board must be comprised of individuals who collectively bring to the table a diversity of skills and perspectives, and who represent the entire Boundary region. While previous experience as a Director is not required, it is important that candidates understand the roles and responsibilities of a Board director and have the necessary experience and demonstrated skills to enable them to contribute to Board decision making and oversight.

Board members shall be residents of the Boundary Region (Christina Lake to Big White). Collectively, the Board should reflect the economic, geographic and social diversity of the Boundary Region and have the following core competencies:

- Strategic management and organizational change
- Operations
- Internal control and accounting
- Communications
- Non-profit sector administration
- Human resources
- Risk management
- Financial expertise

- Legal expertise
- Small Business Experience

As well, Board members should have knowledge of:

- Government and the non-profit sector environment
- Current and emerging issues affecting the organization and its industry or sector
- The geographic area served by CFB

The GM, having the most intimate knowledge of the organization, can provide valuable assistance to the Board by helping assess the organization and board's current needs, identifying valuable prospects and providing unbiased recommendations.

Potential Board members may be identified by the existing Board of Directors, GM or where unsolicited any resident of the Boundary Region may apply:

1. An information package will be provided to interested individuals by a Board member or the GM.
2. The application is completed and returned, accompanied by a current resume (if available), for review by the Board.
3. If the applicant is successful, s/he will attend 3 Board meetings before being requested to indicate their intention to be a member of the Board. During this period, the Board will determine whether the candidate is a good fit for the organization and a potential board position.
4. The final decision of acceptance or not is presented to the board for a vote. Voting on new board members usually takes place at the AGM.
5. The Board reserves the right not to invite the candidate to join the Board after three board meetings.
6. All newly elected board members will receive an orientation and Board specific professional development regardless of previous board experience.

## Code of Conduct

The effective governance of CFB is contingent on Board members fulfilling their roles and responsibilities with the highest standards of ethical conduct. The following sets out minimum standards of ethical conduct expected of all Board members:

- Be aware of your relationship to the community in all social media disclosures
- Represent the broader interests of the organization
- Bring the perspective of Boundary Region residents and businesses to the affairs of the organization
- Respect the confidentiality of information
- Disclose one's involvement with other organizations, businesses or individuals where such a relationship might be perceived as a conflict of interest
- Once a board decision is made, support the decision even if one's own view is a minority one
- Be an advocate for the organization and its mission wherever and whenever the opportunity arises in your own personal and professional networks
- Respect Management's authority for staffing and day to day operations
- Keep contributions to discussions respectful, positive and constructive
- Be adequately prepared for all meetings

## Confidentiality

All Board members are required to sign a confidentiality agreement. Under no circumstances are Board members to discuss and/or divulge any information in regards to:

1. Client Information
2. Specific information in regard to staff (employee performance, compensation or other personal information)
3. Any contracts under negotiation
4. Legal action and/or litigation

## Compensation

All positions on the board are volunteer. Where applicable, direct expenses associated with Board member activities for the organization will be reimbursed.

## Risk/Asset Management

Directors are not paid for their work; however, this does not absolve directors from being liable for any decisions and actions made. Directors of CFB accept responsibility for the organization's administration, assets, liabilities, contracts, and overall policies.

The main areas of legal risk are:

- *Funds* – a Director must be satisfied that an adequate system exists for the control of all funds
- *Wages* – a Director can be personally liable for unpaid staff wages should the organization become insolvent
- *Negligence of Staff* (for example, in operating a motor vehicle or negligent maintenance of premises) – requires that a Director is confident there is adequate insurance in place
- *Contracts* – a Director must ensure the By-laws clearly define who can commit the organization to expenditures and obligations under contracts
- *Disclosure of Interest* – a Director must disclose any conflict of interest, whether direct or indirect in a proposed contract or transaction
- *Assets* – a Director should be satisfied there is insurance to cover the buildings and equipment of the organization
- *Delegation* – a Director may delegate authority to staff but cannot delegate responsibility
- *Fulfilling Government Requirements* – a Director can be liable for non-compliance with government regulations

## Indemnity/Liability

CFB carries Errors and Omissions Insurance. Directors will be indemnified by CFB against personal liability resulting from their acts or omissions as a Director, provided that they acted honestly in good faith in the best interests of CFB.

## MEETINGS

Board meetings are held monthly (Except for July and Aug) – approximately 10 times a year. Meetings are scheduled well in advance and are held at Community Futures Boundary office in Grand Forks, and/or via zoom. All staff are welcome to attend board meetings, and from time to time may be asked to make presentations about a particular program or new initiative. In addition, committee meetings occur on an as needed basis.

