



General Policy

Community Futures East Kootenay

CORE VALUES:

WE WILL CONDUCT OURSELVES WITH INTEGRITY AND BE RESPONSIVE AND RESPONSIBLE TO OUR COMMUNITY AND OUR NETWORK. WE WILL ADHERE TO OUR CORE-VALUES AND HIGH PROFESSIONAL STANDARDS.

HONESTY

WE WILL BE GENUINE, FAIR, TRUTHFUL AND SINCERE IN ALL OUR DEALINGS.

RESPECT

WE WILL SHOW CONSIDERATION AND DEFERENCE FOR THE CONTRIBUTION OF OTHERS.

TRUST

WE WILL BEHAVE RESPONSIBLY AND HONOURABLY, WE WILL ALLOW OURSELVES TO BE OPEN, APPROACHABLE AND CREATE AN ATMOSPHERE THAT ENCOURAGES CANDOR.

OPENNESS

WE WILL SHARE INFORMATION IN A TIMELY FASHION, RESPECTING THE NEED FOR PRUDENCE AND CONFIDENTIALITY.

RESULTS

WE WILL CREATE POSITIVE COMMUNITY OUTCOMES THROUGH INNOVATION, ENTREPRENEURIAL LEADERSHIP, EXCELLENT CLIENT CARE AND STRONG PARTNERSHIPS.

QUALITY STANDARDS:

TRUST WILL BE ENHANCED BETWEEN COMMUNITIES, PARTNERS AND STAKEHOLDERS THROUGH SUPPORTING OUR CORE VALUES, QUALITY GOVERNANCE, PROFESSIONALISM, COMMUNICATIONS AND ACCOUNTABILITY.

GOVERNANCE

COMMUNITY FUTURES OPERATES USING A GOVERNANCE MODEL BASED ON WRITTEN POLICIES/PROCEDURES THAT ENCOMPASS OUR OPERATIONAL NEEDS. THESE POLICIES ARE REGULARLY REVIEWED AND RENEWED.

PROFESSIONALISM

COMMUNITY FUTURES VOLUNTEERS AND STAFF ADOPT THE CORE VALUES, STRIVE FOR EXCELLENCE AND SEEK OUT OPPORTUNITIES FOR CONTINUOUS IMPROVEMENT.

COMMUNICATIONS

COMMUNITY FUTURES COMMUNICATES BOTH INTERNALLY AND EXTERNALLY REFLECTING OUR CORE VALUES IN A TIMELY, RESPONSIVE AND EFFECTIVE MANNER.

ACCOUNTABILITY

COMMUNITY FUTURES ARE ACCOUNTABLE TO OUR COMMUNITIES, FUNDERS AND EACH OTHER TO MEET OR EXCEED EXPECTATIONS, WHILE REFLECTING OUR CORE VALUES.

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1. Qualifying Statements

This is the General Policy of Community Futures East Kootenay. This policy is complementary yet subordinate, in order, to the following:

- a) The *Canada Not-for-Profit Corporations Act S.C. 2009, c.23* (the *Act*);
- b) The Articles of Continuance (the *Articles*); and
- c) CFEK By-Law No. 1 (the *By-Law*)

In respect of any discrepancy between these documents (a, b, and c) and this policy, the documents (a, b, and c) shall prevail in both interpretation and enforcement.

Further, no policy inconsistent with meeting or executing the requirements of CFEK's agreements with Western Economic Diversification (WD) shall be contemplated or enacted by the Board of Directors or Members of the Corporation.

The CFEK General Policy is also complementary to and must be interpreted in conjunction with the following:

- a) CFEK Human Resources Policy
- b) CFEK Audit & Financial Management Policy; and
- c) CFEK Lending & Portfolio Management Policy.

2. Purpose

The purpose of the General Policy is to discuss broadly the relationship between Members, Directors, Officers (including the General Manager), Committees and employees of the organization, and to highlight in general terms the responsibilities of each. In most cases, the authority to act in each of these roles is delegated by the *Canada Not-for-profit Corporations Act*, the Articles of Continuance and By-law No. 1. The General Policy seeks to add detail and clarity around these various delegations of authority.

