

# Island Media Arts Co-operative Ltd.

## GOVERNANCE POLICIES

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Adopted May 2014

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## **Section A: Executive Constraints**

### **1. GLOBAL EXECUTIVE CONSTRAINT**

The Executive Director shall not cause or allow any organizational practice, activity, decision, or circumstance which is either:

1. Unlawful,
2. Imprudent, or
3. In violation of commonly accepted business and professional ethics.

### **2. TREATMENT OF MEMBERS**

With respect to interactions with members or those applying to be members, the Executive Director shall not cause or allow conditions, procedures, or decisions which are unsafe, untimely, undignified, or unnecessarily intrusive.

The Executive Director will not:

1. Elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing member information that fail to protect against improper access to the material.
3. Operate facilities without appropriate accessibility and privacy.
4. Operate without establishing with members a clear understanding of what may be expected and what may not be expected from the service offered.
5. Operate without informing members of this policy or providing a way to be heard for persons who believe that they have not been accorded a reasonable interpretation of their rights under this policy.

### 3. TREATMENT OF STAFF

With respect to treatment of paid and volunteer staff, the Executive Director shall not cause or allow conditions which are unfair, undignified, disorganized, or unclear.

The Executive Director will not:

1. Operate without written personnel procedures that:
  - (a) Clarify rules for staff,
  - (b) Provide for effective handling of grievances, and
  - (c) Protect against wrongful conditions (such as nepotism and grossly preferential treatment for personal reasons.)
2. Retaliate against any staff member for non-disruptive expression of dissent.
3. Allow staff to be unaware of the Executive Director's interpretations of their protections under this policy.
4. Allow staff to be unprepared to deal with emergency situations.

#### 4. COMPENSATION AND BENEFITS

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

The Executive Director will not:

1. Change the Executive Director's own compensation and benefits without the explicit consent of the Board.
2. Promise or imply guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
4. Create obligations over a longer term than revenue can be safely projected.
5. Establish or change pension benefits (where or when applicable) so as to cause unpredictable or inequitable situations, including those that:
  - a) Incur unfunded liabilities,
  - b) Provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited,
  - c) Allow any employee to lose benefits already accrued from any foregoing plan, and
  - d) Treat the Executive Director differently from other key employees.

## 5. FINANCIAL CONDITION & ACTIVITIES

With respect to the actual, ongoing financial condition and activities, the Executive Director may not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies. (For a definition of “Ends Policies”, see Section C, 4:1)

The Executive Director will not:

1. Expend more funds than have been received in the fiscal year to date unless the board’s debt guideline (point #2 below) is met.
2. Incur debt in an amount greater than can be repaid by certain and otherwise unencumbered revenues within 60 days.
3. Use any long-term reserves.
4. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances within 30 days.
5. Fail to settle payroll and debts in a timely manner.
6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
7. Make a single purchase or commitment of greater than \$2000.00 without explicit Board approval. Splitting orders to avoid this limit is not acceptable.
8. Acquire, encumber or dispose of real estate.
9. Fail to aggressively pursue receivables after a reasonable grace period.

## 6. FINANCIAL PLANNING AND BUDGETING

The Executive Director shall not cause or allow financial planning for any fiscal year or the remaining part of any fiscal year to:

1. Deviate materially from board Ends priorities,
2. Risk financial jeopardy, or
3. Fail to be derived from a multi-year plan.

The Executive Director will not allow budgeting to:

1. Risk incurring those situations or conditions described as unacceptable in the Executive Limitations policy entitled “Financial Condition & Activities”.
2. Fail to include:
  - a. Credible projection of revenues and expenses,
  - b. Separation of capital and operational items,
  - c. Cash flow analysis, and
  - d. Disclosure of planning assumptions.

## 7. ASSET PROTECTION

The Executive Director may not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.

The Executive Director will not:

1. Allow assets to be uninsured adequately against theft, fire, and casualty losses to a prudent replacement value and against liability losses to board members, staff, volunteers and the organization itself.
2. Allow un-bonded personnel access to material amounts of funds.
3. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the organization, its board, or staff to claims of liability.
5. Receive, process or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.
6. Make any purchase:
  - a. Wherein normally prudent protection has not been given against conflict of interest;
  - b. Of more than \$1000.00 without having obtained comparative prices and quality; and
  - c. Of over \$1000.00 without a stringent method of assuring the balance of long-term quality and cost. Orders shall not be split to avoid these criteria.

