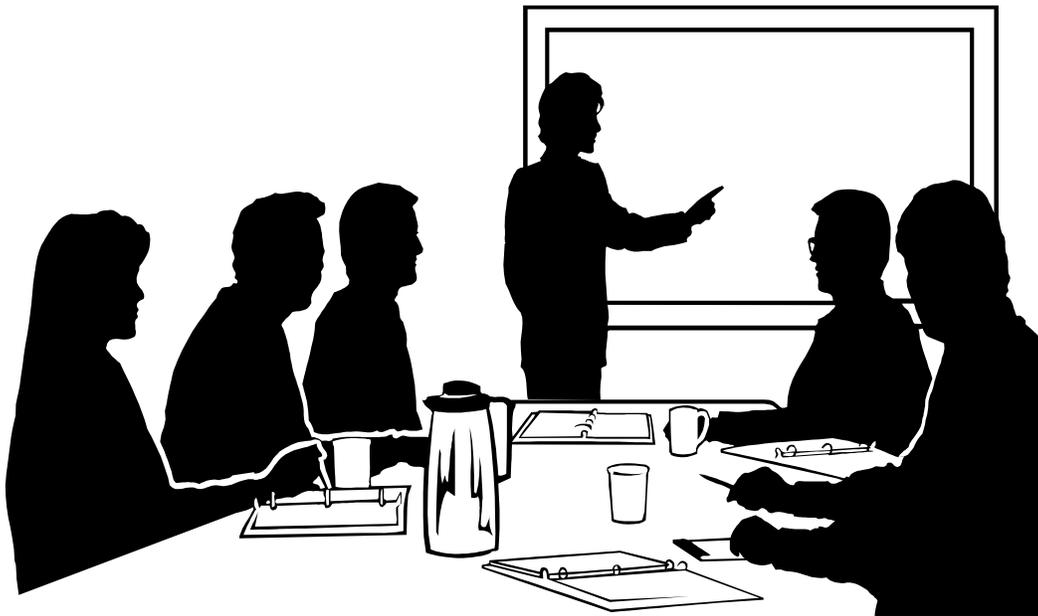


Board Orientation Package



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BOARD ORIENTATION PACKAGE

The purpose of the Board Orientation Package is to:

- ⇒ introduce and familiarize volunteer board members of non-profit child care societies with general information related to the responsibilities of a Board of Directors, **and**
- ⇒ provide a resource to assist new board members to develop an understanding of some of the key information about their organization.

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Glossary

<i>Confidentiality</i>	the obligation of board members to not disclose any information that is private or personal about the children and families, the staff, or the organization.
<i>Conflict of Interest</i>	when an individual's personal interests may be in opposition to the interests of an organization that they have a duty to protect.
<i>Contract</i>	agreement between two parties that is recognized in law. A contract implies legal obligations for both parties that can be enforced.
<i>Fiduciary Duty</i>	a duty that directors of any organization owe to the organization. Includes the duty to act honestly and in good faith in the organization's best interests.
<i>Liability</i>	legal responsibility for an act or event and its consequences. Finding liability means finding fault.
<i>Licensee</i>	a person or incorporated society that holds a license to operate a child care program.
<i>Vicarious Liability</i>	the responsibility of one person for acts of another. Usually applies to employer's liability for acts of employees.

Understanding Key Concepts

There are several key concepts which are fundamental to understanding roles and responsibilities of Boards of Directors of non-profit societies.

Non-Profit Societies

These are legally constituted, non governmental organizations which have been incorporated under the Society Act of B.C. When an organization incorporates as a non-profit society, the Corporate Registry (formerly Registrar of Companies) in Victoria issues a numbered Incorporation Certificate. Incorporation as a non-profit society creates a legal entity, allows the organization to receive/raise funds, hire employees, enter into contracts and to apply for charitable tax status. As a non-profit society, the organization must comply with the provisions outlined in the Society Act. For more information, see 'Maintaining Your BC Society' in Appendix 1.

A non-profit society may be established to operate social services, child care, health and other programs. Non-profit societies are run by volunteer boards. They are not designed to earn a profit. Any earned surplus is utilized to enhance or stabilize the services.

Board Of Directors

This refers to the legally constituted group of volunteers who serve as the governing body of a non-profit society. The board is responsible for managing the affairs of the society and is

accountable to the membership of the organization. The board members must:

- ⇒ act honestly, in good faith and in the best interest of the organization,
- ⇒ meet a number of legal requirements, and
- ⇒ fulfill a number of other key functions.