3. Distribution

At the discretion of the General Manager, any person or organization may be provided a copy of any or all of the following documents upon request:

- a) The *Canada Not-for-Profit Corporations Act S.C. 2009, c.23* (the *Act*);

- b) The Articles of Continuance (the *Articles*); and
- c) CFEK By-Law No. 1 (the *By-Law*)
- d) CFEK General Policy;
- e) CFEK Human Resources Policy
- f) CFEK Audit & Financial Management Policy; and
- g) CFEK Lending & Portfolio Management Policy.

All Directors, Officers and Employees will receive a hard copy of the following upon joining Community Futures East Kootenay:

- a) CFEK General Policy; and
- b) CFEK Human Resources Policy

4. Membership & Members

Members may be individuals, corporations, cooperatives or any other legal entity whose membership application has been approved by the Board of Directors.

There are two (2) classes of members; Active (voting) Members and Associate (non-voting) Members.

There are no dues or fees required by CFEK to become a member.

Active Members may attend and vote by proxy at meetings, provided that the executed proxy is delivered in writing to the chair of the meeting prior to the start of the meeting.

The requirements for providing notice of member meetings are outlined in the *By-Law*.

A quorum of members at any meeting is a simple majority of the total number of members. Members that register their proxy are considered to be in attendance.

Members have certain rights and obligations. Refer to the *Act*, the *Articles*, and the *By-Law* for more detail.

The Board of Directors may suspend or expel a member subject to the conditions outlined in the *By-Law* s. 15. Membership is a privilege.

5. Board of Directors

The composition of the Board of Directors shall represent, as closely as is reasonable, the geographic distribution of the membership and the communities in CFEK's service area.

Directors are elected each year by the members at the Annual General Meeting.

Directors are elected to serve a two (2) year term with half the board being elected each year (the other half being elected in alternate years) to ensure continuity.

A Director must be an individual.

Each Director must be a member of CFEK or the agent of a member if that member is a corporation, non-profit group or cooperative.

Each Director must sign a “Consent to become a Director” agreement prior to being elected.

Directors have a duty to manage or supervise the management of the activities and affairs of CFEK.

Directors will receive no remuneration except for expenses as provided for in the *By-Law s. 28*.

The Board of Directors recognizes that its role is governance in nature, primarily accountable for establishing policies and strategies that accomplish and further the Mission and Vision of the organization. To this end, the Directors have, by special resolution, delegated the full power to manage and direct the business of CFEK to the General Manager.

Participation of the Directors is vital for the good governance of the organization, as well as to the accomplishment of CFEK’s Mission and Vision. Each Director is expected to attend all meetings of the Board of Directors or to give notice of his or her absence in advance.

The requirements for providing notice of meetings of the Board of Directors are outlined in the *By-Law*. The Directors will by ordinary resolution establish regular (quarterly) meetings of the Board of Directors each year.

Directors must be present (either in person, by telephone, video-conference or other agreed-upon electronic means) at meetings to vote. Attendance or voting by proxy is not permitted.

A quorum of Directors at any meeting is a simple majority of the total number of Directors.

The members may by ordinary resolution remove a Director at a special meeting.

Directors are entitled to attend and be heard at any member meeting.

Directors may not serve more than nine (9) consecutive years.

Directors have certain obligations to the employees of CFEK, including financial obligations. Refer to the *Act*, the *Articles*, and the *By-Law* for more detail.

6. Committees of the Board of Directors

Subject to the *By-Law* s. 33, the Board of Directors may from time to time appoint committees to carry out any function or set of duties required by the Board.

In general, the sole standing committee is the Executive Committee. Other committees are *ad hoc* and generally advisory in nature, formed in response to specific needs of the organization at a point in time.

Committees need not be comprised solely of Directors or members of CFEK. Where warranted at the discretion of the Board of Directors, stakeholders, partner organizations, CFEK employees, and/or individuals with skills or knowledge complementary to the goals of the committee may be asked to sit on any committee.

In any event, committee membership, terms of reference and reporting, and the stated goals and objectives of each committee must be approved by the Board of Directors.