**7. ASSET PROTECTION (cont'd)**

7. Fail to protect property, information and files from loss or significant damage.
8. Invest or hold operating capital in insecure instruments, including uninsured.
9. Endanger the organization's public image, credibility, or its ability to accomplish its Ends.
10. Change the organization's name or substantially alter its identity in the community.
11. Compromise the independence of the board's audit or other external monitoring or advice, such as by engaging parties already chosen by the board as consultants or advisers.



## 8. COMMUNICATION AND SUPPORT TO THE BOARD

The Executive Director may not permit the board to be uninformed or unsupported in its work. The Executive Director will not:

1. Neglect to submit monitoring data required by the board according to its policy “Monitoring Executive Director Performance” in a timely, accurate and understandable fashion, directly addressing provisions of the board policies being monitored, and including the Executive Director’s interpretations consistent with the “Delegation to the Executive Director” policy, as well as relevant data.
2. Let the board be unaware of any significant incidental information it requires including anticipated adverse media coverage, threatened or pending lawsuits and material external and internal changes.
3. Allow the board to be or remain unaware that, in the Executive Director’s opinion, the board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of board behavior, which is detrimental to the work relationship between the board and Executive Director.
4. Allow the board to be without decision information required periodically by the board or let the board be unaware of relevant trends.
5. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
6. Allow the board to be without a workable mechanism for official board, officer or committee communications.

**8. COMMUNICATION AND SUPPORT TO THE BOARD (cont'd)**

7. Deal with the board in a way that favors or privileges certain board members over others, except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.
  
8. Allow the board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy of the board regardless of the board's monitoring schedule.

## **Section B: Governance**

### **1. GLOBAL GOVERNANCE PROCESS**

The purpose of the board, on behalf of the Membership of the Island Media Arts Co-operative, Ltd., is to see that the Island Media Arts Co-operative (IMAC):

- A. Achieves appropriate results for the appropriate persons at an appropriate cost (as specified in the Ends policies), and
- B. Avoids unacceptable actions and situations (as specified in the Executive Limitations policies).

### **2. GOVERNING STYLE**

The board will govern lawfully, observing the principles of the Policy Governance model, with an emphasis on:

- [ Outward vision rather than an internal preoccupation;
- [ Encouragement of diversity in viewpoints;
- [ Strategic leadership more than administrative detail;
- [ Clear distinction of board and chief executive roles;
- [ Collective rather than individual decisions;
- [ Future rather than past or present; and
- [ Pro-activity rather than reactivity.

1. The board will cultivate a sense of group responsibility. The board, not the staff, will be responsible for excellence in governing. The board will normally be the initiator of policy, not merely a reactor to staff initiatives. The board will not use the expertise of individual members to substitute for the judgment of the board although the expertise of individual members may be used to enhance the understanding of the board as a body.
2. The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives. . The board's major policy focus will be on the intended long-term effects outside the staff organization, not on the administrative or programmatic means of attaining those effects.

**2. GOVERNING STYLE (cont'd)**

3. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, and ensuring continuance of governance capability. Although the board can change its governance process policies at any time, it will scrupulously observe those currently in force.
4. Continual board development will include orientation of new members in the board's governance process and periodic board discussion of process improvement.
5. The board will allow no officer, individual or committee of the board to hinder or be an excuse for not fulfilling group obligations.

### 3. BOARD JOB DESCRIPTION

Specific job expectations of the board, as an informed agent of the membership, are those that ensure appropriate organizational performance.

Accordingly, the board will provide:

1. The linkage between the operational organization and the membership of IMAC.
2. Written governing policies that realistically address the broadest level of all organizational decisions and situations.
  - a. **Ends:** Organizational impacts, products, effects, benefits, outcomes, recipients, beneficiaries, impacted groups, and their relative worth in cost or priority.
  - b. **Executive Limitations:** Constraints on executive authority which establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
  - c. **Governance Process:** Specification of how the board conceives, carries out and monitors its own task.
  - d. **Board-Management Delegation:** How power is delegated and its proper use monitored; the Executive Director role, authority and accountability.
3. Assurance of successful organizational performance on Ends and Executive Limitations.