Directors are required to prepare for Board and Committee meetings. Material related to the agenda will be available to Board members with adequate lead time for preparation. Board members must have sufficient flexibility to maintain an excellent attendance record at all scheduled meetings and to attend the occasional special meeting.

No business shall be transacted at any meeting of the members unless a quorum is present at the commencement of and throughout the meeting.

- The Board is the sole authority over its agenda. The Chair will exercise this control on behalf of the Board, though any Board member with a majority agreeing can add or delete business from the agenda. Any hardcopy information from board meetings will remain with the GM for disposal.
- Board meetings may include invited guests and/or staff.

### Annual General Meeting

The AGM is an important legal and symbolic event held annually in June.

### In-Camera

Following any regular board meeting, the Board may wish to meet “in-camera”, a private and confidential meeting with only Board members in attendance. Allowances can be made to include any party the Board requires to be present for specific issues being discussed. The Board Chair shall communicate with the GM any relevant matters raised during the in-camera portion of the meeting.

## Attendance

All Board Directors are expected to attend all Board meetings and all meetings of the committees to which they are appointed. It is recognized that directors may be unable to attend some meetings due to conflicts with other commitments or unforeseen circumstances. If a Board Member is unable to attend in person, arrangements may be made to attend via other means such as teleconference. It is incumbent upon Board members to advise the GM or the Chair of a committee when they are unable to attend.

## Committees

The Board has established a small number of committees to focus on areas that are integral to governance and operations. The Board may from time to time re-evaluate the ongoing need, or form other ad hoc committees for a short period of time to work on specific issues or tasks. Currently, the following committees exist:

- Finance and Audit
- Loans and Lending
- Human Resources
- Executive Committee

## HUMAN RESOURCES

Structurally, the board has only one employee, the GM, who is responsible for all other staff. Staff do not sit on the board, however past staff may be involved at a board level. The GM reports directly to the board of directors, and the board is responsible for all aspects of the relationship including;

- Selection and hiring
- Support and performance management
- Setting compensation
- Evaluation process
- Succession planning and replacement

The HR committee is tasked with providing recommendations to the board regarding the recruitment and appointment of the GM and the compensation philosophy of the organization.

The HR committee will lead the search or succession planning process. The selection process will start with an analysis of the organization's strategy and its operating environment in order to determine what skills and experience the organization requires. A careful consideration of the organizations current environment and its future plans will set out the skills and experience required. While the HR committee may make its recommendation to the Board, the final hiring decision must be made by the board as a whole. The Board is then responsible for overseeing the communication of the decision throughout the organization and to its stakeholders, and mentoring the new GM as s/he assumes the role.

The evaluation of the GM is one of the key responsibilities of the Board and is carried out under the leadership of the HR committee Chair and the Board Chair. A formal evaluation process makes performance expectations clear for both the Board and the GM and provides an opportunity for open discussion. Performance is evaluated annually, however more frequent evaluations may be conducted. The main objectives of the GM evaluation process are to:

- a) Assess and reward the GM's past performance and establish the remuneration
- b) Set strategic objectives and goals for the GM for the upcoming year
- c) Strengthen Board/GM relations

Following the GM's annual review, the Executive Committee determines all matters relating to the GM's remuneration including bonus, if any.

### Staff and Volunteer Relations

The board is also responsible for overseeing the policy framework which governs all of the organization's human resources to further its HR strategy. Directors should understand what obligations and liabilities the organization has with regard to its employees and other service providers including volunteers and contractors, and should satisfy themselves that these obligations are being met.

Directors should refrain from initiating contact with employees without first going through the Chairperson and the GM.

## COMMUNICATIONS

In the interest of keeping Directors abreast of issues involving the organization, the Chair and GM will ensure that they receive relevant media and other communications on the organization's activities and business. Individual Directors will inevitably have informal communications with stakeholders, including staff members. In all these instances it is incumbent upon Directors to be explicitly clear that they are communicating in a personal capacity.

Communication between the Board and staff should be carried out with the recognition of the distinct reporting relationship between the Board and the GM as its only employee.

### Media/Social Media/Public Statements

The Board Chair and GM are the primary spokespersons for CFB. The Board speaks with one united voice; although each Director is an ambassador of CFB, no individual Director should speak on behalf of the organization. Directors will refer any requests for media interviews to the GM and Chair to ensure the most accurate and consistent information is shared with the public.

In instances where the issues are high profile or contentious, the Chair and GM will ensure that Directors receive key messages.

### Community Engagement

Directors are valued ambassadors of CFB, who are well positioned to establish and foster strong relationships through dialogue with stakeholders. The board is an important avenue to also bring ideas and concerns from the community at large for feedback into the ongoing planning of activities and strategic direction for the organization.

Directors will be required to participate in and act as official representatives of CFB at various events and meetings.