



Divisions of Family Practice

A GPSC initiative

Governance Handbook

August 2011

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The Purpose of this Handbook

This Governance Handbook has been written as a resource to assist the boards and supporting staff/consultants¹ of Divisions of Family Practice in the delivery of governance leadership.

The purpose of this handbook is to:

- Provide information about standard requirements and best practices for non-profit organizations
- Identify the key roles and responsibilities of boards, directors and societies
- Provide a tool to assist in orienting and training board members
- Provide information about standard policies, along with some sample policies for the board to discuss and adapt to meet the Division's unique needs
- Provide information that will assist Divisions in developing their own board handbooks

For information about administrative matters not contained in this handbook, please contact the provincial Divisions of Family Practice team at 604.638.2895.

¹ The person leading this role can have the title of coordinator, executive director or executive lead, among others. For consistency, we have used the title coordinator throughout the handbook.

Introduction to Divisions of Family Practice

Divisions of Family Practice are community-based affiliations of family physicians working together to achieve common health care goals. The initiative was designed to improve patient care, increase family physicians' influence on health care delivery and policy and increase professional satisfaction for physicians.

Launched in November 2008, Divisions of Family Practice is the first initiative of its kind in Canada. The Divisions initiative provides physicians with a stronger collective voice in their community while supporting them to improve their clinical practices and offer comprehensive patient services. The initiative is founded on the belief that communities are best served when they seek to improve the health of all residents in the region. Each Division is a registered not-for-profit society, with an elected board of directors.

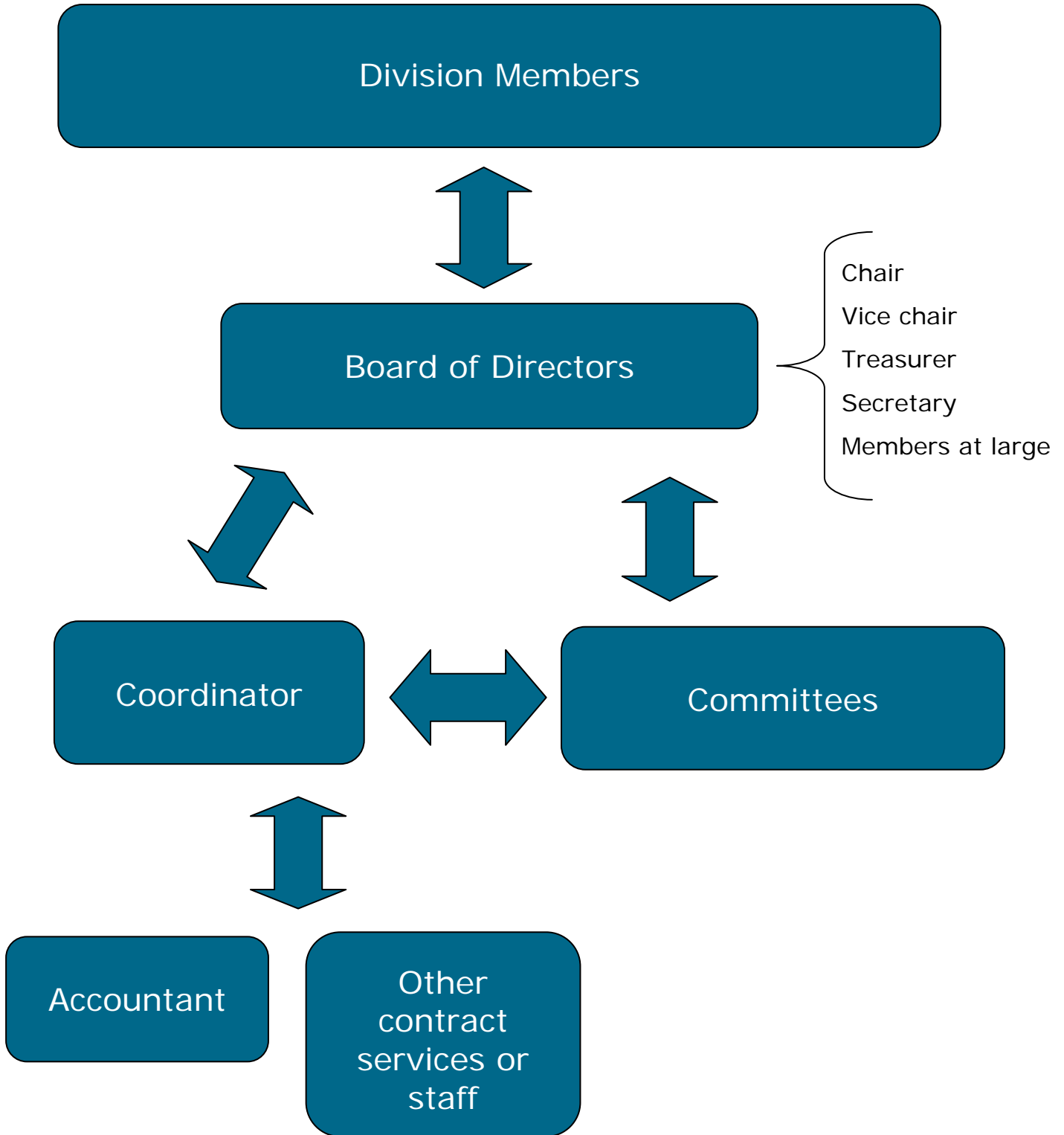
Divisions of Family Practice are key collaborators in a larger governance network including the regional health authorities, BC Ministry of Health (MoH), the BC Medical Association and the General Practice Services Committee (GPSC). Prior to incorporating as a society, these partners signed a document of intent (DOI). The DOI is an aspirational document and agreement between the partners to engage in the Collaborative Services Committee (CSC). The CSC is a multi-partner forum to address complex issues that can't be solved by the physician community alone and issues affecting patient care.

The DOI outlines the roles and responsibilities of each of the partners and describes their participation in the CSC. The CSC model was developed to 'ensure strategic alignment, information sharing and co-operation between the partners in the development and implementation of innovative models of primary care patient services.'²

At its core, Divisions of Family Practice is an initiative to strengthen the voice of family physicians and improve patient care at the community level. It is founded on commitments to working collaboratively to solve problems of local importance, building capacity at the local and regional level, and building relationships and trust with patients, communities, and other partners in provincial health care.

² Document of Intent, Version 13, page 6

Structure of a Division



Members (family physicians)

- Elect board members
- Provide ongoing feedback and inform the board initiatives
- Participate in Division events

Board of directors

- Sets vision and direction
- Hires coordinator
- Makes policy and expenditure decisions to achieve vision
- Creates, defines and funds committees composed of Division members and one board member

Chair

- Plans for and chairs board meetings
- Directs and supports coordinator

Vice chair

Acts in absence of chair

Treasurer

Oversees finances and engages board in decisions

Secretary

Oversees records of Division – members, minutes, etc.

Member at large

Makes decisions as part of board

Committees

- Investigate issues and make recommendations for the board

Coordinator

- Operates Division to achieve board's vision
- Hires and oversees staff/consultants

Section 1: Governance and leadership

Governance refers to the board's role of providing strategic leadership, direction and oversight of an organization's activities.

This section covers the overall structure of a division. It explains the processes and foundations of the non-profit society, key guiding documents, ways to make policy, and the role of the board of directors.

Guiding documents

Every Division has a set of documents that guide its work, and keep it grounded as it grows. Some, like the constitution and bylaws, are legal requirements under the Society Act. Others, like the document of intent, are important records of the foundation of the Division.

Many of the documents listed here will continue to develop and change as the Division matures. It is important for board members to be familiar with each document and how it impacts the organization.

- Constitution and bylaws
- Policies and procedures
- Document of intent
- Vision
- Mission
- Strategic plan

See appendix A for link to Society Act

Constitution, Bylaws and Policies

The Society Act requires that all registered organizations have a constitution and bylaws that set out the rules that govern their activities. These are legal documents created during the incorporation process of the Division.

The constitution states the name and purpose of the Division. It is a concise description of the Division's reason for being and outlines what is to happen with the assets of the Division should it dissolve.

The bylaws determine how the Division will govern itself as an organization. Board members should be familiar with the bylaws as they outline the rules that guide how the Division must conduct business.

Bylaws provide information about the Division's membership, board composition, annual general meeting requirements and board proceedings. Legislation requires that certain topics be covered in the Division's bylaws, but the way they are defined may vary in each organization. Once the bylaws are in place, board policies and procedures can be developed.

Changes to the constitution and bylaws can only be made by special resolution at the annual general meeting or by a special meeting of the members of the society, and approved changes to the constitution and bylaws must be filed with the registrar of corporations of BC in compliance with the Society Act.

Due to the process required to make changes to the constitution or bylaws, they are often stated in broad terms, leaving the particulars to be fine-tuned in policies and procedures – as changes to policies and procedures can be made at a board level.

Board policies are guidelines for how the board members will conduct the business of the Division. Each Division has a responsibility to adopt policies that ensure the Division has a plan to manage areas including, but not limited to, privacy, conflicts of interest, confidentiality, cheque signing and ethical practices.

Document of intent

The document of intent (DOI) is an aspirational document that is the foundation of the work undertaken by the Division and is also a guiding resource for the Collaborative Services Committee, as it outlines the roles and responsibilities of each of the partners and describes their participation. The DOI may be revised by the partners from time to time.

Mission, Vision and Strategic Plan

Together the mission, vision and strategic plan communicate the purpose and direction of the Division internally and externally. They are touchstones that keep the purpose and goals of the Division clear and set the foundation for making key organizational decisions and aligning improvement measures.

Initially, the DOI may help to provide information for the Division to develop its mission and vision. As a Division matures and input is gained from the membership, the mission and vision can be revised to reflect its particular direction.

Mission statement

The mission statement describes the fundamental purpose of the Division and guides the overall aims and activities of the Division. It is linked to the vision and values of the organization and is the starting point in developing a strategic plan.

A mission statement answers these questions:

- What is the Division's purpose? Who are we?
- What does the Division do? Why are we doing it?
- What is our role?

For example:

The _____ Division of Family Practice is a non-profit society that is led by and for family physicians practicing in _____. The Division will work to:

- Improve patient care
- Increase family physicians' influence on health care delivery and policy
- Provide professional satisfaction for physicians

Vision statement

A vision is a statement about what the Division wants to become. It describes an ideal future, the destination, and should resonate with all members of the organization to reflect a shared dream. The vision should stretch the Division's capabilities and image of itself. It provides direction and inspiration for the future of the organization.

The vision statement may answer:

- What will success look like?
- What does the Division want to be in its fullest state of development?
- How does the Division want to be viewed by the community?

For example:

The _____ Division of Family Practice will be a full partner in the development and growth of the primary healthcare system in _____. Family physicians, patients and primary health care partners will all be able to see the benefits that the Division brings to _____.

Strategic plan

The strategic plan is a tool to articulate clear direction for the Division. It outlines the mission and vision along with long term goals and details about specific strategies. Strategic planning provides a 'roadmap' of where the Division is, where it is going and how it will get there.

The strategic plan is closely linked to financial and program planning. Programs should flow out of the goals identified in the strategic plan, and have funding allocated to achieve those goals. The priorities and activities outlined in the strategic plan will determine the amount of financial and human resources needed to achieve the goals of the Division.

The strategic plan is a living document and should be reviewed regularly to evaluate the Division's progress. Set aside time in board meetings every quarter to review progress on the strategic plans and discuss any current realities that may impact the direction of the Division.

Board of directors

The members of the board of directors (board members) are the leaders of the Division, and play an essential role in establishing and safeguarding the mission and vision, cultivating the culture of the organization and planning for the future. They are informed by and responsible to the members of the society.