#### 4. BOARD MEMBERS' CODE OF CONDUCT

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

1. Members must have loyalty to the membership of IMAC, un-conflicted by loyalties to staff, other organizations, and any personal interest as a consumer.
2. Members must avoid conflict of interest with respect to their fiduciary responsibility.
  - a. There must be no self-dealing or business by a member with the organization without the express consent of the Board. Members will disclose their involvements with other organizations, with vendors, or any associations that might be or might reasonably be seen as being a conflict.
  - b. When the board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall withdraw without comment not only from the vote, but also from the deliberation.
  - c. Board members will not use their positions to obtain employment in the organization for themselves, family members or close associates. A board member who applies for employment must first resign from the board.
3. Board members may not attempt to exercise individual authority over the organization.
  - a. Members' interaction with the Executive Director or with staff must recognize the lack of authority vested in individuals except when explicitly board-authorized.

#### 4. BOARD MEMBERS' CODE OF CONDUCT (cont'd)

- b. Members' interaction with public, press or other entities must recognize the same limitation and the inability of any board member to speak for the board except explicitly stated board decisions.
  - c. Except for participation in board deliberation about whether the Executive Director has achieved any reasonable interpretation of board policy, members will not express individual judgments of performance of employees or the Executive Director.
4. Members will respect the confidentiality appropriate to issues of a sensitive nature.
  5. Members will be properly prepared for board deliberation.
  6. Members will support the legitimacy and authority of the final determination of the board on any matter, irrespective of the members' personal position on the issue.
  7. A member is considered to have resigned if he/she is absent from 3 consecutive meetings or 5 meetings in a year. If a member is unable to attend a meeting in person, attendance via telephone or electronic means is satisfactory.
  8. Barring unforeseen or previously announced temporary incapacity (such as vacations), Board members will regularly monitor the e-mail address they have provided to the Executive Director for Board communications. Votes on minor issues can be held through e-mail exchange. Unanimity in these votes is required. For these purposes, "unanimity" is defined as "100% of the votes from responding Board members within 72 hours of the question being put, providing a quorum as defined by the bylaws is met". (In other words, failure to respond within 72 hours to a question constitutes a default **positive** vote.) If unanimity is not attained, the

issue will be held in abeyance and dealt with at the following full Board meeting.

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## **5. BOARD CHAIR ROLE**

The Board Chair (also referred to as the President), a specially empowered member of the board, assures the integrity of the board's process and, secondarily, represents the board to outside parties.

1. The assigned result of the Chair's job is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
  - a. Meeting discussion content will ordinarily only be those issues, which, according to board policy, clearly belong to the board to decide or to monitor.
  - b. Deliberation will be fair, open, and thorough, but also timely, orderly and kept to the point.
  - c. Information that is for neither monitoring performance nor board decisions will be avoided or minimized and always noted as such.
2. The authority of the Chair consists in making decisions that fall within the topics covered by board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the Executive Director (b) where the board specifically delegates portions of this authority to others. The BOARD CHAIR is authorized to use any reasonable interpretation of the provisions in these policies.
  - a. The Board Chair is empowered to chair board meetings with all the commonly accepted power of that position (eg. ruling, recognizing).
  - b. The Board Chair will be one of three eligible signing officers for the purposes of contracts and cheques issued by the Co-op.



## **5. BOARD CHAIR ROLE (cont'd)**

- c. The Board Chair may represent the board to outside parties in announcing board-stated positions and in stating Board Chair decisions and interpretations within the areas delegated to him or her.
- d. The Board Chair may delegate this authority, but will remain accountable for its use.

## **6. BOARD SECRETARY'S ROLE**

The Board Secretary is an officer of the board whose purpose is to ensure the integrity of the board's documents.

- 1. The assigned result of the Secretary's job is to see that all board documents and filings are accurate and timely.
  - A. Policies will be current in their reflection of board decisions. Decisions upon which no subsequent decisions are to be based, such as consent agenda decisions, motions to adjourn, and staff or board member recognitions need not be placed in policy.
  - B. Bylaws elements necessary for legal compliance and for consistency with the principles of Policy Governance will be known to the board.
  - C. Requirements for format, brevity and accuracy of board minutes will be known to the Executive Director.
- 2. The authority of the Secretary includes access to and control over board documents, and the use of staff time as reasonably required for the Secretary's needs related to Board work. Where there is a dispute over the

Secretary's use of staff time, such dispute will be presented to the Board for resolution.

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## **7. BOARD TREASURER'S ROLE**

The Board Treasurer is an officer of the Board whose purpose is to provide Board oversight of the organization's financial affairs. The Treasurer will be one of three eligible signing officers for the purposes of contracts and cheques issued by the Co-op.

## **8. BOARD VICE PRESIDENT'S ROLE**

The Board Vice President is an officer of the Board whose purpose is to serve as interim Chair of the Board with all attendant responsibilities in the case of the absence, incapacity, or removal of the President.

