Executive Limitations Policy – Final Draft

Purpose:

The Executive Limitations provide the Chief Executive Officer (CEO) and the Board with the parameters to make day-to-day decisions in employee management; financial and asset management; communications and public relations; and operational sustainability. The purpose of the Executive Limitations is not to eliminate or absolve the Board of its responsibilities to govern the organization, but to allow the CEO the freedom to act and make decisions about the operations of the organization so long as the actions taken do not exceed the authority granted in the Executive Limitations.

Policy:

The Board holds responsibility for decision-making and the legal authority for the organization. Responsibility for day-to-day operations are delegated by the Board to the CEO; the Board-CEO relationship is a partnership, and the appropriate involvement of the Board is both critical and expected.

The Board of Directors is responsible for providing strategic governance while the CEO is responsible for executing the strategy. The CEO is the Board's single official link to the operations of the organization and, as such, the Board holds no day-to-day authority over other employees of the organization.

The Executive Limitations are consistent with all policies of the organization, the job duties and performance objectives of the CEO, the governance manual, and all other organizational documents. To ensure ongoing compliance, the Executive Limitations will be reviewed at least annually with the CEO and the Board to ensure that they continue to reflect the limits that are required to provide confidence in the operations of the organization.

Ongoing compliance to the Executive Limitations will be reported by the CEO to the Board at every regular Board meeting as part of the CEO report. This reporting will include a brief written report from the CEO highlighting matters of change, importance and/or concern related to compliance with the Executive Limitations. Compliance with the Executive Limitations will also be included in the annual CEO Performance Review.

EXECUTIVE LIMITATIONS

General Executive Constraint

The Chief Executive Officer shall not cause or allow any significant practice, activity, decision, or organizational circumstances, which are imprudent, unethical, illegal or unsafe.

Staff Treatment

With respect to treatment of paid and volunteer staff, the Chief Executive Officer may not cause or allow conditions, which are inhumane, unsafe, unfair, or undignified, or which do not support an effective work environment.

Accordingly, she or he may not:

1. Discriminate among employees or candidates for employment, on other than clearly job related, individual performance or qualifications.

2. Fail to take reasonable steps to protect staff from verbal and psychological abuse, and unsafe or unhealthy working conditions.

3. Withhold from staff a due-process grievance procedure, able to be used without bias.

4. Prevent staff from appealing to the board when the employee alleges either that (i) board policy has been violated to his or her detriment or (ii) that board policy does not adequately protect his or her human rights.

5. Allow staff to be unaware of their rights under this policy.

Financial Planning

With respect to planning fiscal periods (budgeting for all or any remaining part of a financial period), the Chief Executive Officer may not jeopardize either programmatic or fiscal integrity of the organization.

Accordingly, she or he may not allow budgeting which:

1. Fails to include credible projection of revenues and expenses, separation of capital and operational items and disclosure of planning assumptions.

2. Plans the operating expenditures to exceed annually approved revenues.

3. Fails to receive board approval for the use of capital funds for non-subsidized program deficits and major capital expenditures.

4. Deviates materially from Board approved year plans in its allocation among competing budgetary needs.

Financial Condition

With respect to the actual, ongoing condition of the organization's financial health, the Chief Executive Officer (CEO) may not cause or allow the development of fiscal jeopardy or loss of allocation integrity.

Accordingly, she or he may not:

1. Expend more funds than have been contracted for in the fiscal year.

2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days.

3. Use any Long-Term Reserves.

4. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.

5. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

Asset Protection

The Chief Executive Officer (CEO) may not allow assets to be unprotected, inadequately maintained nor unnecessarily risked.

Accordingly, she or he may not:

1. Fail to insure against theft and casualty losses to an appropriate replacement value and against liability losses to board members, staff, or the organization, itself to beyond the minimally acceptable prudent level.

2. Unnecessarily expose the organization, its board, or staff to claims of undue liability.

3. Make any purchase or commit the organization to any capital expenditure wherein normally prudent protection has not been given against conflict of interest.

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

5. Invest or hold investments that are not incompliance with the Association's Investment Policy (see Working Capital and Investment Policies).