The board is accountable for the actions of the Division and as such is responsible for:

- Hiring the Division coordinator and providing them with direction, support and evaluation as appropriate
- Ensuring effective program, financial and organizational planning
- Determining and monitoring programs and services
- Creating committees to support the work of the Division
- Creating policy and procedures to support the operations of the Division
- Ensuring that there are adequate resources and managing resources effectively
- Measuring the performance of the board and the Division
- Managing risk

It is the board's responsibility to meet the legal obligations of the Society Act. These responsibilities include:

- Abiding by the constitution and bylaws of the Division and other laws governing societies
- Holding an annual general meeting (AGM) for all members of the Division – the first to be held within 15 months of the date of incorporation
- Filing an annual report to the registrar of corporations of B.C.
- Reporting any changes in the address of the society, bylaw changes, or changes in the board membership
- Filing an annual corporate income tax return – within six months of fiscal year end
- Abiding by the Personal Information Protection Act (PIPA)
- Making a copy of the bylaws and constitution available to every member
- Making a copy of the financial statements available to any person requesting them

Board culture

The board of directors are as much the cultural leaders of the Division as they are the governance leaders. In high performing organizations the

board sets the tone for the way things get done, aligning its actions with the strategies and initiatives of the organization. Board members play an important role in modelling collaborative decision-making and the core values of the Division in their work with members, partners and staff.

Board models

There are a variety of board models that exist for non-profit organizations. The model chosen is often based on how long the Division has been operating, what projects and programs it is working to implement, the kind of decisions that the board wants to make and how much or little the board is willing to delegate to others.

How a board chooses to organize itself will shape the level of involvement the board has in daily operations, how board members work together to govern the Division and their roles and relationships with staff.

Administrative board

Typically, early in the development of a Division the board will function as an 'administrative board' also commonly referred to as a 'working board'.

In an administrative board, directors attend to the top level strategic issues of the organization while also attending to the day to day matters of the organization. This results in more flexibility in the roles of board members and staff, as everyone is contributing to the work that needs to be done.

Administrative boards are responsible for planning, finance management, human resources management, organizational operations and community relations. Committees are struck to support operational responsibilities.

An administrative board should have strong planning and policy development skills and monitor areas of concern including:

- Board member burnout due to heavier workload
- Board members taking on responsibilities beyond their skills and abilities
- Role confusion with staff

Governing board

As the Division matures and becomes involved with implementing a number of projects and programs, the board will likely evolve to functioning as a 'governing' board.

In a governing board, the chair and the coordinator develop a partnership to lead and manage the organization. Board members primarily attend to strategic matters and staff to operational matters. The board delegates the responsibility of implementing policies and managing the Division's daily business to the coordinator and uses a variety of committees to carry out the work of the board.

A governing board should have strong planning skills and be aware of issues including:

- Overstepping bounds by getting involved in operations
- Failing to provide stewardship by delegating too much to the coordinator

Board member roles

Board membership is made up of two types of positions, officers and members at large. Officer positions include the chair, co-chair, treasurer and secretary, although sometimes the treasurer and secretary roles are combined as the secretary/treasurer. A society is legally required to have

at least three board members, so that each of the officer positions can to be held by different people.

Some Divisions have renamed the chair position the executive lead and in this case the executive lead functions as the chair of the board. Other Divisions have both a chair and an executive lead. In this case the chair presides at the board and the executive lead serves as the Division representative with partner groups.

Members of the board who do not hold a role as an officer are referred to as board members at large.

Following are descriptions of the board member roles:

Chair

The chair, or Division lead, presides at all meetings of the society and of the directors. The chair supervises the other officers of the board in the execution of their duties and works closely with the coordinator. In some Divisions the chair is combined with the physician lead position, in which case the duties may include supervising staff, representing the Division and co-developing service contracts.

Co-chair

The co-chair, or vice-chair, carries out the duties of the chair in the chair's absence.

Secretary

The secretary is responsible for overseeing the recording, distribution and storage of information important to the society, such as membership lists, meeting minutes, policies and other decisions of the board and the members, as well as upcoming events.

Treasurer

The treasurer is responsible for overseeing the financial controls and procedures of the Division. The treasurer works closely with the coordinator to maintain financial records, including books of account, necessary to comply with the Society Act. The treasurer should review the finances regularly to ensure that they are in order and review annual statements to make sure that they are accurate.

The coordinator will either prepare the monthly statements, or direct an accountant to create them for the treasurer to present to the directors and members at board meetings and the AGM. The treasurer helps the board

and members to understand the finances of the organization and guides them in making sound financial decisions.

Members at large

Members at large have no executive duties. They represent the breadth of the Division's membership in board discussions. Members at large can serve on committees or undertake other activities at the request of the board. Generally their role is to be prepared for board meetings, ask questions, provide feedback and participate in making board decisions.

Governance processes

Board meetings

Board meetings provide the structure for members of the board to formally meet to make decisions regarding the direction of the organization. Board meetings are critical to good governance and they need to occur as often as necessary for the board and directors to fulfill their duties, and as stated in the Division's bylaws.

It is important to make good use of board meeting time and focus on high level governance issues rather than operational or administrative issues. Ground rules for meetings, effective policies and agendas, good minutes and follow-up all contribute to creating productive board meetings.

Ground rules

Ground rules are the standard of conduct that guide group behaviour and help members to work more effectively with each other. Ground rules for board meetings may include considerations such as:

- Meetings start and stop on time
- Focusing on issues not personalities
- Participation
- Honouring opinions
- Engaging in respectful, open and honest communication
- No side conversations

Developing clear policies on issues including decision-making, code of ethics, code of conduct and roles and responsibilities will assist the board in its deliberations.

The strategic plan is another tool that can assist the board to focus on governance. Organizational goals from the strategic plan can be woven into the agenda to ensure regular monitoring of the plan as part of the board meeting.

Agendas

Agendas are a tool used by the chair to manage meetings effectively. They provide structure in the form of discussion content, required action from discussion and timelines.

A good agenda format can improve board meetings by identifying the topics to be discussed and allowing board members to prepare for the

meeting. Providing materials for board members to review at least one week in advance will help each member prepare so they are informed and ready to discuss the issues at the meeting.

Guidelines for developing an effective agenda:

- Have the chair and coordinator meet at least a week in advance of the meeting to prepare the board agenda.
- Format the agenda to include the topic, required action and allotted time.
- The chair will begin the meeting by asking for the agenda to be accepted. At this point items may be added to the agenda.
- Stick to the agenda and time allotted. If things come up, put them in the 'parking lot' to be discussed at the end of the meeting, or put them on the agenda for the next meeting. Appointing a time keeper can be helpful.

A sample board meeting agenda can be found in appendix B

Minutes

Minutes are a legal document and permanent record of meetings and decisions and need to be approved in a board meeting. The chair and recorder can sign the approved minutes. A copy of board minutes should be kept on file.

It is good practice to complete a draft of board minutes soon after the meeting so they can be sent out to board members. Action items should be clearly identified so that they can be followed up on between board meetings and added to the agenda of the next meeting.

The following should be documented in the board minutes:

- Date, time and attendance
- Name of recorder
- Key discussion points (just the facts not the dialogue) and decisions
- All motions made
- Any conflicts of interest
- Action points to be followed up and by whom

Board members' code of conduct

The board member code of conduct sets out the standard of conduct expected of board members of a Division. It is based on the legal duties and obligations of board members and covers topics such as ethical, businesslike and lawful conduct, including proper use of authority and professional decorum when acting as board members.

Boards should establish a code of conduct for directors that will explicitly state the standard of conduct required by all board members.

A sample code of conduct can be found in appendix B

Decision-making

Divisions of Family Practice place a high value on collaborative decision-making and modelling this behaviour as part of the organizational culture. There are a number of different approaches to collaborative decision-making that boards may choose from depending on what works best for the issue in question and the group making the decision.

Collaborative decision-making approaches: some distinctions³

The most common collaborative approaches used to make decisions are either consensus-based or democratic models, or some combination of the two. When undertaking a decision-making process, the board should discuss, agree on, and post guidelines for reaching decisions.

Consensus

The consensus process allows the entire group to be heard and to participate in decision-making. The goal of consensus decision-making is to find common ground, probing issues until everyone's opinions are voiced and understood by the group. Discussions leading to consensus aim to bring the group to mutual agreement by addressing all concerns.

Consensus does not require unanimity. Rather, everyone must agree they can live with the decision. Though it can take longer than other decision-making methods, consensus fosters creativity, cooperation and commitment to final decisions. There are no 'winners' and 'losers' in this

³ Center for Collaborative Planning, a center of Public Health Institute – www.connectccp.org. Adapted in part from: The Citizen's Handbook: A Guide to Building Community in Vancouver. Dobson, Charles and Vancouver Citizen's Committee. http://www.vcn.bc.ca/citizens-handbook/1_09_meet_decide.html

process, as discussion continues until consensus is achieved. The discussion is closed by restating agreements made and next steps in implementing decisions made.

Democratic

Options are discussed fully so that members are informed as to the decision's consequences. The important ground rule here is that the 'losing' side agrees to support the decision, even though it was not their choice. Decisions are made by majority vote.

Straw polling

Straw polling entails asking for a show of hands (e.g. thumbs up or down) to see how the group feels about a particular issue. It is a quick check that can save a great deal of time. Silent hand signals can be an invaluable source of feedback for a facilitator working with a large group.

Voting

Voting is a decision-making method that seems best suited to large groups. To avoid alienating large minorities, the group may require a two-thirds (or more) majority for a motion to succeed. Alternatively, voting can be combined with consensus. Some groups institute time limits on discussion and move to voting if consensus cannot be reached.

A sample decision-making policy can be found in appendix B

Board member conflict of interest

Members of the board of directors and staff are expected to disclose any personal, family or business interests that they have, that, by creating a divided loyalty, could influence their judgment or result in the perception of influence or benefit from their activities on behalf of the Division.

Conflicts of interest are unavoidable and should not prevent an individual from serving as a director or staff member unless the extent of the interest is so significant that the potential for divided loyalty is present in a large number of situations.

A well-defined conflict of interest policy protects the board of directors and staff from being influenced in the performance of their duties. The policy should provide clear definitions, specify areas of concern and provide clarity and direction for handling real or perceived conflicts of interest.

A sample conflict of interest policy can be found in appendix B

Board member confidentiality

All information generated within the organization is private in the sense that it is for the sole purpose of the business of the Division. Confidential information is information that if disclosed might prejudice the interests of the Division or the privacy rights of its members or partners.

The board member confidentiality policy clearly articulates the requirements and limitations of confidentiality and the consequences of breaking that trust. It is common practice to require board members, staff and contractors to sign a confidentiality statement.

A sample confidentiality statement can be found in appendix B

Board–coordinator working relationship

The relationship between the board and coordinator is vital to the health of the organization. This relationship is a partnership with the coordinator built on 'mutual trust, forthrightness, and a common commitment to the organization mission' (BoardSource 2010, p. 4). The coordinator is the board's formal link to the Division's operational achievement and conduct. The staff and contractors are accountable to the coordinator.

A clear job description and board consensus about the delegation of authority to the coordinator is an important aspect of this relationship. The

board oversees rather than implements. This is an important distinction to be aware of in order to reduce the risk of blurred roles that may result in micro-management. Typical levels of non-profit authority are: governance, management and operations/implementation.

Governance is the responsibility of the board and focuses on:

- Leading the organization - setting the tone, mission and vision
- Stewarding the organization through policy and strategic planning as well as monitoring the Division's goals and long term activities
- Providing direction to and evaluating the coordinator

Management and implementation is the responsibility of the coordinator and focuses on:

- Organizing tasks, people, relationships, resources and technology to achieve organizational goals
- Allocating resources by interpreting policies approved by the board
- Providing financial reports to the board on a regular basis
- Planning and managing/coordinating the day to day operations
- Reporting to the board on the progress of the organization against the stated goals
- Implementing the organization's strategic plan consistent with its mission
- Managing the human resources of the Division by recruiting, selecting, orientating, evaluating and directing staff

Coordinator support to the board

The coordinator needs to ensure that the board has the information required to make decisions and provide oversight. The role of the coordinator at board meetings largely depends on how the board defines the position. Some coordinators may be active participants in board meetings, while others may interact very little.

A sample communications and support to the board policy can be found in appendix B

Coordinator performance evaluation

The board is responsible for evaluating the performance of the coordinator. Evaluations provide an opportunity for feedback identifying strengths and limitations as well as a chance to clarify expectations of both the board and coordinator. Although the evaluation can have a verbal component, it is recommended that a formal performance evaluation be written and kept in

the coordinator's human resource file after the review. Evaluations should be completed annually.