## **9. BOARD COMMITTEE PRINCIPLES**

Board committees, when used, will be assigned to help the board do its job, to reinforce the wholeness of the board's job and so as never to interfere with delegation from board to Executive Director.

1. Board committees are to help the board do its job, not to help or advise the staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees will normally not have direct dealings with current staff operations.
2. Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Executive Director.
3. Board committees cannot exercise authority over staff. The Executive Director works for the full board, and will therefore not be required to obtain approval of a board committee before an executive action.

4. Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a board committee, which has helped the board create policy on some topic, will not be used to monitor organizational performance on that same subject. The board retains responsibility and authority to monitor organizational performance on the same subject.
5. Committees will be used sparingly and ordinarily in an ad hoc capacity. For these purposes, “ad hoc” will be defined as “For the specific purpose, case, or situation at hand and for no other: ( for example: a committee formed ad hoc to address equipment issues).” While some committees may have ongoing responsibilities, others may be focused on single events or issues.
6. This policy applies to any group that is formed by board action whether or not it is called a committee and regardless of whether the group includes board members. It does not apply to committees formed under the authority of the Executive Director.
7. In broad general terms, committees formed to address operational issues receive instruction from and advise or report to the Executive Director. Committees formed to address policy issues receive instruction from and advise or report to the Board.

## **8. BOARD COMMITTEE STRUCTURE**

A committee is a board committee only if its existence and charge come from the board, regardless whether board members sit on the committee. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. Timely reporting to the Board shall be by submission of a written report, following each meeting, with appropriate verbal comment by the Committee chair.

## **Section C: Board-Management Delegation**

### **1. GLOBAL BOARD-MANAGEMENT DELEGATION**

The board's sole official connection to the operational organization, its achievements, and conduct will be through a chief executive officer, titled the Executive Director.

### **2. UNITY OF CONTROL**

Only officially passed motions of the board are binding on the Executive Director.

1. Decisions or instructions of individual board members, officers, or committees are not binding on the Executive Director except in rare instances when the board has specifically authorized such exercise of authority.
2. In the case of board members or committees requesting information or assistance without board authorization, the Executive Director can refuse such requests that require, in the Executive Director's opinion, a material amount of staff time or funds, or are disruptive.

### **3. ACCOUNTABILITY OF THE EXECUTIVE DIRECTOR**

The Executive Director is the board's only link to operational achievements and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the Executive Director.

1. The board will never give instructions to persons who report directly or indirectly to the Executive Director.

2. The board will not evaluate, either formally or informally, any staff other than the Executive Director.
3. The board will view Executive Director performance as identical to organizational performance, so that organizational accomplishment of board-stated ends and avoidance of board-proscribed means will be viewed as successful Executive Director performance.

#### **4. DELEGATION TO THE EXECUTIVE DIRECTOR**

The board will instruct the Executive Director through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing the Executive Director to use any reasonable interpretation of these policies.

1. The board will develop policies instructing the Executive Director to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies. All issues that are not Ends issues as defined here are Means issues.
2. The board will develop policies that limit the latitude that the Executive Director may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the board even if they were to be effective. Policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The board will never prescribe organizational means delegated to the Executive Director.

3. As long as the Executive Director uses *any reasonable interpretation* of the board's Ends and Executive Limitations policies, the Executive Director is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the Executive Director shall have full force and authority as if decided by the board.
4. The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and Executive Director domains. By so doing, the board changes the latitude of choice given to the Executive Director. But so long as any particular policy is in place, the board and its members will respect and support the Executive Director's choices.

## **5. MONITORING EXECUTIVE PERFORMANCE**

Systematic and rigorous monitoring of Executive Director job performance will be solely against the only expected Executive Director job products: organizational accomplishment of board policies on Ends and organizational operation within the boundaries established in board policies on Executive Limitations.

1. Monitoring is simply to determine the degree to which board policies are being met. Information that does not do this will not be considered to be monitoring data.
2. In every case, the board will judge (a) the reasonableness of the Executive Director's interpretation, and (b) whether data demonstrate accomplishment of the interpretation.
3. The standard for compliance shall be *any reasonable Executive Director interpretation* of the board policy being monitored. The board is the final arbiter of reasonableness, but will always judge with a "reasonable person" test rather than with interpretations favored by board members or by the board as a whole.

4. All policies that instruct the Executive Director will be monitored at a frequency and by a method chosen by the board.