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#### Manual of

#### Board Policies

Approved by Board of Directors

June 20, 2012

## POLICY TITLE: MISSION STATEMENT

**Mission**

Capacity Canada exists to bring together the ideas, people and resources that drive social change

**Vision**

Changing lives through courageous community organizations

**Values**

Optimism

* Nurturing organizational cultures built on hope and the realizing of potential

Championing

* Being a leader and catalyst in advancing important social change initiatives

Entrepreneurship

* Using solid business practices to pioneer initiatives that lead to social change

Innovation

* Fostering the development of new ideas and approaches to move beyond what is to what could be

**Strategic Priorities 2012 -- 2016**

1. To build the permanency of Capacity Canada
2. To drive innovative solutions to social change opportunities and challenges
3. To build the leadership capacity of community organizations

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## POLICY TITLE: CAPACITY CANADA GOVERNING STYLE

The Board will approach its task with a style which emphasizes strategic leadership more than administrative detail, clear distinction of Board and staff roles, future rather than past or present, and proactivity rather than reactivity.

In this spirit, the Board will:

1. Focus chiefly on intended long term ends, not on the administrative or programmatic means of attaining those ends.

2. Direct, control and inspire Capacity Canada through the careful establishment of the broadest organizational values and policies.

3. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to attendance, policy-making principles, respect of clarified roles, speaking with one voice and self-policing of any tendency to stray from good governance.

4. Be accountable for competent, conscientious and effective accomplishment of its obligations as a body. No officer, individual or committee of the Board will usurp this role or hinder this discipline.

5. Monitor and discuss regularly its own process and performance to ensure the continuity of Board improvements and the ability of members to govern.

## POLICY TITLE: BOARD ROLE

The role of the Board is to lead Capacity Canada toward desired performance and ensure that it occurs.

Consequently, the "products" or job contributions of the Board shall be:

1. Establishing the strategic priorities for Capacity Canada
2. Providing the link between Capacity Canada and its "Membership"
3. Written governing policies
4. The selection and appointment for the Chief Executive Officer by the full Board of Directors, within best business and professional practices
5. Provision of written terms of employment for the newly appointed Chief Executive Officer
6. The assurance of Chief Executive Officer performance
7. To assist in fund development and ensuring that Capacity Canada has adequate revenues to accomplish its strategic priorities

## POLICY TITLE: ROLE OF BOARD CHAIR

The role of the Chair is to ensure the integrity of the Board's process. The Chair is the only person authorized to speak for the Board except the Chief Executive Officer, other than in situations authorized by the Board.

1. The role of the Chair is to ensure that the Board follows its own rules and those legitimately imposed upon it from external sources:

a. Meeting discussion content will only relate to those issues which, according to Board policy, clearly belong to the Board to decide.

b. Deliberation will be timely, fair, orderly thorough and efficient.

2. The authority of the Chair consists in making any decision on behalf of the Board which falls within or is consistent with Board policies:

a. The Chair will normally chair Board meetings with all the commonly accepted power of that position (e.g. ruling, recognizing).

b. The Chair’s authority does not extend to making decisions on matters that have been delegated to the Chief Executive Officer.

c. The Chair’s authority does not extend to supervising, interpreting board policies to or otherwise directing the Chief Executive Officer.

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## POLICY TITLE: DIRECTORS' CODE OF CONDUCT

The Directors of the Board will be both ethical and businesslike in their conduct.

1. Directors must represent the interests of the Membership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. This accountability supersedes the personal interest of any Director.
2. Directors must avoid any conflict of interest with respect to their fiduciary responsibility.
   1. There must be no self-dealing or any conduct of private business or personal services between any Director and the Agency except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.
   2. In the event of conflict of interest, the Director must declare the existence of the conflict as soon as possible and he/she shall refrain from partaking in discussion or voting.
   3. In order for a Director to apply for employment, he/she must resign from the Board.
3. Directors may not attempt to exercise individual authority over the Agency
   1. Directors' interaction with the Chief Executive Officer or with staff must recognize the lack of authority in any Individual Director or group of Directors to speak for the Board.
   2. Directors' interaction with the public, press or other entities must recognize the same limitation and the similar inability of any Director or Directors to speak for the Board.