A sample coordinator evaluation can be found in appendix B

Policy development

A fundamental role of the board is to establish, implement, review and evaluate policy. The bylaws are the basic rules for the Division and must be consistent with the Society Act. Policies and procedures flow from the bylaws and outline the manner in which the Division will operate.

Policies also reflect the Division's mission, vision and strategies. Well-written policies will facilitate delegation while outlining accountability. Policies help provide the necessary direction for the Division to function effectively and help protect the organization and directors from risk.

Policies can be created and adapted at any regular board meeting, whereas bylaw changes must be approved at an annual general meeting or extraordinary meeting through a special resolution process.

Board policies should not be confused with the internal operational policies adopted for programs. Board policies provide direction to the board and staff but do not prescribe methods for day-to-day activities.

It is worth putting in the time and effort to write policy and procedures, especially for a new organization that is growing rapidly. Having policies in place provides direction, continuity and consistency in decision-making. It is a proactive approach to ease the transition as new directors become involved in the Division, and helps avoid conflict and possible misunderstandings. When issues arise, having policies in place will make dealing with them more efficient and less disruptive to the Division.

See Appendix B – Getting Started for a list of policies regarded as the ones to develop first.

Policy review process

The process of policy development and review is an ongoing cycle that is necessary to ensure that policies are relevant and board practices accurately reflect the policies.

Each policy should be reviewed every two to three years. It is helpful to decide as a board how frequent reviews will be, and develop a schedule. The board may consider writing formal guidelines for writing and reviewing policies and procedures.

A sample policy review worksheet can be found in appendix B

Some boards appoint a policy committee consisting of two board members and the coordinator to review the policies as a way to ensure the process happens. The committee reviews the policy and assesses whether it reflects current practice and the needs of the Division.

If changes are required, the committee writes the first draft and sends it for review by the board. They also consider distributing the draft to any affected programs for their feedback. Redraft the policies taking into account the feedback received and present them to board for approval. Distribute the revised policy to board members for their handbook and store it in the policy handbook for the Division. Start building awareness, education and implementation of the policy.

Retaining records

Older policies must be kept on file. In the event that an incident is brought forward, the policy in place at the time of the incident would be reviewed and referred to for resolution. Be sure to include the review and revision dates on any revised policies.

Sample policy review schedule

The board will review its policies according to the following schedule:

2011

February: governance process policies

March: roles and responsibilities

April: committees, remuneration and membership

May: board/coordinator relationship

2012

February: strategic planning

March: financial management

April: risk management

May: human resources

Then repeat cycle.

Committees

The board appoints and oversees committees as needed to meet the goals of the Division. Committees take direction from, and act as advisory bodies to the board. Committees can be struck to deal with operational issues such as human resources, policy, member engagement or finance. They can also be used to work on complex issues leading up to a board decision. Examples include developing policy drafts or recommendations for the consideration of the board.

Standing committees may become a permanent feature of the organization. Typical standing committees may include, but are not limited to executive, finance, policy or membership.

For short-term issues, the board may establish an ad hoc committee. The frequency of committee meetings is determined by the urgency and complexity of the issue.

Committees are an effective way to better utilize the time, skills and interests of board members. A committee is valid only if it is created at the request of the board.

Collaborative services committee

A collaborative services committee is formed when the board has confidence that it understands the issues important to its members and one of them is complex or involves patient care. A complex issue is one that can't be solved by the physician community alone - where the Division needs support and, in many cases funding, from other partners. A Division wouldn't need a CSC to discuss ordering stationery and medical supplies in bulk, but it would to consider changing how home care is allocated in the community. Any change to patient care will require involvement of the partners, as the discussion may change how physicians work in a health authority facility or how physicians are compensated by the Ministry of Health.

Committee structure

Committees must follow the policies and direction of the board and operate in a manner that aids in the fulfillment of the board's mandate. Committees are required to keep the board informed of their activities. Minutes of committee meetings are kept and reported to the board at its board meetings.

Terms of reference

Terms of reference are used to set out the parameters of the committee, its authority and accountability. In order to carry out the work of the board, committees must each be assigned terms of reference for their operations.

A template for committee terms of reference can be found in appendix B

Board and committee remuneration

Divisions of Family Practice infrastructure funds can be allocated to pay physicians for their involvement in Division board and committee meetings as well as other work on behalf of the Division. Having a policy in place will support consistency in practice. Guidelines regarding remuneration must be included in the Division's bylaws.

A template for a board and committee remuneration policy can be found in appendix B

Board recruitment

Recruiting directors

When recruiting directors the board should consider what skills and qualities are needed. In some Divisions there may be a clause in the bylaws about representation from various communities in the Division's geographic territory and rural representation where applicable.

Examples of skills and qualities may include:

- Understanding the community and its need
- Willingness to work collaboratively with members and other key stakeholders
- Passion
- Team player – works well in a group
- Particular skills or interest that fit with the direction of the organization

Nomination committee

One of the board's standing committees is the nomination committee. The nomination committee is integral to the consistency and long-term viability of the board of directors. One of the core functions of this committee is to follow a process for providing nominations for board of directors' membership.

It is important to think of the nomination process like hiring an employee. Directors are in a leadership position for the Division. It's not good enough to bring in a 'warm body' when the position calls for someone who is willing and able to govern.

A policy with guidelines for nomination and selection is recommended to ensure that this vital task is completed in a consistent manner that reflects its importance to the growth and progress of the Division. Some of the content below can be woven into the policy.

Selecting a slate to be presented to membership for election

Board members whose terms are up, but are willing to let their names stand for re-election, need to put their names forward to the nomination committee. Names of suitable potential candidates for board membership are generated by the nomination committee, or if this is not possible, through brainstorming by the entire board.

The nomination committee contacts and interviews the potential candidates using a standard format for each interview. Key questions are designed and set by the nomination committee prior to the start of the interview schedule. The nomination committee will set up one or more teams of at least two individuals to meet with and interview potential candidates.

The nomination committee will review the information gathered from the interviews and application documents and prepare a potential slate of candidates for the open board positions to be presented at the board meeting for ratification.

Within two weeks of the board meeting prior to the AGM, applicants interviewed will be contacted by the nomination committee to either invite them to let their name stand for election at the AGM, or thank them for their interest and clarify if they may be contacted again on another occasion.

Potential candidates will be asked to confirm acceptance of the nomination within one week of the committee's notification. The nomination committee presents the nominees at the annual general meeting.

Criteria for nomination

Division boards need to ensure renewal and sustainability through the selection of candidates for election to the board. The board must ensure that, through its membership, it has sufficient skills and abilities to:

- Engage in long term planning
- Develop, adopt and set visions and goals
- Develop, adopt and set policy
- Provide financial oversight
- Promote and enhance community organization relationships
- Support the needs of the membership at large

At the same time the composition of the board must be diverse, and inclusive. It should reflect the knowledge of, and the ability to network with the communities, organizations and partners in the region. Individuals standing for election should be respected in their community, demonstrate leadership ability and genuinely care about the work of the Division.

Candidates for membership on the board should demonstrate:

- Willingness to commit to the mission and principles of the Division and to the society as a whole
- Commitment to board development and learning processes

- The ability to participate actively, and if needed, assertively, in deliberations
- Commitment to regular attendance at meetings of the board, relevant committees and the annual general meeting

Annual general meeting (AGM)

According to the Society Act, the Division must hold its first annual general meeting within 15 months of the date of incorporation. Following the first AGM the society is committed to hold an AGM at least once in every calendar year. Members must be given at least 14 days written notice of the AGM.

The annual general meeting is also an opportunity to engage members. Some societies have a guest speaker who will draw members to the meetings, but family doctors may also respond to an AGM held in the context of an information session or a discussion of a topic of particular interest.

While there may be discussion of other issues at the time of the AGM, topics that must be discussed at the AGM for the Division include the following:

- Call to order
- Approval of the agenda
- Report from the chair/president
- Review of the financial statements
- Consideration of any extraordinary resolutions
- Appointment of auditor
- Election of board members

Communication

Communication is an important tool for building consensus and forming partnerships. It can help Divisions manage change, both internally and with their partners and community.

Key factors for good communication include:

- Understanding the purpose and vision of the Division
- Using key messages that are clear and concise
- Being consistent in the way the Division is presented, and leveraging existing branding and communications efforts from the provincial Divisions team

The board has a responsibility to share information about the policies, programs and initiatives of the Division, and to seek input and feedback from members. Listening is a critical part of board communications. Be prepared to engage the membership, community, and other key stakeholders using a variety of communication tools and feedback mechanisms - formal and informal.

Newsletters, annual reports, press releases, special reports to members and websites are all useful tools for getting news out about the work of the board and Division initiatives. Feedback from members and partners may happen informally through conversation in the community, or interactive spaces like websites, workshops, or general correspondence. In rural areas it is particularly important to find ways to keep members engaged.

Having a communications plan and policy will help the board and Division address communications needs in a timely and effective manner. Policy can be identified to reflect this responsibility and should include a description of members and other key stakeholder audiences. The communications plan should flow naturally out of the strategic plan and annual work plan to support Division programs and initiatives.

The provincial Divisions of Family Practice team has developed a communications guide to assist Divisions with communications. The toolkit addresses topics including:

- How to develop a communications plan
- How to use the Divisions logo and brand
- How to communicate with members, the media and other audiences
- How to use the Divisions website

Board member media relations

Media relations play an important role in the consistent and effective communication of Division messages. The Division should have policy and procedures in place for dealing with the media. The intent of the policy is to provide guidelines that ensure that the most qualified person is presenting the information to the media and that the message is consistent with the organization's mission, vision, values, goals, objectives and the branding of Divisions of Family Practice.

Policies and procedures should include statements that address identifying a spokesperson, the approval process for content, talking points and visual tools. They should clearly identify who is responsible for approving materials and how to connect with the provincial Divisions communications department.

Managing requests of the Division

As the Division grows more and more requests may be made of the coordinator and staff. Some of these requests may come from committees, directors, members or community stakeholders. Some of the requests may fit into the strategic direction of the Division, while others may be partially or completely out of scope.

A managing requests policy provides the board and the coordinator more control over requests, especially with requests that may require considerable resources from the Division.

Section 2: Stewardship and accountability

Financial management

This section covers the board responsibility for financial management. It addresses roles and responsibilities, the budget process, typical financial control techniques such as segregation of duties, signing authority, reporting, retention of records and financial management checklist. More information is also available in the financial systems handbook.

Roles and responsibilities for financial management

Non-profit societies typically have the following bodies involved in financial management: the board, a finance committee, the treasurer and the coordinator. It is important to understand the roles and responsibilities of each body within the organization to ensure accountability and sound financial management.

The board

The board is responsible for financial oversight of the Division. The board is required to:

- Ensure funds are spent in accordance of organizational goals and objectives
- Develop and authorize a set of policies for how the organization manages its finances
- Approve the Division's budget
- Monitor financial statements (at least quarterly)
- Approve contracts
- Receive regular written reports from the treasurer or coordinator detailing present financial status, anticipated problems and planning
- Ensure that the Division complies with federal and provincial laws regulating fiscal accountability and governance
- Adhere to sound accounting principles that produce reliable financial information to ensure fiscal responsibility

Finance committee

Depending on the size and complexity of the Division, the board may decide to have a finance committee. Terms of reference should be established for this committee that identify roles, responsibilities and reporting relationships. The committee is comprised of the coordinator and two or more board members, including the treasurer. Typically a finance committee oversees the financial system, reviews financial statements and reports, recommends approval of the audit and recommends to the

membership the appointment of the external auditor and ensures financial controls are in place.

Treasurer

The treasurer is the officer of the board that oversees the management of the finances of the organization as approved and reviewed by the board and managed by the coordinator. If there is a finance committee, they serve as the chair of this committee. The treasurer collaborates with the coordinator to develop the annual budget to prepare it for review and approval by the board. They also work with senior staff to review statements before board meetings.

Coordinator

The coordinator is responsible to the board. The board establishes policies that define the coordinator's roles and responsibilities. The coordinator ensures that the policies established by the board are followed and manages the day-to-day financial transactions of the Division.