Standing rules of committees:

- Each committee will have a Chair. The Chair of the committee must be a Director but need not be the Chair of the Board, if the Chair of the Board sits on a committee;
- Subject to limited exceptions, all committee members have a vote within the committee, whether or not the individual is a Director or CFEK member;
- Unless otherwise approved by the Board, the Chair and the General Manager are *ex officio* members of every committee, without voting power;
- Meetings will be scheduled and held with sufficient frequency to achieve the goals of the committee;
- Committees are typically of a size that facilitates the coordination of schedules. In any event, notice of meetings will be provided to all committee members at least seven (7) days in advance of the meeting;
- Minutes will be taken at all committee meetings and are a minimum reporting requirement;
- Attendance at committee meetings is strongly encouraged by all committee members. Committee members with excessive or unexplained absences may be removed by the Board of Directors;
- Quorum at committee meetings is a simple majority of committee members;

- The committee chair, being a Director of the Board, will report and present motions to the Board based on committee recommendations at regularly scheduled Board of Director meetings and, whenever necessary, at special meetings of the Board of Directors; and
- Committees, except the Executive Committee in certain circumstances, do not have the power to commit or legally bind the Board of Directors or the organization in any manner, whatsoever.

6.1. Executive Committee

The standing Executive Committee is comprised of the Chair, Vice-Chair and one (1) or more Directors, each having served four (4) or more years as Director. Members of the Executive Committee must be CFEK Directors or Officers.

The Executive Committee's role is:

- To actively investigate and identify opportunities to promote CFEK and further the organization's Mission, Vision and strategic goals;
- To act on behalf of the Board in instances where matters of urgency must be dealt with and where a meeting of the Board cannot reasonably be arranged in time to take necessary action;
- To provide direction, when asked, to the General Manager on matters regarding the operations of the organization;
- To be a resource to the Chair in the execution of that role;
- To evaluate and assess the performance of the General Manager, annually, including a review of the General Manager's compensation package; and
- To be a resource to each employee(s) of the organization in any matter in which an employee(s) may not be comfortable dealing with the General Manager.

The Executive Committee will be struck by ordinary resolution of the Board at the first Board of Directors meeting following the Annual General Meeting.

Being comprised solely of Directors of the Board, the committee has the authority to review any and all records of the organization, including personnel and financial records.

The General Manager sits *ex officio* on the committee, without voting privileges. The General Manager's performance report will be delivered to the Board of Directors at the regularly scheduled Board meeting immediately preceding the Annual General Meeting.

The Executive Committee has an annual operating budget of \$2500.00. The Chair of the Committee is accountable for the budget and efficient use of the allocated funds.

6.2. Loan Review Advisory Committee

The Loan Review Advisory Committee is an *ad hoc* committee to be struck upon request by the Investment Fund Manager from time to time as loan proposals are prepared.

The committee must be comprised of, at a minimum, four (4) Directors. It is preferable that one of the committee members is a Director representing the community in which the loan applicant operates or is located.

Upon meeting the membership requirements, the Committee is considered to be approved by the Board. A quorum of the committee is 3 of the committee members.

More than one (1) Loan Review Advisory Committee may be formed at one time.

Directors may serve on more than one (1) committee at a time.

Any Loan Review Advisory Committee may consider more than one (1) loan proposal at a time.

In anticipation that each of the Directors will have the opportunity to serve on a Loan Review Advisory Committee, the Directors are strongly encouraged to become familiar with the CFEK Lending & Portfolio Management Policy.

The committee, by special resolution of the Board of Directors, has the authority to approve loan proposals up to \$150,000.00 on behalf of the Board of Directors.

The committee can approve, decline or table a loan proposal. If the loan is approved, the committee is then dissolved. If the loan is declined, the committee will stand pending appeal or resubmission of the application. If the loan is tabled, the committee will stand for so long as is required for the loan to be approved, declined or withdrawn.

In accordance with CFEK's contribution agreement with Western Economic Diversification (WD), loans in excess of \$150,000 must be referred to the Board of Directors, be voted on by a simple majority of a

quorum of the Board and the decision recorded in the meeting minutes. This includes syndicated loans.

Given that several ad hoc committees may be formed and dissolved between regular meetings of the Board of Directors, the Investment Fund Manager will provide a comprehensive report to the Board at regular Board meetings.

6.3. Audit Review Committee

The Audit Review Committee is an *ad hoc* committee to be struck each year, no later than April 1. The Committee will review and provide advice as necessary to the public accountant conducting the CFEK audit.