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## POLICY TITLE: ORIENTATION OF NEW DIRECTORS

All new Directors to the Board of Capacity Canada are expected to participate in an Orientation program.

The Chief Executive Officer and Board Chair may invite additional staff and Board members to participate in the orientation.

Minimally, the Orientation Session will address the following topics:

* The Mission of Capacity Canada
* Long-term objectives (goals) and plans of the Board of Capacity Canada
* By-Laws of Capacity Canada
* Manual of Capacity Canada Board Policies
* Responsibilities of Board Members
* Programs and Services at Capacity Canada
* The administrative and service structure of Capacity Canada
* Capacity Canada’s financial condition, budget, and funding.
* Orientation will include learning how to access all Board documents and orientation materials on-line.

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## POLICY TITLE: DELEGATION TO THE CHIEF EXECUTIVE OFFICER

The Board job is generally to establish strategic priorities and policies at a broad level, leaving implementation and subsidiary policy development to the Chief Executive Officer. All Board authority delegated to staff is delegated through the Chief Executive Officer, so that all authority and accountability of staff can be phrased--in so far as the Board is concerned-- as authority of and accountability to the Chief Executive Officer.

1. The Chief Executive Officer is authorized to establish all further policies, make all decisions, take all actions and develop all activities which are true to the Board's policies and strategic priorities.
2. The Board may, by extending its policies, limit areas of the Chief Executive Officer's authority, but will respect the Chief Executive Officer's choices so long as the delegation continues. This does not prevent the Board from obtaining information about any activities in the delegated areas.
3. The Chief Executive Officer may not perform, allow or cause to be performed any act which is contrary to explicit Board constraints.
4. Should the Chief Executive Officer deem it necessary to violate a Board policy, he/she shall inform an Officer of the Board. Notice of the violation shall be brought forth to the subsequent Board meeting. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Officer response, either approving or disapproving, does not exempt the Chief Executive Officer from subsequent Board judgment.

## POLICY TITLE: CHIEF EXECUTIVE OFFICER ROLE

As the Board's single official link to the operating organization, the Chief Executive Officer is accountable for all organizational performance and exercises all authority transmitted into Capacity Canada by the Board.

Chief Executive Officer performance will be considered to be synonymous with organizational performance as a total.

Consequently, the Chief Executive Officer's role can be stated as performance in only two areas:

1. Organizational accomplishment of the provisions of Board policies and strategic priorities.

2. Organization operation within the boundaries of prudence and ethics

## POLICY TITLE: MONITORING EXECUTIVE PERFORMANCE

Monitoring Executive performance is synonymous with monitoring organizational performance against Board policies and strategic priorities. Monitoring will be as automatic as possible, using a minimum of Board time so that meetings can be used to create the future rather than to review the past. Monitoring the performance of the Chief Executive Officer is the responsibility of the Board as a whole.

1. The purpose of monitoring is to determine the degree to which Board policies and strategic priorities are being fulfilled.

2. Executive Performance may be monitored in one or more of three ways:

a. Executive Report: Disclosure of information to the board from the Chief Executive Officer.

b. External Report: Discovery of compliance information by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the Board. Such reports must assess Executive performance only against policies of the Board, not the external party unless the Board has previously indicated that party's opinion to be the standard.

c. Direct Board Inspection: Discovery of compliance information by a Board Member, a Committee or the Board as a whole. This is a direct inspection of documents, activities or circumstances that allows a "prudent person" test of policy compliance.

## POLICY TITLE: GENERAL CONSTRAINTS ON CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall not cause or allow any practice, activity, decision or organizational circumstance which is either unlawful, imprudent or in violation of commonly accepted business practices and professional ethics.

**Treatment of Staff**: With respect to the treatment of paid and volunteer staff, the CEO may not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

**Employment Compensation and Benefits:** With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the CEO shall not cause or allow jeopardy to fiscal integrity or public image.