All boards members are volunteers who are selected (elected and/or appointed) by the members from the membership. In their voluntary capacity, board members are usually motivated in assuming their roles and responsibilities by several factors such as:

- ⇒ A commitment to ensuring a quality service
- ⇒ A commitment to non-profit, community operated programs
- ⇒ A commitment to volunteerism and its contribution to healthy communities.

Constitution

This formal document from the Corporate Registry states the legal name and purpose of the society. The original constitution was developed and endorsed by the founding board of directors. The purpose of the organization defines the reason for its existence and the types of programs it can provide. The wording of the purpose must be very specific if the organization is a registered charity (e.g. clearly defining the goals and objectives) and include a “non-profit clause”, a “winding up clause” and an “alterability clause”.

By-Laws

The By-Laws of a society define the everyday rules of management and provide a framework for the society’s organizational structure. The By-Laws define:

- ⇒ ***Membership in the society***: this typically includes voting and non-voting status of members, the rights and obligations of members, the duties of members and termination of membership, etc.
- ⇒ ***Participation as a board member and officer of the board***: this includes the number of board members, the method of election/appointment, duties and powers of board members and officers, term of office, remuneration/non-remuneration clause and removal from the board.
- ⇒ ***Procedures for Meetings of the Organization***: this outlines Annual General Meetings, board meetings and extraordinary meetings, special resolutions, notice requirements, voting and voting by proxy, definition of a quorum and how decisions are made.
- ⇒ ***Information specific to the organization***: this may include membership dues, special committees, audit requirements, borrowing powers, etc.



The Constitution and By-Laws are legal documents and a copy is registered and on file with the Corporate Registry in Victoria.

Key Board Responsibilities

All boards of non-profit organizations are responsible for setting the overall direction and policies for its programs. The board accomplishes this by:

- establishing and regularly reviewing the purpose and philosophy,
- establishing and regularly reviewing the policies and procedures,
- managing the finances of the organization, and
- fulfilling all legal requirements.

Purpose And Philosophy

The purpose of a non-profit society that is established solely to provide child care states the kinds of services or programs that may be provided and to whom. For example, the purpose might read as follows:

The purpose of XYZ Child Care Society is to provide quality, inclusive, affordable group child care for children from birth to twelve years of age in the community.

The philosophy is a statement about beliefs and principles and was developed and agreed to by both board and staff when the child care programs were first established. The philosophy should be reviewed and revised, or reaffirmed, by each subsequent board. The philosophy is based on beliefs about:

- how children develop and learn
- what is worth knowing
- what is valued

A sample statement of philosophy might read as follows:

At XYZ Child Care Centre, we believe that:

CHILDREN are entitled to environments and opportunities that foster positive emotional, social, cognitive and physical development and that value inclusion, multiculturalism, interdependence and dignity.

FAMILIES are entitled to be involved in a meaningful way in their child care experience. They deserve assurance of quality care for their children while they are involved in work commitments, educational and/or personal fulfilment or when child care is part of a care plan for a family.

STAFF are entitled to a working environment that recognizes and respects their training, skills and commitment to child care and that demonstrates this through respectful communication and personnel policies.

THE CENTRE enhances the lives of children, their families and the community by providing a caring, supportive and vital community service.

Policies And Procedures

Policies are the “ground rules” that outline how the organization operates. Procedures refer to the ways in which these policies are implemented or “put into action”. Another way to think about policies and procedures is to define policies as “what you do” and procedures as “how you do it”! Generally speaking, it is the role and responsibility of the board (with input from staff) to develop the policies. It is the role and responsibility of the staff (with input from the board) to develop and follow the procedures.

In a non-profit society sponsoring child care programs, policies and procedures are developed in two key areas:

1. **Policies and Procedures that apply to the child care program/s** including enrolment, attendance, health, safety and hygiene, emergencies, food and nutrition, curriculum, etc.
2. **Policies and Procedures that apply to the overall organization** including personnel, financial and organizational structure.

Financial Management

In the area of financial management, the role and responsibility of the board is demanding and critical! It includes:

- understanding the sources of revenue and expenses for non-profit child care,
- being aware of the various records, reports and systems used to document and monitor finances,
- ensuring proper monthly and year end accounting and reporting procedures,
- assisting with preparation of, and approving, the operating budget,
- overseeing the administration of the budget, including monitoring of revenue and expenses, and
- ensuring the financial viability of the organization.

