

Volunteers are the foundation of our success

COMMUNITY FUTURES
VOLUNTEER GOVERNANCE GUIDE

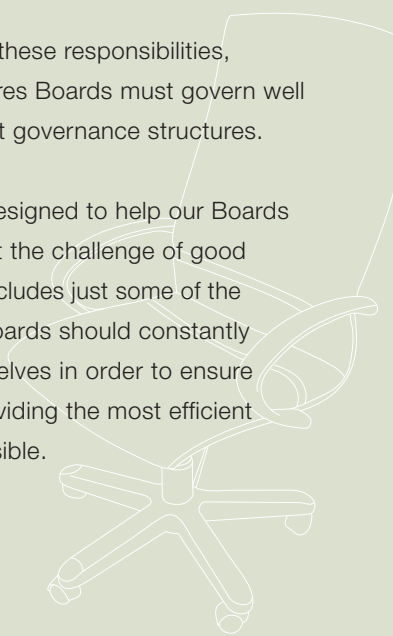
Community
Futures 



Working as an effective Community Futures Board of Directors involves being accountable for public funds, ensuring that appropriate programs and services are delivered to small businesses and communities, and being responsible to stakeholders.

In order to meet these responsibilities, Community Futures Boards must govern well and have efficient governance structures.

This booklet is designed to help our Boards of Directors meet the challenge of good governance. It includes just some of the questions that Boards should constantly be asking themselves in order to ensure that they are providing the most efficient governance possible.



Contents of this booklet:

SCHEDULE A:

Key dates associated with reporting requirements to Western Economic Diversification.

SCHEDULE B:

Checklist that can be used by individual Community Futures Boards to assess how well their organization is being governed. This checklist is divided into 4 sections:

- Accountability
- Planning & Risk Management
- Programs and Services
- Human Resources

SCHEDULE C:

Links to resources and training for Board governance.

SCHEDULE A

Reporting Requirements by Fiscal Year

(April 1 – March 31)

Western Economic Diversification (WD) requires Community Futures organizations to submit quarterly reports, audited financial statements, semi-annual financial information and an annual operational plan. WD must also have a current copy of each office's Policy and Procedures Manuals on file, and be notified of any key changes.

REPORT	DUE DATE
1st Quarterly Report (April 1 – June 30)	July 20
Audited Financial Statements	July 31
2nd Quarterly Report (July 1 – Sept 30)	October 20
Semi-Annual Financial Statement	October 31
3rd Quarterly Report (Oct 1 – Dec 31)	January 20
Operational Plan for next fiscal year (including annual operating budget)	January 31
Policy & Procedures Manual	January 31
4th Quarterly Report (Jan 1 – March 31)	April 20
Certificate of name or address change	Soon as change occurs
Annual Board self-assessment	Recommended annually
CCRA (tax) filing	Annually
Annual Performance Report for General Manager	Annually (use hire date)
Federal and Provincial Corporate Filing:	
Industry/Corporation Canada	Following the AGM
Provincial Corporate Return	Following the AGM



SUBMIT

WD online reporting system

Mail to provincial WD office

Must be approved by Board and signed by Chair

NB The AGM must be held in advance of July 31 to meet the reporting requirement

WD online reporting system

Mail to provincial WD office

Must be approved by Board and signed by Chair

WD online reporting system

Mail to provincial WD office

Must be approved by Board and signed by Chair

Send copy with Operations Plan if any significant changes have been made throughout the year

WD online reporting system

Mail to provincial WD office

Internal use

T-2 and T-1044 forms

General Manager (confidential)

As per legal requirements

As per legal requirements

SCHEDULE B: GOVERNANCE CHECKLIST**1. ACCOUNTABILITY**

Accountability Framework

Building a Community Futures organization with strong ethical standards requires that Boards of Directors create an environment of transparency, accountability, and integrity. Our Boards are accountable to their communities and funding agencies, plus other stakeholders.

- Does the Board meet at least quarterly?
- Does the Board evaluate its own performance annually?
- Does the Board enhance transparency by ensuring that the following information is on its website: mission and vision, information on programs and their impact, annual financial statements, list of Board members, how Board members are chosen, list of funding organizations?
- Does the Board ensure that WD receives the organization's audited statements by July 31 every year?
- Does the Board ensure that WD receives the organization's Annual Operational Plan and any amendments to policies and procedures by January 31 each year?
- Does the Board ensure that WD receives the organization's semi-annual statements by October 31 every year?
- Does the Board ensure that Conflict of Interest guidelines are enforced?
- Does the Board review and discuss organizational results compared to operational planned targets on a quarterly basis?