The committee will be comprised of the Chair or Vice-Chair and two (2) Directors considered having a strong financial background and the ability to interpret and evaluate the financial statements of the Corporation.

Directors are encouraged to review the relevant sections of the CFEK Audit & Financial Management Policy prior to volunteering for this committee.

The General Manager and the public accountant will sit *ex officio* on the committee.

Because general reporting requirements, agreements with Western Economic Diversification, agreements with other funding partners, and internally imposed reporting requirements change from time to time, it is imperative that the committee review the audit requirements and audit terms of reference with the public accountant prior to the start of the audit process.

The committee will sit as necessary during the public accountant's audit of CFEK's financial statements and provide advice as warranted.

The audited financial statements will be submitted by the committee to the Board of Directors for approval prior to the Annual General Meeting. At the Annual General Meeting, the public accountant will present the audit results to the membership and members will be provided with a copy of the audited financial statements. Members will be asked to accept the audited financial statements by ordinary resolution.

The committee will be dissolved upon acceptance of the audited financial statements by the members.

6.4. Director Recruitment Committee

Succession planning for the Board of Directors is critical to ensuring continuity of good governance and to minimize any uncertainty caused by the transition of Directors, as occurs from time to time.

Annually, the General Manager will request that Directors confirm their intention to seek re-election 120 days prior to the Annual General Meeting. Each Director is required to provide 90 days notice either of his or her intent not to seek re-election or of his or her resignation at any other time. Failure to respond will not be considered notice of resignation.

If a Director(s) announces his or her intent to resign, the Board of Directors shall hold a special meeting within 15 days of receiving notice and strike an *ad hoc* Director Recruitment Committee. The Committee may consist of:

- The Chair or Vice-Chair;
- The General Manager;
- The resigning Director(s); and
- Any Director having served more than 2 years,

or any other composition approved by the Board.

The Committee will be responsible for recruiting, interviewing and recommending to the Board of Directors a number of suitable candidates, from which the Board shall choose a new Director(s).

The Board may appoint a Director(s) to serve a term to expire at the next Annual General Meeting, at which time the Director(s) will stand for election by the members.

The Committee is dissolved upon election of the Director(s) by the members at the Annual General Meeting.

6.5. General Manager Recruitment Committee

The General Manager is an Officer of the Corporation and the only employee under the direct supervision of the Board of Directors.

Upon receiving a notice of resignation from the General Manager or upon the Board's decision to terminate the General Manager's employment, an *ad hoc* committee will be struck to recruit and hire a suitable replacement.

The committee will be comprised of the Chair and Vice-Chair, plus two (2) or more Directors. It is preferable that the Directors be past Chairs, familiar with the roles and responsibilities of the General Manager.

The General Manager may sit *ex officio* on the committee, at the discretion of the Chair of the Board of Directors.

Directors are encouraged to review the relevant sections of the CFEK Human Resources Policy prior to volunteering for this committee.

The committee chair will direct the CFEK office manager or equivalent to place job postings describing the roles & responsibilities, desirable qualifications and other relevant information in print publications, websites and government job boards throughout the CFEK service area. If no suitable candidates can be recruited from within the CFEK service area, the job posting may be distributed first to the Community Futures network in BC and then broadly in BC and Alberta.

The committee will be responsible for reviewing applications, short-listing, interviewing and selecting appropriate candidates to make a presentation to the Board of Directors at a special meeting.

The Board of Directors will select the final candidate and authorize an offer of employment, including an appropriate remuneration package.

The committee will be dissolved upon acceptance of the offer of employment.

7. Travel Costs for Directors

Although the *By-Law* authorizes the reimbursement of reasonable expenses for Directors, CFEK has invested in technology that allows for most meetings and other business of the Board of Directors or committees to be carried out remotely. It is expected that attending meetings in person will be the exception rather than the norm.

No expenses incurred to attend meetings will be reimbursed, including vehicle, meals and/or accommodations, unless there is an explicit requirement for a Director(s) to attend a meeting in person, as evidenced by an invitation from the Chair or General Manager.

Examples of meetings for which attendance in person is expected would be the Annual General Meeting and the Annual Strategic Planning Workshop.