**Financial Planning/Budgeting:** Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board’s priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

**Financial Conditions and Activities:** With respect to planning fiscal events (budgeting for all or any remaining part of a fiscal period), the CEO may not jeopardize either programmatic or fiscal integrity of Capacity Canada.

**Asset Protection:** The CEO shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.

**Executive Succession:** In order to protect the board from the sudden loss of CEO services, the CEO may not have either Governance matters or CEO issues and processes that are unfamiliar to another staff person.

**Communication and Counsel to the Board:** The CEO shall not permit the board to be uniformed or misinformed.

## POLICY TITLE: STAFF TREATMENT

With respect to paid and volunteer staff, the Chief Executive Officer may not cause or allow conditions which are inhumane, unfair or undignified.

Accordingly, he/she may not:

1. Discriminate among employees on other than clearly job-related, individual performance or qualifications.
2. Withhold from staff the opportunity of regular on-going professional growth focused on agency outcomes.
3. Form policies or procedures without participation of staff.

## POLICY TITLE: EMPLOYMENT COMPENSATION AND BENEFITS

With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the Chief Executive Officer may not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, he/she may not:

1. Change his or her own compensation and benefits as established by the Board.

2. Promise or imply permanent or guaranteed employment.

3. Establish current compensation and benefits which:

a. Deviate materially from the average within the geographic or professional market from which those positions are recruited.

b. Create obligations over a longer term than revenues can be safely projected, and, are not, in all events subject to losses of revenue.

4. Establish deferred or long term compensation and benefits which:

a. Cause unfunded liabilities to occur or in any way commit Capacity Canada to benefits which incur unpredictable future costs.

b. Provide less than the current basic level of benefits to all full time employees, though differential benefits in key employees are not prohibited.

c. Allow any employee to lose benefits already accrued from any foregoing plan.

## POLICY TITLE: FINANCIAL PLANNING/BUDGETING

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board’s priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

Accordingly, he/she may not have a budget which:

1. Contains too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operation items, cash flow and subsequent audit trails.

2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

3. Fails to provide sufficient cash flow to meet on-going expenditures and liabilities on time.

4. Jeopardizes funding or fails to maximize funding to which the agency has access.

## POLICY TITLE: FINANCIAL CONDITIONS AND ACTIVITIES

With respect to planning fiscal events (budgeting for all or any remaining part of a fiscal period), the CEO may not jeopardize either programmatic or fiscal integrity of Capacity Canada.

Accordingly, he/she may not:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met.
2. Indebt Capacity Canada in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days.
3. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.
4. Allow actual allocations to deviate materially from Board priorities.
5. Make purchases over $5,000 and under $25,000 without written confirmation of competitive prices.
6. Make purchases over $25,000 without a competitive process.
7. Acquire, encumber, or dispose of real property.

## POLICY TITLE: ASSET PROTECTION

The CEO shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, he/she may not:

1. Fail to insure against theft, casualty losses to at least 80 percent replacement value and against liability losses to Board members, staff or Capacity Canada itself to beyond the minimally acceptable prudent level.

2. Allow unbonded personnel access to material amounts of funds.

3. Subject plant and/or equipment to improper wear and tear of insufficient maintenance.

4. Unnecessarily expose Capacity Canada, its Board or staff to claims of liability.

5. Receive, process or disburse funds under controls insufficient to meet the Board-appointed auditor's standards.

6. Invest surplus cash in instruments that have not been approved by the Board

## POLICY TITLE: EXECUTIVE SUCCESSION

In order to protect the Board from sudden loss of Chief Executive Officer services, the Chief Executive Officer may not have circumstances where staff are unfamiliar with Board and Chief Executive Officer issues and processes.

## POLICY TITLE: COMMUNICATION AND COUNSEL TO THE BOARD

With respect to providing information and counsel to the Board, the Chief Executive Officer may not cause or allow the Board to be uninformed or misinformed.

Accordingly, he/she may not:

1. Let the Board be unaware of relevant:

a) trends;

b) public events;

c) external and internal changes

2. Fail to submit monitoring data "in a timely, accurate and understandable fashion.

3. Fail to gather staff and external points of view, issues and options as needed for fully informed Board choices.