Budget

The board is responsible for approving and monitoring the budget. The budget is a Division's financial plan, identifying how financial resources are to be used and linking those resources to the goals and objectives of the organization for a specified period of time. The budget is also a monitoring tool. It serves as a guide to track the organization's progress on the achievement of its goals. Regular reports based on this monitoring provide financial oversight for a Division.

Policies that outline executive limitations help the board stay focused on the high level issues of the budget and not get bogged down in small line items. To focus discussion on the core issues rather than operational issues of the organization, the board should ask the following questions:

- Does the budget reflect the organization's priorities?
- What are the fundamental assumptions upon which the budget has been based?
- Who is responsible for monitoring and controlling budget expenditures?
- What are the board's policies that govern the preparation and control of the budget?

In most Divisions the coordinator does not need to seek board approval for purchases that were within the budget approved by the board. However,

boards often have policies requiring board authorization for significant expenditures over a certain limit or unbudgeted items. (See 'financial limitations' section below for more detail.)

Developing the budget

The board must identify who is responsible for budget preparation. Typically the treasurer and coordinator prepare the draft budget for the upcoming year. The balance sheet, current budget, actual profit and loss statement and variances, along with the organization goals are analyzed to develop a budget. The draft budget is presented to the board for review and approval.

A sample budget procedure can be found in appendix B

Monitoring the budget

The board will determine the frequency and format of the financial reports it will use for monitoring - quarterly budget review is recommended. The reports will show the revenue and expenses for the time period, as well as any variance between them. It is essential that board members read and understand the financial reports of the Division. Regular reviews can alert the board to the need for potential adjustments to the budget and timely monitoring allows the board to make adjustments before it becomes a crisis.

Below is a list of common financial reports:

Revenue and expense statement

Sometimes called the operating statement, or the profit and loss statement, the revenue and expense statement shows the amount of income received and the amount that was spent. The statement will show one of three possible outcomes: a balance (revenues and expenditures are equal), a surplus (more revenues than expenses), or a deficit (more expenses than revenue).

Balance sheet

This report shows the total assets, liabilities and equity of an organization at a fixed point in time. Assets are what the organization owns or is owed. Liabilities are debts the organization has not paid. Equity is what is left after the liabilities are subtracted from the assets.

Cash flow projection

The cash flow projection is an internal report used by management to display cash flow coming in and out of the organization. It helps forecast fluctuations in revenue and expenses.

Variance report

This report shows actual revenue and expenses as compared to budget. Variance analysis should be conducted at regular intervals i.e. quarterly. Variance is the difference between what has been budgeted or planned and the actual amount spent. The goal of a variance analysis and the subsequent discussion by the board, is to identify any worrying trends or problem areas as early as possible in order to take corrective action.

Discussing variances in the budget will also help the board control expenditures in the future, especially if every activity (for example, an event for family doctors) has a budget developed in advance. It is not necessary to change the Division's budget as the board sees significant variance - corrections can be made to the budget at the end of the year. This should help in planning the budget for the following year.

Financial controls

Having financial policies and procedures are vital for non-profit organizations to manage and protect their assets. They clearly state roles, responsibilities and authority. Establishing protocols such as segregation of duties, reporting and financial limitations are ways to provide internal financial control.

Segregation of duties

The segregation of duties dictates that no financial transaction is ever handled by a single person. To accommodate this different people need to be involved with the following processes: authorizing payments, signing cheques, recording payments and reconciling the bank statement. Each Division should ensure separation of financial duties wherever possible and appropriate to the size of the organization's financial and human resources.

Authorization and processing of disbursements

Internal controls should be documented in a procedures handbook, including handling of incoming money or other assets, investment of assets, approval of all disbursements including petty cash and payroll, monitoring of expense accounts, etc.

All invoices and cheque requisitions should be authorized and signed off by the coordinator or designate. All invoices and cheque requisitions require a valid account code before they can be paid. A bookkeeper or administrative assistant should verify invoice totals and tax charges.

Signing authority

It is a standard practice in non-profit organizations to require the signature of two authorized officers on all cheques. It is a good idea to have three or four people with cheque signing authority to cover for people while they are away. It is not good practice to have pre-signed cheques - by doing so the signing officers are relinquishing their duty and putting the organization's funds at risk.

Bank reconciliations

Reconciling the bank statement is a process where a Division compares its account records to the bank's records of the Division's account balance in order to uncover any possible discrepancies. Discrepancies could include: cheques recorded as a lesser amount than what was presented to the bank, money received but not recorded, or payments taken from the bank account without the Division's knowledge.

Bank reconciliation can reduce the number of errors in an accounts system and make it easier to find missing purchases and sales invoices. Any transactions in the accounting records not found on the bank statement are said to be outstanding. The bank will likely have a timeline of 30 to 60 days after which the bank statements are said to be accurate.

Bank statements should be reconciled monthly by the senior staff or bookkeeper, and reviewed and initialled by the treasurer. Any questions should be raised with the bookkeeper.

Financial limitations

Financial limitation, often referred to as executive limitation, is an important policy that outlines the limits of spending authority for operational requirements. Financial activity over the limit of authority requires board approval. This policy allows senior staff to manage financial resources and helps the board remain focused on the big issues rather than operational issues. As the Division's financial resources grow, a more comprehensive policy may be required.

A sample financial limitations document can be found in appendix B

Accounts receivable and accounts payable

The list of current accounts receivable and accounts payable should be passed to the coordinator for information and review. They should also be presented with the monthly financial statements for the board's information, especially where there are problems with the timeliness of payments or receivables.

Sample accounts payable and petty cash templates can be found in appendix B

Asset protection

Divisions should have a policy regarding the protection of their assets. Such a policy identifies how the organization will manage and safeguard its assets. Typically an asset protection policy includes statements regarding insurance coverage, equipment repair and maintenance, protection of intellectual property (information, computer records, legal documents and files protected from damage), public image and disposal of property.

Retention of records

Divisions should have policies in place that clearly state the length of time that the financial records must be kept. This includes financial reports, ledgers, cheques, void cheques and electronic accounting system records. Seven years is common set time, but confirm the requirements with an accountant and Canada Revenue Agency (CRA).

The following documents must be kept permanently: audit reports, cheques for important payments and purchases, contracts still in effect, legal correspondence, deeds and mortgages, year-end financial statements, insurance records, accident reports, claims and policies, minute books, bylaws and charters, tax returns and worksheets.

Financial management checklist

The following list can serve as a guide for financial policy review or updating:

- Does the Division follow generally accepted accounting practices?
- Does the board review the financial statements (revenue/expenditure, balance sheet, year to date budget comparison) on a regular basis?
- Do board members read and understand these financial reports?
- Is the financial report discussed and approved at the board meeting?
- Does the financial statement present an accurate picture to determine the financial health of the Division?
- Has the board adopted a written policy stating the responsibilities and authorities it has delegated?
- Does the board periodically review the activity of the individual(s) who have been assigned financial duties to ensure they have not exceeded the scope of their authority?
- Does the board determine that the Division remain consistent with those indicated in its operating budget?
- Is the current budget consistent with the Division's goals and plans?
- Does the board approve the operating budget of the Division?
- Are voided cheques preserved and filed?
- Has the board authorized the amount of the petty cash fund and adopted a policy as to the nature of the expenditures which should be paid from this fund?
- Has the board authorized the use of a company credit card and adopted policy and procedures that outline the use and processing of credit cards?

- Are the internal financial controls documented in a procedures handbook?

Record retention

As non-profit organizations, Divisions should have a document retention/destruction policy to ensure that important documents are retained and protected in case they are needed for investigation, audits or lawsuits. Additional guidance is recommended before disposing of organizational documents.

Financial records

The following financial documents should be kept as permanent records:

- Financial policies and procedures
- Audits
- Financial statements
- General ledger

In British Columbia organizations are required to keep financial statements, general ledgers with associated sub ledgers, source documents and other records that may contain information pertaining to tax issues. These records must be retained until written permission for their destruction is obtained from the consumer taxation branch.

The link to the Canada Revenue Agency guidelines can be found in appendix A: resources

Corporate records

The following corporate documents should be kept as permanent records:

- Articles of incorporation
- All corporate document filings
 - Change of address
 - Change of board members
 - Changes in bylaws
 - Annual corporate filing NPO Information Return: T1044
- Tax filings
 - HST filings
 - Income tax
- Bylaws
- Board policies
- Resolutions
- Board meeting minutes

Personnel records

The following personnel documents should be kept as permanent records:

- Contracts
- Contractor resumes
- Job descriptions and evaluations (often these are kept for seven years after employment)

Divisions with employees will be subject to additional requirements under the Employment Insurance Act and Canada Pension Plan Act

Insurance records

All insurance policies and payments are permanent records, including:

- Directors' and officers' liability insurance
- General liability insurance
- Insurance claims - applications, settlements, denials

Contracts

The following contract documents should be kept as permanent records:

- Any legal contact
- All legal correspondence
- Loan/mortgage contracts

Taxes

The Division will need to work with an accountant to ensure that their tax obligations are met. Consult the Canada Revenue Agency guidelines for more information.

PIPA and Privacy

Summary of rules for protecting personal information

All British Columbia private sector organizations, including non-profits such as the Divisions of Family Practice, must comply with the Personal Information Protection Act (PIPA).

Personal information means information that can identify an individual (for example name, home address, home phone number, ID numbers), and information about an identifiable individual (for example physical description, educational qualifications, blood type).

Divisions are required to identify a 'privacy officer' typically the coordinator, to be responsible for compliance with PIPA. The privacy officer is responsible for the collection, use and disclosure of personal information, for reasonable purposes. In order to collect information, the Division is required under PIPA to have appropriate policies in place for managing personal information, providing notice, obtaining consent and allowing access to information. These policies must be available to individuals upon request.

The following guidelines will help the Division meet privacy policy requirements:

- Collect personal information only for reasonable purposes and collect only as much as is reasonable for those purposes.
- Get consent to collect, use or disclose personal information. Consent may be implied, explicit, or 'opt-out'. Use and disclose personal information only for the purpose for which it was collected unless the individual consents.
- Give notice to members, staff and patients about how their information will be used. Publicize the Division's policies and practices governing personal information.
- Secure electronic and paper data to prevent sharing or disclosing personal information. Keep it for only as long as reasonable for business or legal reasons.
- If requested, the Division must provide access to an individual's information. A minimal service fee may be charged.
- Train staff about privacy rules and procedures.

Privacy protection for stakeholders

Members

Personal information does not include business contact information. Consequently, information such as name and position or title, business telephone number, business address, business e-mail, business fax number and other business contact information are not subject to PIPA. By joining the Division, physician members will have consented to receiving information about programs and activities sponsored by the organization.

PIPA will only be a concern for members if, in the course of providing member services (e.g. training, practice support, or physician wellness programs), the Division obtains, uses or discloses non-business personal information about the membership. Notifying members of the purpose of this information and providing the right to opt-out will offer sufficient protection in most cases.

Patients

Non-identifiable or aggregate information such as statistical information about groups of individuals is not personal information. For research and policy purposes, physicians may provide the Division with non-identifying, practice-level data. PIPA also allows for providing data in individually identifiable form without consent when particular research requires it and obtaining consent would be impracticable. This allows physicians to participate in Division-led research initiatives without violating their obligations to maintain patient privacy.

Staff

The Division may collect, use and disclose employee personal information for reasonable purposes related to managing or recruiting personnel *without consent* as long as it notifies the employee. PIPA considers volunteers to be employees.

Contractual relationships

A Division is accountable for all personal information in its custody or control. This includes any information collected, used or disclosed by organizations contracted by the Division. Whenever a third party is contracted to perform work on behalf of the Division, a confidentiality agreement should be obtained in advance of the work being performed.

The health authorities that may contract with the Division are public agencies governed by the Freedom of Information and Protection of Privacy Act (FOIPPA). When working under contract for a public body, the Division

should be clear whether the public body has control of personal information generated or provided under the contract. If the public agency maintains control of the information, FOIPPA (not PIPA) applies to the information.

Breaches

A privacy breach occurs when there is unauthorized access to or collection, use, disclosure or disposal of personal information. The most common privacy breach happens when personal information of customers, patients, clients or employees is stolen, lost or mistakenly disclosed. Examples include when a computer containing personal information is stolen or personal information is mistakenly emailed to the wrong person.