6. Acquire, encumber, or dispose of real property.

Compensation and Benefits

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

Accordingly, he or she may not:

1. Change his or her own compensation and benefits.

2. Promise or imply permanent or guaranteed employment.

3. Establish current compensation and benefits which:
    (a) Deviate materially from the geographic or professional market for the skills employed.
    (b) Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses of revenue.

4. Establish deferred or long-term compensation and benefits which cause unfunded liabilities to occur or in anyway commit the organization to benefits which incur unpredictable future costs.

Public Image

With respect to public image, the CEO shall not cause or allow uncontested operational conditions, procedures, opinions or decisions by Staff or volunteers that jeopardize the public image of Community Living Ontario.

Accordingly, the CEO must not:

1. Operate without communications and public relations operational procedures;

2. Permit the use of Community Living Ontario resources to participate in or express an opinion about unrelated political, social, or economic issues.

3. Permit any type of presentations that conveys or portrays information that is contrary to Board positions;

4. Authorize anyone other than the President of the Board to speak "on behalf of the Board" unless the Board delegates this responsibility to the CEO.

5. Knowingly allow any unauthorized use of the Community Living Ontario logo, and proprietary marks.

6. Change Community Living Ontario's name or substantially alter its identity or brand image.

Communication and Support to the Board

With respect to providing information and support to the board, the Chief Executive Officer (CEO) may not permit the board to be uninformed.

Accordingly, the CEO shall not:

1. Allow the board to operate with inadequate information to support informed Board choices, including relevant statistical, demographical, and other environmental scanning data, a representative range of staff and external points of view, significant issues, or changes within the community or in government policy which may have a bearing on any existing Board policies, alternatives choices and their respective implications.

2. Submit monitoring data in an untimely, inaccurate, or difficult to understand fashion, nor omit addressing provisions of the Board policies being monitored.

3. Allow the Board to be uninformed of anticipated adverse media coverage, material internal and external changes, changes in executive personnel, and lawsuits against the organization, major contract, or contracts with high public visibility.

4. Allow the board to be uninformed if, in the Chief Executive Officer's opinion, the Board is not in compliance with its own governance policies particularly in the case of Board behaviour which is detrimental to the work relationship between the Board and the Chief Executive Officer.

5. Present information in unnecessarily complex or lengthy form.

6. Allow the Board to operate without reasonable administrative support for Board activities and a mechanism for official Board, officer, or committee communications.

7. Allow the Board to be uninformed of actual or anticipated non-compliance and an expected timetable for compliance with any policy of the Board.

Treatment of People

The Chief Executive Officer (CEO) shall not cause or allow conditions, procedures or decisions that are unsafe, unlawful, disrespectful of human dignity, unnecessarily intrusive, that fail to provide adequate confidentiality or privacy, or that otherwise jeopardize the quality of support, or service to people whom we presently or potentially serve.

Further, without limiting the scope of the above statement by the following list, the CEO shall not:

1. Deliver services in a manner that is insensitive to a person's culture.

2. Allow the omission of French language services, at least to the level prescribed by the Ministry of Children's Community and Social Services and the French Language Services Act and wherever the need arises.

3. Allow people to have a poor understanding of what may or may not be expected from the services offered.

4. Allow practices or conditions where the rights of people are denied or unnecessarily restricted.

5. Fail to provide people with the opportunity to express their opinion and participate fully in the work of Community Living Ontario.

6. Fail to provide appropriate safeguards for health and safety.

Emergency Executive Succession

The Chief Executive Officer (CEO) shall not operate without succession planning processes in place to facilitate leadership continuity and ensure competent operation of Community Living Ontario in the long term.
Further, without limiting the scope of the above statement by the following list, the CEO shall not:

1. Have fewer than two Directors familiar with Board and organizational issues, processes, and generally with the issues and role of the other Directors to ensure continuous operation of the organization in the event of sudden loss of CEO services.

2. Operate without a contingency plan for the CEO's unexpected long-term absence or incapacity.

For Board approval at the June 12, 2020 CLO Board Meeting.