ALIGNMENT WITH NOT-FOR-PROFIT CORPORATION BEST PRACTICES

This policy aligns with governance best practices for a not-for-profit corporation operating within a policy governance model.

A. GENERAL EXECUTIVE LIMITATION

The Executive Director shall not cause or allow any practice, activity, decision or organizational circumstance which is illegal, not in accordance with MAPS’ by-laws or policies, imprudent, or in violation of commonly accepted business and professional ethics. The Executive Director shall not allow the day-to-day operations to impede the vision or prohibit the achievement of the Association’s ends.

In providing for compensation and benefits of other staff, the Executive Director shall:

1. Not change his compensation and/or benefits; or
2. Establish current compensation and benefits which do not deviate materially from guidelines established by McMaster University.

B. ETHICS, FAIRNESS, STANDARDS

The Executive Director shall be ethical, fair and socially responsible in his dealings on behalf of the Association.

The Executive Director will operate in accordance within the Employment Standards Act and McMaster HR policies. He will set service standards for the office and ensure they are widely known.

He will create a fair and easy to understand dispute resolution processes that starts informally and moves towards more formal.

C. COMMUNICATION AND COUNSEL TO THE BOARD

The Executive Director will employ management best practices to ensure the Board is fully informed and advised; which may include, but not limited to:

1. Monitoring metrics in a manner that is understandable to the Board
2. Report on relevant trends, media coverage, anticipated legal actions, or other material changes that may require the board to act.
3. Advise the Board if it is not in compliance with statutes, by-laws or policies; particularly if Board’s behaviour is detrimental to the working relationship between the Board and the Executive Director.
4. Interact with the Board collectively, while assisting individual board members.
D. **FINANCIAL REQUIREMENTS**

The Executive Director will do nothing that jeopardizes MAPS’ financial situation, compromise approved priorities or limit the Board’s ability to ensure financial accountability and stability. Accordingly, the Executive Director shall:

1. **Develop an annual budget** for approval and then **operate within that budget**
2. **Ensure that the Association does not spend more money than is expected** to be received
3. **Only spend net assets or liquidate investment in keeping with Board policy**
4. **Ensure that credit facilities (corporate credit cards) are only used for authorized purposes**
5. **Ensure remittance of deductions / payments** to all statutory authorities.

E. **BUDGET AND FORECASTING**

The Executive Director is responsible for preparing the Association’s budget and ensuring that the funding is allocated to support Board strategic objectives or ends, is in keeping with board policies and by-laws, and demonstrates reasonable foresight in when projecting expenses and revenues. The annual budget shall

1. **State planning assumptions clearly**
2. **Be based on past performance, expected material changes, and employ reasonable projections**
3. **Be conservative in approach**, underestimating revenue and overestimating costs
4. **Be focused on investments to achieve the Board’s strategic objectives or ends.**
5. **Supports membership needs and priorities.**

F. **ASSET PROTECTION**

The Executive Director shall:

1. **Maintain a log of the Association’s assets in keeping with the requirements of the Corporation’s Auditors.**
2. **Ensure that adequate general, commercial, and officer and director liability insurance** policies are maintained and the Association risk liability profile is periodically reassessed.
3. **Maintain leasehold improvements, furnishings and equipment** to the
standards allowed by the approved capital expenditure budget.

4. **Ensure adequate financial and security controls** are in place to safeguard cash, records and other assets of the Association.

5. Make **periodic investment of the Association’s funds** that align with the Board’s financial risk tolerance policy.

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**G. REPORTING OF NON-COMPLIANT TRANSACTIONS**

Any transaction that does not comply with this or other applicable policies must be reported, preferably in writing, to the Executive Director (or directly to the Board if the Executive Director is the person at issue). Failure to disclose non-compliant transactions is grounds for summary dismissal.

The Executive Director and/or the Board reserve the right to reverse any non-compliant transaction where the nature of the transactions falls outside the spirit and intent of the Association’s policies, the policies of McMaster University, or best practices for non-profit organizations. If reversal is not possible, the person who conducted the transaction is personally liable for the transaction, and MAPS reserves the right to take all necessary steps to recover the corresponding amounts from the individual.

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**H. DESIGNATION OF THIS POLICY**

This policy is designated as materially important. To change it, the Board must provide the membership with notice of intent to change the policy. For more information, see Policy 003.

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**APPROVED BY THE BOARD.**

November 11, 2014

Jacqueline Arlen, President

David Moore, Secretary