The Division must have procedures in place for notifying affected individuals, minimizing damage to those individuals when a privacy breach occurs and ensuring compliance with governing legislation, including reporting to the office of the privacy commissioner for B.C.

Risk management

The board and its members have the responsibility to govern and ensure effective operation of the organization. Part of this responsibility includes ensuring that Division assets and functions are protected from sudden loss or damaging acts. Imagine Canada (Risk Management 101) categorizes risk by considering the four assets that all non-profits have:

- People (board members, volunteers, employees, clients/participants)
- Property
- Income
- Goodwill (reputation)

Risk management is more than having proper insurance. Although insurance is vital, it helps after a problem has occurred. Risk management, on the other hand, is a proactive approach to identification, assessment, prioritizing, reducing, managing and communicating risks. It requires continuous review, learning and communication.

It is important for each Division to review their own risks and develop a risk management plan that reflects their organizations' potential risk areas. Risk management is a process that should be integrated into all aspects of the Division's management. Divisions may create a risk management plan or framework to use as an overarching protocol or structure within the Division. This will help the board and staff to better understand, manage and communicate risk.

Listed below are potential risk areas for non-profits to consider:

- Governance
- Board member liability
- Special events
- Contracting
- Safe work environments
- Employment practices

Written policies and procedures for areas of risk can help ensure consistent practices that help reduce risk overall.

Board insurance

The information in this section is for reference only. Divisions need to contact their insurance company or insurance broker to discuss the specific coverage needs required by their organization. Each insurer and policy will

have unique wording and therefore it is vital to review and understand the coverage.

There are two types of insurance that the board will require – directors’ and officers’ insurance and commercial general liability insurance.

Directors’ and officers’ insurance

Directors’ and officers’ liability insurance (D&O) covers the costs of the directors and officers of the Division should they become legally obligated to pay as a result of damages to another party. It covers the losses occurring from wrongful acts by a director or the board.

D&O coverage provides personal financial protection for directors and officers against claims resulting from wrongful acts while performing their duties. This may include actual or alleged errors, omissions, misleading statements, employment claims and neglect or breach of duty on the part of the board of directors and other insured persons and entities.

D&O insurance protects individual directors and officers when they are sued individually or jointly. Often these policies for non-profits will also include employees and other volunteers. The BC Medical Association has worked with one insurance provider to include coverage for contractors while performing their duties for the Division. Discuss this option with a broker.

Commercial general liability insurance

This insurance covers losses arising from physical injury or property damage to a third party.

Board due diligence

The board and directors must comply with the Society Act, constitution, bylaws, other statutes and laws and have a duty to exercise due diligence in overseeing the activities of the organization.

Under Bill C-21: Canada Not-For-profit Corporation Act, Article 10 clause 149: Duty of Care of Directors and Officers states directors and officers performing their duties must:

- Act honestly and in good faith, with a view to the interest of the corporation
- Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances

Failure to perform duties in accordance to these statutes and laws may leave directors personally liable.

A sample conflict of interest policy can be found in appendix C

Confidentiality statement

All information generated within the organization is private in the sense that it is for the sole purpose of the business of the Division. Confidential information is information that if disclosed might prejudice the interests of the organization or the privacy rights of its members or partners.

All board members, staff, consultants and contractors must sign a confidentiality statement. This pledge will remain in effect throughout their relationship with the Division and indefinitely after the termination of the relationship. It will be filed in the confidential personnel file.

A sample confidentiality statement can be found in appendix B

Computer usage

A comprehensive computer usage policy is an important resource for anyone required to access the Division's electronic information, providing clear direction about the appropriate use of Division hardware, networks and data. The policy plays an important role in defining appropriate computer access, protecting the security and stability of the computer, reducing legal risk and securing the confidentiality of information maintained by the Division.

All computer users must agree to comply with the terms and conditions of the Division's computer usage policy before computer access will be provided. This applies to all permanent and temporary employees of the BCMA, contractors, consultants and other persons paid by the Division, as well as the board, Division members and other volunteers.

A sample computer access policy can be found in appendix B

Appendix A – references and resources

B.C. Corporate Registrar, Societies

<http://www.bcregistryservices.gov.bc.ca/>

Form 5 - Change of Address

Form 7 - Change in Directors

Form 10 - Change in Constitution/Bylaws

Divisions of Family Practice

An initiative of the General Practice Services Committee
Suite 115, 1665 West Broadway, Vancouver, BC V6J 5A4
T. 604.638.2895 | F. 604.638.2916 |
www.divisionsbc.ca

Form 11 - Annual Report Filing

B.C. Society Act

http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_96433_01

Divisions of Family Practice (March 2010)
Financial Systems Handbook

Imagine Canada

<http://nonprofitrisk.imaginecanada.ca/>

- Board Building – recruiting and developing effective board members for not-for-profit organizations.
- Financial handbook

Ministry of Finance, BC Registry Services

<http://www.bcregistryservices.gov.bc.ca/>

The Management Library for Non-Profits and For-Profits

<http://managementhelp.org/>

Treasury Board of Canada

Integrated Risk Management Implementation Guide

<http://www.tbs-sct.gc.ca/>

Vancouver City Savings Credit Union (2007)

Financial Fitness 101: Building a Financially Healthy Not-for-Profit Organization

https://www.vancity.com/lang/fr/SharedContent/documents/Community/financial_fitness.pdf

Voluntary Sector Knowledge Network

<http://www.vskn.ca/index.php?page/home>

T1044 Non-Profit Organization Information Return

<http://www.cra-arc.gc.ca/E/pbg/tf/t1044/>

Appendix B - policy templates

This appendix to the governance manual contains sample policies and templates that can be adapted to the needs of the Division. This list is not

exhaustive but provides a starting point. Every board needs to tailor the specific content of each policy to reflect the needs of their organization.

A copy of all outdated or replaced policies and procedures should be retained in a separate file or binder to provide an audit trail so that the Division will always know what policy was in effect when an incident occurred.

Getting Started - Core Governing Policies⁴

This is a list of the core policy areas that ought to be addressed by the board of directors of Divisions of Family Practice. The organization's by-laws, which are fundamental to legal incorporation in most jurisdictions, are included in this list.

These policies should be regarded as the ones to develop first.

Guiding Documents

1. Constitution and Bylaws
2. Mission & Vision statements
3. Goals & Objectives, priorities or key results areas

Governance Processes (policies that apply to the board's own practices)

1. Membership
2. Role of the board
3. Officers roles and responsibilities (chair, co chair, secretary and treasurer job descriptions)
4. Board member code of conduct
5. Decision-making
6. Conflict of interest
7. Board and committee remuneration

Core Operational Processes

1. Coordinator communication and support to the board
2. Financial management policies
3. PIPA and Privacy
4. Computer Usage

⁴⁴ This list is a variation of the "Policy Registry" developed by John Carver for boards of directors using the Policy Governance model.

Governance Processes

Policy title: membership policy

The board of directors of the Division aspires to attract as many eligible physicians to join the Division as possible. This will have the greatest impact on supporting and advocating for family physicians, and improving patient health.

Members play a strong role in assessing and improving Division projects. Members can help the Division by providing information and regular feedback to staff and board members, or by participating in the service agreements negotiated and administered by the Division.

Member involvement is key to the success of the Division. The Division will have several committees for the Divisions, and others that work with partners in primary health care. There are funds budgeted for committee work of members.

The board of directors of the Division will set policy for membership, and will review that policy on a regular basis.

- Members are required to complete and sign a membership form, as well as to update their contact information if there are any changes.
- Membership forms can be given to staff or board members of the Division. Those applications will be discussed at the next board meeting. Applications must first be approved by the board of directors, in accordance with the bylaws of the Division.
- The membership list must be reviewed and approved annually to reflect changes in the membership such as retirement and relocation of physicians who are no longer practicing in the community.
- A membership term will be [term is stated in the bylaws, check bylaws for accuracy, typically five years], at which point, the member must reapply for membership.
- There are no membership dues.
- Members are eligible to receive all the benefits of Division participation, including a complimentary copy of the constitution and

bylaws, receipt of updates and information related to the work of the Division and voting at meetings of the Division.

Criteria

A member must be:

- A general practitioner, licensed by the College of Physicians, or;
- A family doctor who delivers the majority of their services in the Divisions' geographical boundaries, or;
- A representative of a local organization engaged in primary health care, and;
- Properly registered with the Division by completing and signing a membership form.

A member may be:

- A physician with or without hospital privileges, or;
- A physician who is providing family physician services on a sessional or other basis;
- Family physicians, including those who provide full service, specialized (obstetrical, ER) and walk-in clinic serves.

Effective date

Approval
(Signature)

Date approved

Review dates

Policy title: role of the board of directors

The role of the board of directors is to provide leadership and stewardship of the activities of the Division.

In both roles it will represent the interests of its members and the broader community. In seeking direction the board will actively consult, and in demonstrating organizational accountability it will insure the Division operates with transparency and is active and forthright in its internal and external communications.

In providing leadership, the board will work with staff and external stakeholders in looking towards the future, reviewing mission and objectives, determining outcomes and evaluating overall organizational results.

In providing stewardship, the board will rely on adherence to a budget and will ensure, through the creation of policies and evaluation of their implementation that the Division adheres to best practice in dealing with clients and in utilizing staff and volunteers. The board will rely on regular reviews of operational practices rather than approving or advising on day-to-day decisions.

The board will take responsibility for its own management, continuity and renewal. It will insure effective board meeting practices, appropriate director conduct, ongoing board education, and continuing attention to the recruitment of new members.

Board members will:

- Attend board related functions, board meetings, general meetings and extraordinary meetings
- Adhere to and support board decisions and policies once they are collectively established
- Positively represent the Division, to the best of their ability, in the community, within the Division and to their staff and colleagues

Effective date

Approval
(Signature)

Date approved

Review
dates

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Policy title: chair, board of directors - role description

General responsibilities

The chair assures the integrity and fulfillment of the board's process and attends to the overall functioning of the board.

Specific duties

In addition to the duties of every board member, the chair:

- Chairs regular meetings of the board of directors
- Collaborates with the coordinator to develop an agenda and to ensure that the information that will be given at the board meeting is sufficient for the board to make informed and responsible decisions
- Assists the board by attending to interpersonal dynamics and helping the board to be highly functional
- Assists in creating an environment that is conducive to governance dialogue
- Ensures that the board operates in a manner consistent with the society's bylaws and policies
- Enforces rules of conduct as they apply to the board
- Chairs the annual general meeting (AGM)
- Prepare the board's annual governance report with input from the board for inclusion in the annual report
- Ensures an ongoing planning process exists for the Division that includes coordinating the planning of the board's activities for the year ahead
- Ensures that board members have the information they need to make informed decisions
- Ensures that all new board members get a proper orientation to the board
- Ensures the delegation of responsibilities, making sure that they are spread out equitably among the board members
- Maintains contact with committee chairs, helping them to stay on track and monitoring whether they need any additional support
- Ensures that all board committees are properly served by board members, other community members and staff
- Co-signs contracts on behalf of the society
- Performs other responsibilities assigned by the board

In addition, the chair may, with greater regularity than other members of the board:

- Prepare recommendations for board consideration

- Be available to the senior staff position for consultation purposes
- Represent the board at meetings of stakeholders and funders

Limitations on the role of the chair

- The chairperson has no formal authority to direct the board or the affairs of the society, unless otherwise authorized
- The chair may not, on behalf of the society, enter into contracts without the knowledge and approval of the board

Effective date	Approval (Signature)	Date approved
Review dates		

Policy title: co-chair, board of directors - role description

Specific duties

- May serve as successor to the chair position
- Performs chair responsibilities when the chair cannot be available
- Works closely with the chair and coordinator
- Participates closely with the chair to develop and implement officer transition plans
- Takes on other responsibilities as assigned by the board