Typically, a board member/s (e.g. the Treasurer or Finance Committee) is designated to work in close liaison with the accountant/bookkeeper and senior staff member to address financial issues and keep board members informed. Financial management is a critical area where board members must ask for explanations or clarification and understand the implications for the organization.

Legal Requirements

As the legally constituted governing body of a child care facility, the board has a number of requirements and obligations to fulfill. The board must:

- uphold the Constitution and By-Laws of the organization,
- ensure compliance with all relevant agreements, regulations/acts and/or legislation. This includes, for example, the Child Care Licensing Regulation, Canada Customs and Revenue Agency (formerly Revenue Canada), Collective Agreements and Society Act,
- act honestly and in good faith by disclosing any conflict of interest,
- avoid financial risks for the organization, and
- foresee the consequences of actions and decisions before they are finalized.

Accountability and Liability

The Board of Directors are accountable for their actions and decisions to the membership of the organization. As outlined in the Society Act, board members must exercise the care, diligence and skill of a reasonably prudent person. They must act honestly and in good faith and in the best interest of the Society and its program/s. Board members must adhere to confidentiality relating to children and families, staff and the organization. Failure to respect confidentiality could result in board members being held liable, legally responsible for any loss, damage or injury that results.

Officers Of The Board

The members of the Board of Directors are selected as described in the society's By-Laws and confirmed at the Annual General Meeting. As By-Laws vary from organization to organization, the roles of the officers within each organization will also vary. Typical positions may include chairperson, vice chairperson, treasurer, secretary, personnel chair and fundraising chair. For sample role descriptions, refer to Chapter 2 of the ***INFORM Guide: An Administration Manual for Non-Profit Child Care In B.C.***

Board Committees

Much of the actual “work” of a Board of Directors can be supported by committees. These smaller groups take on a particular area of responsibility, look at possible options, explore/research the options, and report back to the board with recommendations or suggestions. Each committee should have ‘Terms of Reference’ which outline the purpose of the committee, areas of responsibility, and the time commitment required of members. The board makes their decisions based on the information provided by each committee and any other relevant factors.

Committees may be composed of board and staff, members of the organization, community representatives and/or other people supportive of the goals of the organization. Individuals may be asked to participate on a certain committee because they have specific areas of expertise that would be valuable to the work of that committee (e.g. accounting student on the finance committee).

There are two types of committees:

Standing Committees are permanent, on-going committees and are usually defined in the By-Laws. They focus their work on a general area such as personnel or finance, and monitor the organization’s activities in this area. They provide regular reports and make recommendations to the board. Some boards may choose to have other standing committees, such as an executive committee, advocacy committee, school liaison committee, occupational safety and health committee, and/or a public relations committee.

Ad Hoc Committees are appointed by the board to complete a specific task and once the task has been carried out, the ad hoc committees usually disband. For example, a “Nomination Committee” might be formed prior to the Annual General Meeting to recruit new board members and oversee the election of officers. Once the Annual General Meeting has taken place, the committee is no longer required.

For more information about the role of committees, refer to Chapter 2 of the *INFORM Guide: An Administration Manual for Non-Profit Child Care In B.C.*

Board/Staff Responsibilities

An effective board/staff team depends on individuals who are informed, clear about what is expected, and committed to doing the work of the organization. Board and staff need to understand their respective roles and responsibilities and how they compliment one another. Working together towards common goals should be nurtured at all times. The specific roles and responsibilities of board and staff members will vary in different organizations according to the organizational structure, size, and job and role descriptions.

EXAMPLE

Division of Responsibilities for Board and Staff – Duties Before, During and After Board Meetings

Board	Staff
<i>Chairperson</i>	<i>Senior Staff</i>
<ul style="list-style-type: none">▪ prepare agenda with input from senior staff▪ chair and set the tone for a productive meeting▪ ensure conditions of organization's by-laws are adhered to	<ul style="list-style-type: none">▪ submit agenda items to chairperson▪ assist in planning and setting up for meetings▪ be familiar with organizations by-laws and help facilitate if necessary
<i>Secretary</i>	<i>Senior Staff</i>
<ul style="list-style-type: none">▪ prepare notice of meeting▪ at meeting, record and prepare minutes	<ul style="list-style-type: none">▪ distribute notice of meeting, agendas and meeting reports in advance▪ distribute minutes of meetings
<i>Treasurer</i>	<i>Senior Staff</i>
<ul style="list-style-type: none">▪ prepare and present financial report on a monthly basis	<ul style="list-style-type: none">▪ provide background information to respond to any questions regarding revenue/expenses related to program