Financial Awareness

Community Futures organizations use public funds and operate in the public trust. Ensuring that funds are invested wisely is a key requirement of the Board of Directors. Each Board must approve and monitor their annual operating budget, and ensure an organizational audit from an independent accountant once a year.

- Does the Board thoroughly discuss the annual operating budget of the Community Futures before approving it?
- Does the Board receive accurate financial reports on a regular basis?
- Does the Board meet annually with the auditors?
- Does the Board consider all recommendations made in the auditor's report and management letter?
- Does the Board have a thorough understanding of the financial position of the Community Futures?
- Does the Board control signing authority?

Efficient Board Operation

In order to be effective, Board and committee members must understand the operating bylaws and be able to review agenda items several days prior to each meeting. Each committee requires a Terms of Reference which defines purpose, process and length of service.

- Does the Board periodically review bylaws?
- Does the Board periodically review the policies and procedures?
- Do Board members have adequate opportunity to discuss issues and ask questions?
- Do all committees have Terms of Reference?
- Do all committees have a stated purpose and annual work plan?
- Does the Community Futures have an audit committee?
- Does the Community Futures have an investment fund committee?
- Does the Community Futures have a Board development or governance committee?
- Do Board members receive the orientation package and Board training?

2. PLANNING AND RISK MANAGEMENT

Strategic Planning

Boards must consider how their organizations need to evolve over the next three to five years, and recommend action to meet new goals. Each year, Boards should undertake a planning process that considers changes to the operating environment and how to adapt.

- Does the Board engage in strategic planning once a year?
- Does the organization's strategic plan take into account community priorities?
- Does the Board have a clear strategic vision of how the organization should be evolving over the next 3 to 5 years?
- Is the strategic plan being implemented?
- Does the Board monitor the progress towards stated goals and objectives in the strategic plan?
- Does the Board ensure that the organization remains viable and strategically positioned to address new opportunities and challenges?

Sound Risk Management Policies

Boards must reduce the risks that can endanger a Community Futures organization.

- ❑ Does the Board ensure that the organization has an adequate amount of fire and liability insurance?
- ❑ Does the Board ensure that the organization has adequate directors' and officers' liability insurance?
- ❑ Does the Board ensure that the organization has an effective process to discipline, and if necessary dismiss, under-performing staff or managers?
- ❑ Does the Board ensure that the Personal Privacy Act is followed, and that information is accessible only to those authorized?
- ❑ Does the Board ensure that relationships with key funding organizations are excellent, and that staff responds quickly to any feedback?
- ❑ Does the Board ensure that the organization makes all mandatory government filings and payments on time (CPP, EI, GST, tax)?

3. PROGRAMS AND SERVICES

Review of Programs and Services

Community Futures Boards are responsible for deciding which programs and services are most consistent with the organization's mission and mandate, and for ensuring program monitoring and evaluation.

- Can the Board describe which of the organization's programs support community economic development?
- Can the Board describe which programs help diversify the economy?
- Can the Board describe which programs support the creation and expansion of small- and medium-sized businesses?
- Can the Board describe which programs and services maintain and create new employment?
- Is the Board confident that these programs and services are aligned with the needs of the community?
- Does the Board insist on performance measurement using key performance indicators?

Investment Funds

Community Futures organizations receive federal funding in order to provide loans to small- and medium-sized businesses and to develop and diversify local rural economies. Each Board is responsible for wise investment and is accountable to government and communities for the loan funds.

- Does the Board ensure that the organization has a long-term strategic plan for the investment fund?
- Does the Board ensure that the strategic plan for the loan fund includes targets for cash-on-hand, sectors, and bad debt?
- Does the Board ensure that excess investment funds are deposited in the provincial investment fund pool (BC, AB and MB only)?
- Does the Board ensure that there is an effective loan decision-making body?
- Does the Board ensure that Conflict of Interest policies are adhered to?
- Does the Board ensure that all loan applications and approved loans are documented correctly?

Public Relations

Board members can contribute in many ways to the image and visibility of Community Futures – by participating in key Community Futures events, making presentations and playing a lead role in implementing initiatives with important stakeholders.