Effective date	Approval (Signature)	Date approved
Review dates		

Policy title: treasurer, board of directors – role description

Specific duties

- Oversees management of the finances of the organization as approved and reviewed by the board and managed by the senior staff position
- Serves as chair of the finance committee
- Works with the coordinator and/or the accountant to review statements before board meetings
- Educates board members about what the finances mean by reviewing the financial statements with the board, and helping the board make decisions about allocation of funds or the way that financial statements are presented
- Leads the board in understanding and decision-making with regards to the Division's finances
- Maintains neat and accurate financial records
- Collaborates with the coordinator to develop annual budget and provides the annual budget to the board for members' approval
- Responds to annual audit and ensures audit issues and recommendations are fully addressed
- Ensures development and board review of up-to-date financial policies and procedures
- Ensures financial policies and procedures are adhered to by board and staff
- Has signing authority for the Division and is reasonably available for signing cheques
- Ensures the board receives monthly financial statements

Effective date	Approval (Signature)	Date approved
Review dates		

Policy title: secretary, board of directors – role description

Specific duties

- Oversees the recording and storage of information important to the society, such as membership lists, policies and other decisions of the board and the members, as well as upcoming dates and events

The secretary will work with the coordinator to ensure that:

- All board meetings and committees have minutes taken, approved and stored in a secure location, making sure that all actions and decisions are duly noted
- Membership records are accurate and are stored and handled in line with PIPA and other requirements as set by law and by the board
- There is a record of all policies approved by the board in the Division's policy manual
- There is a calendar of important dates for the Division such as AGM and reporting dates, and that board members receive adequate notice of upcoming events
- The records of staff people including contracts, benefits, evaluations, etc. are maintained and up-to-date
- All the records of the Division are kept in a safe place
- Old documents are only destroyed or disposed of with the approval of the board and in accordance with the statutory obligations of the Division
- Is sufficiently familiar with major documents and records, the Secretary reminds board members of applicability of documents during board operations - for example, articles of incorporation, bylaws, board policies, board resolutions, etc.
- Ensures collection of meeting minutes from committee meetings
- Ensures review and approval of all meeting minutes

Effective date

Approval
(Signature)

Date approved

Review
dates

Policy title: board member code of conduct

Board members will act honestly, in good faith, with a view to the best interests of the Division as a whole and will exercise the care, diligence and skill of a reasonable prudent person in exercising their powers and performing their functions as directors.

The board is committed to ethical, businesslike, and lawful conduct, including proper use of authority and professional decorum. The board is committed to effective decision-making and, once a decision has been made, speaking with one voice.

Toward these ends board members will:

- Speak from broad member and community interests.
- Be clear when they speak for themselves ('my own thinking on this is that...') rather than for a group of members.
- Express additional or alternative points of view and invite others to do so too.
- Refrain from lobbying other board members outside of board meetings that might have the effect of creating factions and limiting free and open discussion.
- On important issues, they will be balanced in their efforts to understand others and to make themselves understood.
- Once a decision is made, they will support and defend board decisions, even if their own view is a minority one.
- Not disclose or discuss differences of opinion on the board outside of board meetings, especially with staff, volunteers or clients.
- Respect the confidentiality of information on sensitive issues, especially in personnel matters.
- Refrain from speaking for the Division unless authorized to do so.
- Disclose their involvement with other organizations, businesses or individuals where such a relationship might be viewed as a conflict of interest (see conflict of interest policy).
- Refrain from giving direction, as an individual board member, to the executive director or any member of staff.
- Be reasonably available to family physicians in the community, to attend events and engage both members and community partners and partners in the health care system.
- Attend regularly scheduled board meetings.

Policy title: decision-making

The role of the board of directors is to govern the Division through leadership and oversee the activities of the organization. Board decision making is a key responsibility in governance. The board will make decisions by a process of careful deliberation, seeking out the wisdom and experience of many voices as appropriate, which may include its staff, members and others with knowledge of its mission.

The board will also ensure that decisions are aligned with the document of intent, existing contracts, bylaws, policies and strategic plan.

The directors bring their particular background, experience and points of view to board meetings in order to inform the board and assist in a holistic, thoughtful and well informed decision-making process. The directors must make decisions in the best interests of the Division as a whole, meaning all members of the Division rather than in their own interests or in the interest of any particular area of practice.

In addition, directors must also avoid conflicts of interest with respect to their fiduciary responsibility by:

- Disclosing any conflicts or potential conflicts to all the other directors.
- Removing themselves without comment from both the deliberation and final decision-making

Decision-making procedure

- Staff and/or board members suggest a new topic and its required action for the agenda
- The board, chair and coordinator put the topic and time allotted for deliberation on the board agenda.
- Background materials for the decision are provided to all board members and the coordinator at least one week before the board meeting.
- Discussion and/or debate will occur in the board meeting.
- The board will strive for consensus of opinion in its decision making within the time allotted for the topic. If consensus isn't reached in the time allotted, the board may decide to defer the discussion to the next board meeting, or assign to a committee and/or staff member for further research before the next board meeting.

- If after another attempt to reach a consensus is not achieved, then a majority vote is conducted among board members, as long as the quorum of the board members participated in the vote.
- The decision is documented in board minutes for that board meeting.
- After a board decision is made board members are expected to convey a message of acceptance of the decision as a valid outcome of board deliberations.

Effective date	Approval (Signature)	Date approved
Review dates		

Policy title: conflict of interest policy

Members of the board of directors and staff are expected to reveal any personal, family or business interests that they have, that, by creating a divided loyalty, could influence their judgment and hence the wisdom of decisions. A conflict of interest exists wherever an individual could benefit, disproportionately from others, directly or indirectly, from access to information or from a decision over which they might have influence, or where someone might reasonably perceive there to be some benefit or influence.

Examples of possible conflict of interest situations with respect to our association include:

- A board member has a personal or business relationship with the Division as a supplier of goods or services or as a landlord or tenant
- A staff member has a personal or financial relationship with a client of the Division outside of the workplace
- The Division is employing someone who is directly related to a board member or other staff member

Conflicts of interest (real and perceived) are unavoidable and should not prevent an individual from serving as a director or staff member unless the extent of the interest is so significant that the potential for divided loyalty is present in a large number of situations.

Procedure for handling conflict of interest

- Members of the board and staff have a duty to disclose any personal, family, or business interests that may, in the eyes of another person, influence their judgment.
- The board as a whole has a duty to disclose specific conflicts of interests to Division members, staff and external stakeholders where that interest may, in their judgment, affect the reputation or credibility of the organization and to disclose the board's procedure for operating in the presence of such conflicts.
- Board members and staff have a duty to exempt themselves from participating in any discussion and voting on matters where they

have, or may be perceived as having, a conflict of interest. Such exemptions should be recorded in minutes of meetings.

- Any business relationship between an individual (or a company where the individual is an owner or in a position of authority) and the Division, outside of their relationship as a board or staff member must be formalized in writing and approved by the board.

Effective date	Approval (Signature)	Date approved
Review dates		

Adapted from:

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Policy title: confidentiality

All information generated within the organization is private in the sense that it is for the sole purpose of the business of the Division. Confidential information is information that, if disclosed, might prejudice the interests of the organization or the privacy rights of its members or partners.

This policy applies to:

- All board members and contractors have a duty of confidentiality that is in effect during the term of their employment and indefinitely following the termination of their employment.
- Any persons who utilizes or inadvertently accesses confidential information in the normal process of performing the job has the responsibility of not disclosing the information to any unauthorized person(s).
- Any persons who for any reason deliberately accesses confidential information not needed for performing the job, is breaching confidentiality whether or not the information is disclosed to another person.
- Any person who uses confidential information for personal use or gain is breaching the duty of confidentiality and the duty to avoid conflicts of interest.

Effective date

Approval
(Signature)

Date approved

Review dates

Confidentiality statement

All board members, staff, consultants and contractors must sign a confidentiality statement. This pledge will remain in effect throughout the relationship and indefinitely after the termination of the relationship. It will be filed in the confidential personnel file.

Pledge of Confidentiality

I, _____ have read and reviewed the _____ Division of Family Practice policy on confidentiality. I understand that all confidential information to which I may have access is not to be accessed, used or disclosed except as outlined in the confidentiality policy. I understand that breach of the duty of confidentiality may lead to discipline, including termination.

Name: _____

Signature
: _____

Witnessed
: _____

Coordinators

Date: _____

Policy title: committee

Background

The bylaws of the Division empower the board of the Division of Family Practice to establish committees with delegated authority to bring recommendations to the board. Committees may be formed to oversee specific tasks of the Division, to assess its projects, or to convene discussion of interest to family physicians.

Committees serve several functions for the Division:

- Committees enable the Division to accomplish tasks with a broader membership than may be present on the board
- Committees can perform detailed work on well-defined tasks and make recommendations to the board for further action

Powers of the board

- The board will have the power to define committees, and to allocate resources to ensure that its committees are able to accomplish the tasks set out for them by the board. The board can also approve payments to members in exchange for their services on committees.
- Upon establishing a committee, the board will approve terms of reference, including financial and time limits for the committee, and will appoint a chair and members to that committee.
- Committees will be limited in most cases to three people, but the board has the right to approve a greater or lesser number, if it chooses. If the board does not appoint all the members of a committee, the chair of the committee may, within four weeks of appointment, nominate up to three other members to serve on his or her committee and shall file such nominations with the coordinator for confirmation by the board.
- The board must approve any committee member through a board resolution, before payments are made to that member. The board may delegate to the chair, the authority to approve committee nominees.
- Any member of any committee may be removed by a majority vote of the board.

Committee responsibilities

- The first duty of the chair of each committee, once his or her committee is constituted, is to review or develop the terms of reference of the committee, in consultation with the committee members, for submission to the board chair and, on request of the board chair, the chair shall present the terms of reference at a meeting of the board.
- Unless otherwise specifically provided by the board through terms of reference for a committee, the duties of all committees shall be advisory only.
- The directors may extend or restrict the terms of reference of any committee and may appoint a committee for any purpose provided that if such action interferes with the normal activities of any other committee, such committee shall be notified.

Reporting by committees

- Every committee shall keep minutes of each of its meetings and shall promptly provide a copy of its minutes to the board chair.
- Unless the board requires otherwise, the chair of every committee shall present a written report of the committee to the annual general meeting and to any other meeting when requested by the board. The written report of each committee must be received by the coordinator no later than four weeks before the annual general meeting and one week before any other meeting.
- On the recommendation of the chair of any committee, the board may authorize the reimbursement of any committee member for any expenses reasonably incurred by that member in carrying out the duties of the committee. Committee chairs will be responsible for recording and communicating the names of members attending meetings and any reported costs incurred by those members, to the coordinator of the Division.
- Committee chairs and committee members may be remunerated as determined by the board.
- Committee chairs and members of every committee shall be members in good standing, unless otherwise specified in each instance by the board.
- If the board chair is named by the board as a member of a

committee, the board chair is a full member of that committee, with the same rights and obligations, including the right to vote, as other members of the committee. The board chair is an *ex officio*, non-voting member of all other committees and may, but is not required to, attend any meetings of such committees.

- Unless otherwise provided, the chair of each committee shall not be entitled to vote but, in the event of an equality of votes, shall have a casting vote.
- Unless otherwise provided, each member of each committee is entitled to one vote.

No liability when acting in good faith

Subject to the Society Act, the members shall not hold the members of any committee individually or collectively liable for decisions and/or actions taken in good faith on behalf of the Division, including, without limitation, in the discharge of their duties as committee members.

Effective date	Approval (Signature)	Date approved
Review dates		

Policy title: committee terms of reference

This template provides an outline for establishing the terms of reference that can be adapted for any committee.

Committee terms of reference

1. Purpose

2. Membership

- 2.1 Composition - directors appointed by the chair; the coordinator
- 2.2 Chair - as decided by the committee
- 2.3 Secretary - as decided by the committee
- 2.4 Quorum - a majority of the members of the committee will constitute a quorum

3. Frequency of meetings

- 3.1 Meets at the call of the chair

4. Decision-making

- 4.1 Decision will be made by consensus. Consensus decision-making is a group decision making process. It is both a process and outcome. Consensus is a process in which all committee members have their chance to express their views with a focus of discussion amongst the group. Consensus seeks the agreement of most participants with minority objections. Consensus does NOT mean everyone gets exactly what they want. It does mean that everyone can live with the decision and support the decision.