Board

Board Members

- review relevant information related to agenda prior to meeting
- attend and participate in regular meetings
- initiate, discuss and decide (vote or reach consensus) on motions presented at meeting
- review and accept reports

- review and approve monthly financial statement
- review and approve revisions to the policies and/or approve new policies as appropriate

- update Board manuals

Staff

Senior Staff

- review relevant information related to agenda prior to meeting
- attend and participate in regular meetings, be available to answer questions
- participate in discussion (staff are not typically voting members of the board) and answer any questions
- present a written report at each board meeting
- note recommendations and questions for follow up if required
- report to staff on decisions and policies approved by the board and ensure procedures are developed to implement policies

- provide staff supports to ensure board manuals are updated

This information is presented as a resource for licensed non-profit child care facilities. Westcoast Child Care Resource Centre does not assume responsibility for actions taken based on information provided.

Appendix I

Key Information about _____ Society

History of Our Society

The legal name of our Society is _____ Society.

Our society was incorporated on _____ in the City of _____
(date)

in the Province of B.C. Our incorporation number is _____.

Our Constitution and By-Laws were last approved by the Corporate Registry (formerly Registrar of Companies) on _____ .
(date)

The purpose of our Society as outlined in our Constitution is _____

_____.

The year end for our Society is _____ and our Annual General Meeting (AGM)
(month)

is usually held in _____ of each year.
(month)

The Board

Eligibility to be on the Board of Directors is open to _____
_____ . We require at least

_____ board members in order to comply with our By-Laws. At least _____ of
(number) (number)

these board members must be in attendance at board meetings for decisions to be made. Our

Board is composed of the following positions: _____, _____,
_____, _____, _____,
_____.

Board meetings are held on the _____ of each month at the _____.
(day/date) (location)

The Board has _____ Standing Committees: the Finance Committee, the Personnel
(number)

Committee, _____.

The staff (are) or (are not) members of a union. The Board, as the employer, must develop an understanding of (the union agreement) or (personnel policies and procedures, employment contracts and Employment Standards).

Membership

Eligibility for membership in our society is open to _____
_____.

All members in good standing are eligible/encouraged to attend the AGM and will receive at least 14 days written notice of this meeting. At least _____ members must be
(number or%)

present at the AGM in order to have a quorum. The members will (elect) or (appoint) board members at this meeting as outlined in our By-Laws. The membership fee is _____.

The list of members is maintained by _____.
(name)

The Child Care Programs

Our Society operates _____ child care program/s. These programs are licensed
(number)

under the Community Care Facility Act and the Child Care Licensing Regulation. The Board, as the licensee of the child care program/s, must become familiar with the requirements of this legislation/regulation. The names and types of the child care program/s we offer are:

Name	Type of Care
_____	_____
_____	_____
_____	_____
_____	_____

The philosophy of our child care program/s states:

_____.

The person responsible for the administration of the child care programs is _____
_____. We have _____ full-time and _____ part-time child
(number) (number)

care employees.

Revenue

The main source of revenue for our child care program/s comes from fees paid by the families and/or child care subsidy. Fees/subsidies total \$ _____ per year or _____% of our annual revenue. This year our child care program/s will also receive Compensation Contribution Program (CCP) dollars which are distributed to the child care staff \$_____. Income from other sources includes _____.

We also received grants/donations in the past two years that totaled \$_____ and were from_____.

This year one of our goals is to increase the contingency fund from \$ _____ to \$ _____.

Expenses

Typically, \$ _____ per year, or _____% of the expenses are budgeted to cover costs for the staff of the child care programs (including wages, benefits, substitutes and professional development).

Program expenses (including food, supplies, toys and equipment, and field trips) typically account for \$_____ per year, or _____% of the expenses.

Our Society (has a lease agreement) or (mortgage) or (owns) the facility. Facility expenses (including repairs and maintenance, cleaning supplies and janitorial, rent and grounds and utilities) are \$ _____ annually.

The administrative expenses (including accounting, legal, insurance, telephone, office supplies and equipment, advertising and bank charges) usually accounts for \$ _____ per year, or _____% of the expenses.

Other major expenses in the past two years have been _____

_____.