8. Officers

8.1. Chair of the Board of Directors

The Chair will be appointed annually by the Board of Directors at a special meeting immediately following the Annual General Meeting at which the Board of Directors is elected.

The Chair will preside at all meetings of the Board of Directors and at member meetings.

The Chair sits *ex officio* on all committees.

The Chair will supervise the General Manager and act as the conduit for communication between the General Manager and the Board of Directors.

8.2. Vice-Chair of the Board of Directors

The Vice-Chair will be appointed annually by the Board of Directors at a special meeting immediately following the Annual General Meeting at which the Board of Directors is elected.

The Vice-Chair will preside at all meetings of the Board of Directors and at member meetings where the Chair is absent.

8.3. General Manager

The General Manager is an employee of CFEK and is appointed by special resolution by the Board of Directors, as necessary from time to time.

The Board of Directors has delegated to the General Manager by special resolution the full power to manage the business and affairs of the Corporation.

The Board may remove a General Manager by special resolution.

The General Manager reports directly to the Chair of the Board and is responsible to the Board of Directors for the effective and efficient operation of the organization.

The General Manager sits *ex officio* on committees at the discretion of the Board.

A full description of the roles & responsibilities of the General Manager is outlined in the CFEK Human Resources Policy.

9. Signing Authority

All documents, including cheques, bank drafts, contracts, leases, transfers, assignments, or any other instrument obligating CFEK or committing the Corporation to a course of action require two (2) signatures.

Where a commitment would reasonably be expected to require guidance from the Board of Directors, no Director or Officer with signing authority will execute a document except following a resolution of the Board.

In the ordinary course of business, one of the signatories of any instrument will be a Director, preferably the Chair.

The Board may appoint as many signatories as the Board feels is appropriate and may designate any Director or Officer as a signing authority.

To effectively manage the business and affairs of CFEK, the General Manager will have signing authority and may delegate that authority, subject to reasonable limitations imposed by the Board, to staff.

Additional details regarding signing authority are outlined in the CFEK Audit & Financial Management Policy.

10. Indemnification and Insurance

CFEK shall indemnify all past, present and future Directors, Officers, trustees, employees, volunteers and members serving on any committee of the Board of Directors against all errors or omissions that might occur or be carried out in the performance of their duties or tasks.

No Director, Officer, trustee, employee, volunteer or member may be denied access to indemnification, so long as:

1. the individual acted honestly and in good faith, with a view to the best interests of the Corporation, and
2. believed that his or her conduct was lawful.

CFEK carries and will continue to carry sufficient insurance coverage to protect all past, present and future Directors, Officers, trustees, employees, volunteers and members serving on any committee of the Board of Directors against liability for claims of errors or omissions in the performance of their duties or tasks.

In the unlikely event of a winding down of operations, CFEK will undertake to ensure that the protection of the insurance coverage described herein will survive the Corporation.

11. Conflict of Interest

Directors and Officers are required under *the Act* to disclose in writing or by requesting the disclosure be entered into the minutes of meetings of the Directors or committees the nature and extent of any interest he or she has in any material contract or transaction with CFEK, whether made or proposed.

Disclosure must be made immediately upon discovery of any such interest.

Directors and Officers will not debate or vote on any contract or transaction in which an interest has been disclosed.

Each Director, Officer and employee of CFEK is expected to act in the best interests of the Corporation and to disclose any material fact regarding his or her interest in any proposed contract or transaction.

No Director, Officer or employee shall enter into a contract or transaction, including the granting of a loan, guarantee or other form of financial assistance, with a related party.

Related parties include a spouse, child, parent, sibling, grandchild; or the spouse of any of these and any entity in which the Director, Officer or employee or any related party has a substantial investment or control.

The corporation may still enter into a contract or transaction, including the granting of a loan, guarantee or other form of financial assistance, with a related party, so long as the interested person(s) is sufficiently removed from the decision and is not accountable for the ongoing administration of the contract or transaction.

CFEK is committed to adhering to the conflict of interest guidelines for each of our funding partners and to that end will adopt, from time to time as appropriate, the strictest guidelines from among those published by our funding partners. The most current guidelines will be attached as an appendix to the CFEK Human Resources Policy.

12. Organization Chart

