

**Executive Limitations Policy**  
**May 21, 2013**

**Delegation to the Chief Executive Officer**

To facilitate optimum effectiveness, the Board of Directors of E3 Community Services recognizes the Board's responsibility as being generally confined to establishing topmost policies, leaving implementation and subsidiary policy development to the Chief Executive Officer. "Executive Limitations" policies constrain the Chief Executive officer to act within acceptable boundaries of prudence and ethics. All Board authority delegated to staff, is delegated through the Chief Executive Officer, so that all authority and accountability of staff can be phrased – insofar as the Board is concerned – as authority and accountability of 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. The Board may, by extending its policies "undelegate" areas of the Chief Executive Officer's authority, but will respect the CEO's choices so long as the delegation continues. This does not prevent the Board from obtaining information about activities in the delegated areas.
2. Only the Board, by majority vote, has authority over the Chief Executive Officer.
3. The Chief Executive Officer may not perform, allow or cause to be performed, any act which is unlawful, insufficient to meet commonly accepted business and professional ethics or the "prudent person" test, in violation of funding source requirements or regulatory bodies or contrary to explicit Board constraints.
4. Should the Chief Executive Officer deem it necessary to violate a Board policy, he or she shall first seek Board approval, provided circumstances and timing permit. In the event of emergency, the CEO shall inform the Board promptly of the Board policy violation and request approval after the fact.

**Administrative Clarity**

The Chief Executive Officer may not operate without:

1. procedures to assure operational/administrative continuity; or
2. operational policies and procedures known and available to employees.

**Financial Condition**

With respect to operating the agency in a sound and prudent fiscal manner, the Chief Executive Director may not jeopardize the long-term financial strength of the agency. Accordingly, he or she may not:

1. cause the agency to incur indebtedness other than trade payables incurred in the ordinary course of doing business;
2. use advances from the Cash Reserve Fund unless expressly approved by the Board;
3. use restricted contributions for any purpose other than that required by the contribution;
4. settle payroll and debts in other than a timely manner;
5. allow expenditures to deviate materially from Board-stated priorities; or
6. allow the Cash Reserve Fund to fall below an amount specified by the Board and documented in Board minutes.

## **Budgeting**

With respect to planning fiscal events (budgeting for all or any remaining part of a fiscal period), the Chief Executive Officer may not jeopardize either programmatic or fiscal integrity of the organization. Accordingly, he or she may not cause or allow budgeting which:

1. contains too little detail to enable reasonably accurate projection of revenue and expenses, separation of capital and operational 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; or
3. deviates materially from Board-stated priorities in its allocation among competing budgetary needs.

## **Employee Protection**

The Chief Executive Officer's authority with respect to the treatment of paid and volunteer staff, is limited so as to assure that the rights of employees to fair, equitable, and humane treatment are not impeded.

1. The dignity, safety and right to ethical job-related dissent of employees shall not be impaired; grievances by employees shall receive fair internal hearing through procedural safeguards.
2. Employees and candidates for employment may not be judged on other than their own job-relevant qualifications and/or job performance.
3. Staff will not be left unprepared for prompt action in case of emergency or disaster.
4. Terminations are handled within the framework of policies established by the Agency.

## **Communication and Counsel to the Board**

With respect to providing information and counsel to the Board, the Chief Administrator may not cause or allow the Board to be uninformed or misinformed. Accordingly, he or she must:

1. cause the Board to be aware of relevant trends, public events of the organization, material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established;
2. submit the required monitoring data in a timely, accurate and understandable fashion; and
3. marshal as many staff and external points of view, issues and options as needed for fully informed Board choices.

### **Protection of Assets**

To prevent disrepair, excessive risks, untraceable transactions or conflict of interest in the management of E3 resources, the Chief Executive Officer:

1. will not allow any one individual to have complete authority over a financial transaction;
2. will not deposit Board funds in institutions other than where they are members of CDIC. Returns must be maximized and costs minimized;
3. will not allow abuse or misuse of E3 assets;
4. will ensure E3 property is inventoried and a security system in place to ensure adequate safeguards to prevent loss, damage or theft of property;
5. will not insure E3 vehicles for less than what is considered necessary for prudent risk management. Liability coverage will not be below the provincial requirements. Employees will not be allowed to drive E3 vehicles if their driving record increases the premium or cancels the vehicle insurance;
6. will ensure insurance coverage of stock and equipment, furniture, and fixtures, is current and comprehensive; and
7. will not allow any Liability Insurance to expire without Board notification.

### **C.E.O.'s Responsibilities**

The CEO is the Board's single official link to E3 Community Services. The CEO is accountable for all of the agency's performance and exercises all authority delegated to the Agency by the Board and by-law. Inasmuch as the Board governs through explicit and succinct policies which address the topmost level of organizational values, the Board will evaluate the CEO based on the Agency's performance in the entirety and in the following areas;

1. agency accomplishment of the provisions of Board policies;
2. agency operation within the boundaries of prudence and ethics established in Board policies on "Executive Limitations" and
3. agency accomplishment of operational and strategic directions as approved by the Board.

Consequently, the CEO's performance will be considered synonymous with organizational performance as a total.