5. Minutes

- 5.1 Minutes of meetings will be recorded by the secretary or delegate

5.2 Minutes will be circulated to committee members and board

6. Reporting relationship/procedure

6.1 Reports to the board on matters relating to its responsibility and authority on a quarterly basis

6.2 Items of business are brought to the attention of the committee by the chair

Effective date

Approval
(Signature)

Date approved

Review dates

Policy title: board and committee remuneration

Purpose

The Division of Family Practice reimburses members for their involvement in Division committees, meetings and other work approved by a resolution of the board.

In order to ensure that members are correctly reimbursed for sessional fees and expense claims the Division has established the following policy.

Policy

1. Sessional fees for meetings

Sessional fees are paid based on time involved in the work of Division committees, based on the approval of each committee member by the board by a resolution, or where specifically permitted by the board resolution, by approval of the president of the board.

2. Honoraria for cancelled meetings

There will be no reimbursement for cancelled meetings.

3. Reimbursement will be paid in blocks of 30 minutes

4. Authorization

Committee chairs will be responsible for informing the coordinator of the attendees of each meeting. Most expenses can be approved by the coordinator, but in case of a disagreement, the coordinator will discuss the issue with the chair of the relevant committee and with the Division lead, who may ask the board of directors to make a decision.

5. Attendance of meeting form

The reimbursement form for the Division of Family Practice is used to process and track payments to members performing work under contract for the Division. The form may be filled out by the recorder or any other meeting participant, but the amounts must be approved by the committee or board chair. Participants are responsible for discussing preparation time at the committee meeting.

6. Payment terms

Payment will be processed within one month of the receipt of a remuneration form. Payment may be delayed if board members are required to approve any payment that requires special consideration.

7. Annual general meeting

No honoraria are paid for attendance at the annual general meeting.

Procedures

- Only members approved by the membership as board members, or approved by the board as participants of a committee, or otherwise performing work for the Division, are eligible to receive sessional fees.
- The chair of the board or chair of a committee meeting will approve the attendance and preparation time reported by meeting participants eligible to receive sessional fees as per the terms of the committee terms of reference. They may use the form provided for this purpose.
- The chair of the committee or designated staff can fax or deliver the form to the office of the Division of Family Practice. The chair must submit claims **within 3 months** of the meeting for consideration. If a meeting is cancelled, the committee chair must inform the coordinator.
- To be reimbursed for out of pocket expenses incurred while doing business for the Division as per a contract with the Division, members must give a complete list of expenses along with receipts.

Rates

Members engaged in the work of the Division will be reimbursed according to the details specified in the contract they sign.

Unless otherwise specified, the sessional rate is as negotiated in the Physician Master Agreement for preparation and participation in committee meetings, or the current sessional rate for general practitioners as set by the BCMA.

Mileage is reimbursed from the origin of the trip (home or office, whichever is the starting point) to the meeting location. Members working on contract will be reimbursed at a rate of \$0.50 for every kilometre.

Effective date

Approval
(Signature)

Date approved

Review dates

Policy title: terms of office

At the first annual general meeting of the society, the members shall elect directors. The term of directors is () years.

If a director cannot serve for his/her complete term an interim director may be appointed by the board to complete the term or to the next AGM whichever occurs first.

Any director may resign at any time, giving written notice to the chair of the board. The resignation takes effect upon receipt of the written notice or at a later date as specified in the notice.

[Enter limitation or terms here]

In the notice of the annual general meeting, the membership will be notified of the number of directors to be elected.

Effective date

Approval
(Signature)

Date approved

Review dates

Core Operational Processes

Policy title: coordinator communication and support to the board

The coordinator shall communicate with the board in a timely and sufficient manner to keep the board informed and prepared for its work.

- The coordinator shall submit monitoring information required by the board in a timely, accurate and understandable fashion.
- The coordinator shall report and prepare recommendations and suggest corrective action in a timely manner on any actual or anticipated non-compliance with any policy of the board allowing sufficient time for the board to consider corrective action.
- The coordinator shall keep the board informed of relevant trends, anticipated adverse media coverage, material external and internal changes.

Effective date

Approval
(Signature)

Date approved

Review dates

Policy title: coordinator 360-degree evaluation

Every year, a 360-degree evaluation for the coordinator needs to be carried out by a member of the board who is seen as neutral. They may seek help from other board members if required.

The following is a list of potential questions that could be asked as part of an annual review:

1. Questions for board member (preferably the chair)

- Where are the coordinator's strengths and areas for improvement in supporting the board?
- Where does the coordinator need support in managing and operating the Division?
- Do you have any significant concerns about the performance of the coordinator?

2. Questions for staff or contractors reporting to coordinator

- Does the coordinator appropriately define work assignments and set expectations for performance?
- Does the coordinator support you in achieving your goals?
- How would you describe your working relationship with the coordinator?

3. Questions for Division partner (Ministry, health authority or other community contact)

- How would you describe your relationship with the coordinator?
- Is the coordinator an able representative of the interests of the Division?
- Are there any areas you would recommend the board of the Division offer additional support?
- Do you have any significant concerns about the performance of the coordinator?

Policy title: budget process

To ensure financial responsibility, the financial activities of the Division will be based on an annual budget approved by the board of directors.

Procedure

- The coordinator, in conjunction with the treasurer, will prepare and present the annual budget to the finance committee. All approvals shall be completed prior to the end of the current fiscal year.
- The finance committee will review and recommend approval of the annual budget to the board of directors.
- The board of directors will approve the annual budget.
- Once approved, the coordinator may expend funds on behalf of the Division within the approved annual budget and spending authority limits (see financial limitations policy).
- Planned expenditures will not exceed the approved annual budget.

Segregation of duties policy

The segregation of duties dictates that no financial transaction is ever handled by a single person. To accommodate this different people need to be involved with the following processes: authorizing payments, signing cheques, recording payments and reconciling the bank statement. Each Division should ensure separation of financial duties wherever possible and appropriate to the size of the organization's financial and human resources.

Policy to be developed

Signing authority policy

It is a standard practice in non-profit organizations to require the signature of two authorized officers on all cheques. It is a good idea to have three or four people with cheque signing authority to cover for people while they are away. It is not good practice to have pre-signed cheques - by doing so the signing officers are relinquishing their duty and putting the organization's funds at risk.

Policy to be developed

Bank reconciliations

Bank statements should be reconciled monthly by the senior staff or bookkeeper, and reviewed and initialled by the treasurer. Any questions should be raised with the bookkeeper.

Policy to be developed

Policy title: accounts payable

An approval process has been implemented in order to generate payment to outside vendors.

Procedure

- Recurring invoices received are processed by the bookkeeper when received.
- Non-recurring invoices need to be approved for payment by the coordinator or designated person by signing their initials to the invoice.

- Invoices are attached to all cheques and presented to the designated signing authorities as per signing authority policy.
- Any invoice exceeding initial estimate or limitations listed above requires the coordinator's approval before payment.

Policy title: financial limitations

The coordinator shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in board policies.

Procedures

The coordinator may not:

- Expend more funds than have been received in the fiscal year to date.
- Incur debt in an amount greater than can be repaid by due date of payment on invoices.
- Use any long-term reserves outside of board policies.
- Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 30 days.
- Fail to settle payroll and debts in a timely manner.
- Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
- Make a single purchase or commitment of greater than \$2000. Splitting orders to avoid this limit is not acceptable.
- Acquire, encumber or dispose of real property.

Policy title: petty cash

Petty cash is a system that allows for payments of small purchases. The board should establish policy on the use of petty cash that includes limits and processes to safeguard these financial transactions. Once the board establishes the limit a cheque is written for that amount. Procedures need to be developed outlining the use, process and replenishing petty cash.

Policy

The Division office may have a maximum of \$200 in petty cash to purchase items required for approved program expenses.

Procedure for using petty cash

- Petty cash will be locked in a petty cash box that is locked in a drawer or filing cabinet.
- A petty cash slip will be completed each time money is taken from petty cash. The slip states the amount, reason for purchase and signed by the staff.
- Upon return with purchase, the petty cash slip is stapled to the receipt, unused cash is counted and confirmed that the receipt and the remaining cash add up to the petty cash voucher.

Replenishing petty cash

- The program coordinator or designate to complete petty cash form, ensuring that cash and receipts balance
- The program coordinator or designate to submit completed cash form to the bookkeeper
- The bookkeeper will review petty cash reconciliation report to ensure accuracy and replenish petty cash

Effective date	Approval (Signature)	Date approved
Review dates		

Policy title: director/officer transactions, conflict of interest guidelines

Guidelines for authorizing transactions from which a director or officer may derive a benefit:

1.1 As a general rule, the board should not accept or authorize transactions from which a director or officer may derive a benefit, whether direct or indirect. Generally, a transaction which will benefit a director or officer will violate the duty of loyalty the director or officer owes the society. The members of the board who participate in the decision to authorize the transaction may be in breach of the duty of care that all directors and officers owe the society, and may find themselves liable for losses experienced by the society that flow from the transaction.

1.2 There are three groups of exceptions where it is permissible for the board to authorize a transaction that will benefit a director or officer:

- A conflict exists, but it provides no benefit, or only a minimal benefit, to a director or officer (see paragraph 2.1 for more information and examples)
- A conflict exists, but the benefit to the society is such that the conflict should be tolerated (see paragraph 3.1 for more information and examples)
- A conflict exists, but there is an overriding policy reason for tolerating the conflict, namely the conflict arises
 - Because the director or officer is a member of a special group, and
 - The society needs that special group to be represented on the board or requires the advice or perspective that a member of that special group can give.

1.3 The fact that a transaction falls into one of the groups listed in paragraph 1.2 does not mean that the board must approve it or should approve it. The transaction must not be approved unless

- Overall, the transaction is fair and reasonable and unquestionably in the best interest of the society,
- The transaction is in keeping with public expectations about the conduct of the society's activities,
- The board has made reasonable inquiries which confirm there is no reasonable alternative for accomplishing the objects of the transaction which is not coloured by a conflict of interest, and

- Tolerating the conflict will not impair public confidence in the administration of the society or the application of public funds.

1.4 Paragraph 4.1 lists further factors which, if present, suggest the board should not authorize the transaction, even if the transaction otherwise would satisfy the requirements of paragraphs 1.2 and 1.3.

Examples of a conflict but no benefit to the director or officer

2.1 Examples of transactions referred to in paragraph 1.2(a):

- Transactions where the director or officer assists the society in obtaining credit
- Transactions where the conflict arises because the director or officer is also a director, officer or member of another society
- Transactions between the society and the director or officer that are a normal or necessary part of the relationship between them
- Transactions with no economic significance
- Transactions with a person related to the director or officer that provide no financial advantage to the director or officer and there is no cause to believe the director or officer intervened to confer a benefit on the person
- Transactions in which a director or officer redeems, repurchases or otherwise acquires for fair market value property previously sold or donated to the society by the director, officer or a related person

Examples of a conflict, benefit to director or officer, but overriding economic or practical benefit to society

3.1 Before a transaction benefiting a director or officer may be authorized under paragraph 1.2(b) on the ground that there is an overriding benefit to the society, the board must be satisfied that either:

- The transaction is so advantageous to the society that no other decision makes economic sense, or
- For practical reasons only the director, officer or a person related to the director or officer can carry out the transaction.

Warning factors

4.1 The presence of any of the following factors suggest the transaction is not in the society's best interests:

- The transaction wastes society resources

- The sole reason for authorizing the transaction is to accommodate a director or officer, or to confer an unjustified advantage or preference on a director or officer
- The transaction is for economic reward and is of a kind that other people have in the past, or probably would in the future perform gratuitously
- The transaction favours or appears to favour the personal interests of the director or officer over those of the society, members of the society, or members of the public
- The transaction compromises or appears to compromise the director's or officer's integrity, independence and ability to act impartially on behalf of the society and in the interests of the society
- The transaction compromises or appears to compromise the reputation of the society
- The transaction is to engage a person, such as an auditor, to scrutinize the affairs of the society

Transactions that do not require board approval because there is no conflict

5.1 Transactions that do not require board approval:

- An unconditional gift from the member, director or officer
- Transactions which relate to the participation by the director, officer or a member of the director's or officer's family in activities the society regularly makes available to its members

Effective date	Approval (Signature)	Date approved
Review dates		

Policy title: privacy

Principle 1: accountability for personal information

The [NAME] Division of Family Practice is responsible for personal information under its control and will designate an individual or individuals who are accountable for the organization's compliance with established privacy principles.