- Does the Board always speak with one voice?
- Does the Board have high credibility with key stakeholders (WD, other funding agencies, municipalities, community organizations and other lenders)?
- Does the Board periodically request a survey of the community about its satisfaction with the Community Futures organization?
- Do all Board members promote a positive image of Community Futures in the community?
- Do all Board members know who the official spokesperson for the organization is?

4. HUMAN RESOURCES

Board Development and Recruitment

Every Board should have a recruitment plan. New members should be oriented to the organization, and all members should participate in ongoing development. Board membership should be rotated regularly to ensure new ideas and momentum.

- Is the Board representative of the community in terms of municipalities in the region, gender, age, ethnic background, First Nations and perspective?
- Does the Board have a process to identify the qualifications and expertise that new Board members should have?
- Is there a Board recruitment and retention strategy in place?
- Does the Board ensure that new members have a full orientation to Board responsibilities, programs, services, and administrative procedures?
- Do the organization's bylaws include policies for length of Board service and rotation of Board members?

Relationship Between Board and Staff

It must be clear that the role of the Board is to determine and demand appropriate performance from Community Futures staff, not to manage the organization. The Board sets the policies that govern the relationship between itself and the General Manager.

- Are the respective roles of the Board, management and staff clearly defined and understood?
- Do Board members know what their role is?
- Does a climate of mutual trust and respect exist between the Board and the General Manager?
- Does the Board ensure that the General Manager has a written job description that clearly spells out responsibilities?
- Does the Board do a performance review of the General Manager at least annually, and in a systematic and fair way?

SCHEDULE C: BOARD GOVERNANCE RESOURCES

Your Local Community Futures

PLEASE FILL IN

BOARD CHAIR

EMAIL

PHONE

GENERAL MANAGER

EMAIL

PHONE

WEB ADDRESS

USER NAME

PASSWORD

PLEASE FILL IN

Community Futures Provincial Association

BOARD CHAIR

EMAIL

PHONE

EXECUTIVE DIRECTOR

EMAIL

PHONE

WEB ADDRESS

USER NAME

PASSWORD

SCHEDULE C: BOARD GOVERNANCE RESOURCES

Community Futures Pan West Network

PAN WEST COORDINATOR, CONTACT BY EMAIL:

professionaldev@telus.net

WEB ADDRESS: www.communityfuturespanwest.ca

MEMBERSHIP USER NAME: **community**

MEMBERSHIP PASSWORD: **futures**

PROFESSIONAL DEVELOPMENT WEB ADDRESS:

www.communityfuturespanwest.ca/professional-development.php

BRANDING PORTAL WEB ADDRESS: www.pwcf-brand.ca

PLEASE FILL IN

Community Futures Network of Canada

WEB ADDRESS www.communityfuturescanada.ca/cfc

USER NAME

PASSWORD

Best Practices page

WEB ADDRESS www.communityfuturescanada.ca/cfc/en/BestPractices/tabid/56/Default.aspx

USER NAME CFO

PASSWORD community

Western Economic Diversification Canada

WEB ADDRESS www.wd.gc.ca

KEY CONTACTS _____

Community Futures Board Training Modules

Community Futures Pan West created its Board Development program to assist our volunteers in acquiring the skills and tools they need to do their invaluable work. The program consists of eleven informative sessions which cover all the topics and information required by Board members.

- Module 1: Community Economic Development and the Role of Planning
- Module 2: Operations – Board and Staff
- Module 3: Legal Responsibilities of Boards
- Module 4: Financial Management of a Community Futures
- Module 5: Board Development and Evaluation
- Module 6: Community Futures Lending
- Module 7: Management Recruitment, Performance and Evaluation
- Module 8: Board Leadership
- Module 9: Cultural Awareness
- Module 10: Social Economy
- Module 11: Organizational Assessment



Community Futures British Columbia

Marie Gallant

mgallant@communityfutures.ca

www.communityfutures.ca

Community Futures Alberta

Jon Close

jon@cfna.ca

www.cfna.ca

Community Futures Saskatchewan

Lewis Oteruelo

lewis@cfsask.ca

www.cfsask.ca

Community Futures Manitoba

Jason Denbow

jdenbow@cfmanitoba.ca

www.cfmanitoba.ca