**Roles, Responsibilities and Operation Principles**

**Board of Directors (BOD), Executive Board (EB) and their Members**

## INTRODUCTION

Most National (NSO) and Multi (MSO) Sport Organizations in Canada are incorporated not-for-profit (NFP) corporations under federal legislation (click for link to legislation or summary). Most Provincial-Territorial Organizations (P-TSOs) and many clubs are incorporated under provincial legislation. As incorporated NFPs sport organizations enjoy significant legal and financial benefits; for example, Incorporated NFPs do not pay taxes on retained earnings. In return for which they are legally and morally charged with an obligation to serve a public good.

Many NSOs and MSOs (click for list) are also Registered Charitable Amateur Athletic Associations (RCAAA) which enables the organization to issue charitable donation receipts.

Public trust is the moral obligation placed on members of the BOD to ensure that:

* the statutory mission and aims are respected
* the assets of the organisation are maintained, preserved and further developed
* the resources of the organisation are used in a responsible manner
* the organisation’s programmes, activities and services remain in the best interest of its members and to the benefit of future generations of athletes
* the organisation is effectively governed and managed

**LEGAL RESPONSIBILITIES**

***Fiduciary:*** A BOD member has a legal commitment to the organisation. This legal commitment requires BOD members to act honestly, in good faith and in the best interests of the organisation and an obligation of loyalty and duty to uphold its integrity.

***Skill and Diligence Required***: A BOD member must exercise the degree of skill and diligence and good judgment that can reasonably be expected from someone of his or her knowledge and expertise.

***Duty of Care***: A BOD member has a duty to be informed about the state of business and affairs of the organization. This responsibility includes ensuring that the organization is properly managed and its property and assets are cared for and protected.

***Personal Interests Must Not Conflict***: A BOD member must not let personal interests, the interest of another organisation in which he/or she is involved or the interest of a family member, friend or colleague conflict with those of the organization. If a conflict arises, the BOD member is forbidden from exploiting his or her position. The BOD member must declare their interest and subsequently refrain from any involvement in discussions or decisions around the related decision or contract.

***Must Retain Confidentiality***: BOD members are not permitted, either during or after their term of office, to share or use information deemed confidential by the organisation.

***Conduct Must Not EB Self-Serving***: A member of the BOD must not allow their membership on the BOD to serve personal ends.

**MORAL RESPONSIBILITIES**

Moral responsibilities are not as clearly defined. At a minimum the BOD member has a moral responsibility to want to serve the organisation and to see it develop and grow. BOD members should wholeheartedly believe in the importance and value of the organisation. A BOD member should be able to endorse the vision, values and mission of the organisation without reservation. BOD members must be committed to the sport and dedicate the time, energy and expertise needed to ensure a positive future for the organisation.

## OPERATING PRINCIPLES

* The BOD as a whole is accountable to the Membership at its Annual and Special General Meeting; the Executive Board (where applicable) as a whole is accountable to the BOD.
* The BOD works as a unified team and agrees to support and promote each other and the decisions of the BOD. The BOD has “one voice” when communicating to its members, stakeholders and the CEO (senior staff member).
* The President may not substantively change the direction given by the BOD.
* The President and CEO form a strong, collaborative working team that is in regular contact to ensure that their individual and collective decisions and actions are consistent with the organization’s Letters Patent, By-Laws, Regulations, policies and BOD direction.
* The CEO receives direction from and is responsible to the BOD and/or the President as defined by the CEO Job Description and/or Executive Limitations Policy. In the event the CEO is asked by the President (or a Board member to which the Board has delegated authority) to implement a directive which the CEO believes is not consistent with the BOD’s direction, the CEO shall seek the full approval of the EB or BOD before proceeding.
* Official and public statements on behalf of the organization are made exclusively by the President, CEO or an individual formally authorised by the BOD, President or CEO.
* All BOD direction to staff is through the CEO.
* All BOD members will be accessible by e-mail and respond to requests for input and decision within agreed timeframes.

**RESPONSIBILITIES OF THE BOARD OF DIRECTORS (BOD)**

The BOD will implement the following tasks of effective governance:

## Ensure adherence to the organization’s Letters Patent, by-laws and that all legal obligations are fulfilled.

* Speak with one voice; ensure BOD members communicate the same message with respect to decisions taken; no dissenting points of view expressed outside formal Board discussions.

## Recommend/appoint appointed BOD members, where applicable.

## Recommend the organisations mission, vision, values and strategic priorities to the AGM for approval.

## Approve strategic objectives and key performance indicators.

## Approve budget and quarterly financial statements.

* Monitor performance against the Strategic Plan and budget.

## Develop, implement and evaluate governance policies and processes and implement assessment and control systems to ensure compliance to these policies and processes.

## Establish BOD Committees and approve their Terms of Reference.

* Appoint/Ratify, where applicable, the Terms of Reference and appointments to Operational Committees.

## Communicate to branches, members, stakeholders and the public in a transparent and effective way ensuring that information is made available upon request.

## Define the roles, responsibilities and authority of the CEO; hire, monitor and annually evaluate his/her performance in accordance with the organization’s Human Resource Policies.

## Ensure effective orientation of new members of the BOD; ensure they understand their role and are informed of all policies of the BOD.

## Approve and monitor the Risk Management Plan.

**RESPONSIBILITIES OF THE EXECUTIVE BOARD (EB)**

The Executive Board (EB) may be convened by the President by what ever means s/he deems most expedient when emergency and/or circumstances prevent the timely convening of the BOD. The Executive Board:

## is empowered to deal with all questions of safety, those of extreme importance which require an urgent decision and other decisions as identified in the EB Terms of Reference.

## may set a date for the entry into force of decisions it takes

## shall immediately inform the BOD of any decisions

In acting on the BOD’s behalf the legal and moral responsibilities and the operating principles outlined in these Terms of Reference also apply to the EB.

**INDIVIDUAL MEMEBRS OF THE BOARD OF DIRECTORS**

BOD and EB members will adhere to the following guidelines:

* Be sensitive to any conflicts of interest whether real or perceived. Where conflict cannot be avoided, declare the conflict of interest and remove yourself from all discussion, efforts to influence and voting on the related issue**.** A member who has a conflict of interest may, with the unanimous consent of the BOD/EB members that do not have a conflict of interest, be invited to provide information on the matter under discussion and/or respond to related questions but shall not be present for the discussion or vote.
* With regard to communication: participate fully and frankly in meetings; listen carefully; encourage free and open discussion; and where necessary ask probing questions.
* Outside meetings of the BOD/EB respect and defend the decisions and recommendations that have been agreed; refrain from offering different opinions and/or revealing the opinions of others who participated in the discussions.
* Actively participate in the development and review of the strategic framework, organization policies and strategies, and monitor progress towards its Vision and Strategic Objectives.
* With regard to BOD/EB activity: exercise good judgment; act with integrity; use abilities, experience and influence constructively; be available as a resource to the CEO and the BOD/EB; respect confidentiality; govern rather than manage.
* With regard to decision-making: think independently of others, objectively considering all the information provided and what is in the best interest of the organisation as a whole.
* With regard to preparation and attendance: maintain a good attendance record at meetings; read material provided and acquire adequate information for decision-making.
* With regard to committee work: know the Terms of Reference of the Committee and understand the process and the role of the CEO and staff in supporting the committee work.
* With regard to staff members, individual BOD/EB members may deal with staff but shall not direct their actions, except as agreed by the CEO.
* With regard to sport knowledge, remain aware of all organization services and programmes; understand the cultural, business, financial, social and political environments in which the organization works.
* Establish a respectful relationship with other BOD/EB members.