Policy 1.1

The board of directors of the [NAME] Division of Family Practice (DIVISION) is accountable for compliance with the privacy policy and procedures. The board may designate day-to-day operational responsibility to other staff members of the organization. Decisions regarding the interpretation and application of the policies and procedures are the ultimate responsibility of the board or designate.

Policy 1.2

The DIVISION is responsible for personal information in its possession and this includes both information that has been transferred to a third party for processing and information received from a third party. For third parties, the DIVISION has contractual agreements in place that commits the third party to protect the information in accordance with the Act.

Policy 1.3

The DIVISION has in place an orientation for all staff members so that each staff member is aware of the policies and procedures and the accountability structure.

Principle 2: identifying purposes for personal information

The purposes for which personal information is collected will be identified by the DIVISION before or at the time the information is collected.

Policy 2.1

The DIVISION identifies the purpose for which personal information is collected before or at the time of collection of the information. The need for the information is clearly documented and only personal information with an identified purpose is collected.

Policy 2.2

The DIVISION has in place an approval process to review any request for the collection of personal information.

Principle 3: consent for the collection, use, or disclosure of personal information

The DIVISION will ensure that the knowledge and consent of the individual are required for the collection, use, or disclosure of personal information, except where inappropriate.

Policy 3.1

The DIVISION obtains consent for the collection, use, and disclosure of personal information before or at the time of collection.

Policy 3.2

The DIVISION does not disclose personal information for secondary or other purposes such as marketing. The DIVISION only discloses personal information to endorsed service providers and affiliated organizations, and a contractual agreement will be in place that commits the affiliated organization or endorsed provider to protect the information according to the Act (also refer to Policy 1.2).

Policy 3.3

The DIVISION does not make consent a condition for supplying a product or service, unless the information requested is required to fulfill a specified and legitimate purpose.

Policy 3.4

The DIVISION will collect, use and disclose employee personal information for the purposes of establishing, managing or terminating the employment relationship.

Principle 4: limiting collection of personal information

The collection of personal information will be limited to that which is necessary for the purposes identified by the DIVISION. Information will be collected by fair and lawful means.

Policy 4.1

The DIVISION collects only the personal information necessary to fulfill the purposes identified for the information.

Policy 4.2

The DIVISION information collection practices are fair, lawful and respectful of the individual.

Principle 5: limiting use, disclosure and retention of personal information

The DIVISION will not use or disclose personal information for purposes other than those for which it was collected, except with the informed consent of the individual or as required by law. Personal information will be retained only as long as necessary for the fulfillment of those purposes.

Policy 5.1

The DIVISION uses or discloses information only for the purposes identified before or at the time of collection. New uses or disclosures are permissible only with the consent of the individual or as required or permitted by law.

Policy 5.2

The DIVISION retains personal information for as long as it is needed to achieve the identified purpose(s) or related business or legal obligation. Personal information that is used to make a decision about an individual is retained for at least one year after using it so the individual has a reasonable opportunity to obtain access to it. The DIVISION is guided by industry standards related to retention schedules or applicable legislation.

Policy 5.3

The DIVISION communicates the limitations on use and disclosure of personal information to staff members. The DIVISION allows staff to access and use personal information on a 'need-to-know' basis, i.e. information required to perform their job.

Principle 6: accuracy of personal information

The DIVISION is responsible for ensuring that personal information is as accurate, complete and up-to-date as necessary for the purposes for which it is to be used.

Policy 6.1

The DIVISION ensures that personal information being collected is accurate, complete, and up-to-date for the purposes for which the information is collected, used or disclosed.

Policy 6.2

The DIVISION updates personal information when necessary to fulfill the purpose(s) for which the information was collected.

Principle 7: safeguards for personal information

The DIVISION ensures personal information is protected by security safeguards appropriate to the sensitivity of the information.

Policy 7.1

The DIVISION has security safeguards in place to protect personal information against loss or theft and unauthorized access, disclosure, use, or modification regardless of the format in which it is held (e.g. paper, electronic, audio, video).

Policy 7.2

The DIVISION has a higher level of safeguards to protect more sensitive personal information.

Policy 7.3

The DIVISION uses care in the disposal or destruction of personal information in order to prevent access to the information by unauthorized parties.

Principle 8: openness about the management of personal information

The DIVISION makes information available about its policies and practices relating to the management of personal information.

Policy 8.1

The DIVISION has open and transparent information management practices that ensure accountability for personal information.

Policy 8.2

The DIVISION makes contact information available about the person responsible for the DIVISION privacy policies and procedures.

Principle 9: individual access to personal information

Upon request, the DIVISION informs an individual of the existence, use, and disclosure of his or her personal information and the individual has access to that information. An individual has the ability to challenge the accuracy and completeness of the information and have it amended as appropriate.

Policy 9.1

The DIVISION informs an individual of the existence, use, and disclosure of his or her personal information upon request, and provides access at no cost to the individual. Where the DIVISION is unable to provide full access to an individual's request for

information, the reasons for limiting access are stated in a specific, reasonable, and justifiable manner.

Policy 9.2

The DIVISION provides the opportunity for an individual to correct inaccurate or incomplete information.

Principle 10: challenging compliance

An individual has the ability to challenge the DIVISION's compliance with these principles by contacting the designated individual or individuals accountable for the organization's compliance.

Policy 10.1

The DIVISION provides a process for an individual to challenge the organization's compliance with the stated privacy principles, policies and practices.

Policy 10.2

The DIVISION investigates all complaints.

Disciplinary action

Breach of this policy may result in disciplinary action up to and including dismissal.

Privacy policy definitions

Access: The entitlement of an individual to examine or obtain his or her own personal information held by an organization.

Accountability: An organization is responsible for personal information under its control and designates individual(s) who are accountable for the organization's compliance with its privacy policies, procedures and practices.

Accuracy: Personal information kept by the organization will be accurate, complete and up-to-date.

Challenging compliance: An individual has the ability to challenge an organization's compliance with its privacy principles, policies, procedures and practices and the complaint is directed to the designated individual(s) accountable for the organization's compliance with its privacy policies, procedures and practices.

Collection: The act of gathering, acquiring, recording, or obtaining personal information from any source, including third parties, by any means.

Consent: An organization will ensure that there is voluntary agreement by an individual, or his or her legally authorized representative, to allow the collection, use or disclosure of the individual's personal information. The consent may be either express or implied and should include an explanation as to the implications of withdrawing consent. Express consent is given explicitly and unambiguously, either verbally or in writing. Implied consent is given when the action/inaction of an individual reasonably infers consent.

Disclosure: Disclosure occurs when personal information is made available to a person who is not employed by or in the service of the party holding the information.

Identify the purpose: Purposes, which includes why the information is being collected and how it is being used is identified by the organization at or preferably before the time of collection. The reason for collection is documented.

Personal information: Personal information is any factual or subjective information, recorded or not, regarding an identifiable individual. Examples include name, age, identification number, income, ethnic origin, blood

type, opinions, evaluations, comments, social status, disciplinary actions, employee files, credit or loan records, medical records, or the existence of a dispute between parties.

Privacy: Privacy is the fundamental right of an individual to have their personal information protected.

Retention schedule: A retention schedule identifies the period of time personal information is held. Personal information should not be held for longer than is necessary to fulfill the purposes for which it was collected.

Safeguards: Safeguards are the actions taken to protect personal information. The level of the action is appropriate to the level of sensitivity of the information.

Security: Personal information is protected from unauthorized or unintentional loss, theft, access, use, modification or disclosure.

Third party: A third party is an individual or organization outside the DIVISION.

Use: Use refers to the treatment and handling of personal information within an organization.

Effective date	Approval (Signature)	Date approved
Review dates		

Adapted from BC Medical Association privacy policy

Policy title: computer usage

The purpose of the computer usage policy is to document the policy regarding computer access, protect the security and stability of the computer, reduce legal risk and secure the confidentiality of information maintained by the Division.

This policy applies to all computer users. For the purposes of this policy, the term 'computer user' includes all permanent and temporary employees of the BCMA, contractors, consultants and other persons paid by the DIVISION. This policy also applies to any other users including, but not limited to, board and Division members and other volunteers.

Computers are defined as all computers and other devices that, may gain access to electronic information in any form that is stored in computers owned or operated by the Division. This includes, but is not limited to, all computer workstations located within the Division offices and any computer workstations or mobile/wireless devices outside the Division offices that may access Division information via telephone, the Internet or other means.

Computer access

All aspects of the Division computers are the property of the Division and are assigned to users as necessary to assist them in their job function. All computer users must agree to comply with the terms and conditions of this policy before computer access will be provided.

System passwords

- All system passwords must be kept strictly confidential. Passwords are not to be written down, shared with co-workers, or any other person, or recorded in a central location for use by departmental staff.
- Passwords suspected of being compromised must be changed immediately. If system policy prevents changing the password (e.g. last password change within 30 days), contact a member of the systems group for assistance.
- As a security precaution, network users are to ensure access to their workstation or mobile/wireless device is protected when away from it for any length of time. Acceptable methods include but are not limited to:
 - Two factor authentication devices
 - Password protected screen savers
 - Keyboard locking after a period of inactivity

Computer monitoring

- All information stored in the Division computers is the property of the Division and may be accessed, monitored or reviewed by management, or someone designated by management, at any time. This includes, but is not limited to, documents, spreadsheets, email messages, internet access logs, etc.

Email usage

- The Division's email server is a business tool and is intended to be used as such.
- Incidental personal use of email is acceptable. Such use should be measured in minutes not hours per day. All policy guidelines apply equally to business and personal use.
- Style and content of all email communication must represent the BCMA in a professional and respectful manner.
- Email messages containing materials considered inappropriate, offensive, slanderous, fraudulent or unprofessional (e.g. pornographic material, racial or sexual jokes, etc.) must not be viewed, stored or transmitted within the BCMA network.
- Email is not a secure method of communication. As a result, confidential information should not be sent as a message or as an attachment.
- Computer users may not intentionally intercept, eavesdrop, record, read, alter or receive another employee's email messages without management authorization or construct email messages as to appear sent from someone else.
- Email mailboxes are restricted in size and network users must manage their email usage to prevent exceeding the limits.

Internet usage

- The Division's internet connection is a business tool and is intended to be used as such.
- Incidental personal use of the Division's internet connection is acceptable. Such use should be measured in minutes not hours per day. All policy guidelines apply equally to business and personal use.
- Personal use of the Division's internet connection must not impede normal business use.
- Personal use sites must be accessed and closed as rapidly as possible. It is not acceptable to leave personal sites open and connected for lengthy periods. High bandwidth sites such as streaming media and internet radio are not appropriate for personal use because of their negative impact on normal business use.
- The Division's internet connection is not to be used to access internet sites that depict or promote inappropriate material or activities (e.g. sexual content, violence, intolerance or racism, gambling, etc.).

- Under no circumstances are executable programs of any kind to be downloaded from internet sites (e.g. screen savers, games, multimedia tools, etc.)
- No copyrighted material is to be downloaded except as expressly permitted by the copyright owner. Failure to observe copyright or license agreements will result in disciplinary action.

USB keys

- The Division requires that all USB keys that are used to move or store Division data be encrypted. While non-network users may bring data into the Division computers on unencrypted keys, only Division-issued encrypted keys are to be used for any data leaving the network.

Disciplinary action

- Breach of this policy may result in disciplinary action up to and including dismissal.

Effective date	Approval (Signature)	Date approved
Review dates		

Sample policy review worksheet

Board of directors' policy review worksheet

FEBRUARY 2011 – Governance

Policy name	2011	2012	2013	2014
Membership				
Role of the board				
Role of the Chair				
Role of the Co Chair				
Role of the Treasurer				
Role of the Secretary				
Board member code of conduct				
Decision Making				
Conflict of Interest				
Confidentiality				
Complete the list here....				

Chair/board president to initial this worksheet once reviewed and approved.