# Sample Executive Director Limitations

The Executive Director is the senior staff member of the organization and exercises such authority as is granted by resolution in the by-laws, his/her employment contract and within limitations as set by the Board of Directors from time to time. The Board of Directors should be notified as soon as the Executive Director becomes aware of any potential breech of these guidelines. These limitations include the following:

## Global Executive Limitations

The Executive Director shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business practices and professional ethics.

## Financial Planning and Budgeting

Budgeting for any fiscal year shall not risk fiscal jeopardy, nor fail to show a generally acceptable level of foresight.

Accordingly, the Executive Director shall not cause or allow budgeting which:

1. Changes his/her own compensation and/or benefits, except for benefits which are allowed all employees, without prior Board approval
2. Budgets a deficit without Board approval

Financial Condition and Activity
With respect to the actual, ongoing financial conditions and activities, the Executive Director shall not cause or allow the development of fiscal jeopardy.

Accordingly, the Executive Director shall not:

1. Incur a deficit, unless approved by the Board
2. Allow cash flow to be insufficient to settle payroll and debts in a timely manner
3. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed
4. Acquire, encumber or dispose of real property without Board approval
5. Fail to maintain financial records for the legislated period of time
6. Allow use of restricted funds for other than their intended purposes, without Board approval
7. Invest operating funds in a fashion other than those approved by the Board
8. Incur expenses without first considering the strategic direction as set by the Board of Directors

## Financial Controls

The Executive Director shall not allow assets to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, the Executive Director shall not:

1. Receive, process or disburse funds under controls insufficient to meet the standards of the Board-appointed auditors or accountant responsible for financial review
2. Designate signing authorities which are outside of the Bylaws of the Association.
3. Fail to have two signatures on cheque payments.
4. Make any unbudgeted purchase, commitments, contracts or series of contracts (including multi-year commitments) with a total value exceeding $50,000
5. Hire external consultants or contract workers, to do work costing over $10,000 without a written agreement outlining fees, expenses and expectations.
6. Make any purchase / agreement wherein normally prudent protection has not been given against conflict of interest.
7. Fail to have own expense reimbursement cheques approved by two members of the Board of Directors.
8. Fail to have Charge Card statements approved by the Board Treasurer (may be done after paid to avoid late fees)
9. Establish a bank line of credit, or make changes to existing lines of credit without Board approval.

## Treatment of Employees, Students, and Volunteers

With respect to the treatment of employees, students, and volunteers, the Executive Director may not cause or allow conditions that are unlawful, inhumane, unfair, unsafe, undignified or in any other way violate human rights.

Accordingly, the Executive Director shall not:

1. Allow employment compensation and benefits to deviate materially from the geographic or professional market for the skills employed.
2. Promise or imply permanent or guaranteed employment.
3. Allow an unhealthy work environment or one that neglects to provide the supports for staff wellness and productivity.
4. Prevent staff from grieving to the board when (A) internal grievance procedures have been exhausted and (B) the employee alleges that board policy has been violated to his or her detriment.
5. Create obligations over a longer term than revenues can be safely projected

## Public Image and Communications

The Executive Director shall not endanger the organization’s public image or credibility, particularly in ways that would hinder its accomplishment of mission.

Accordingly, the Executive Director shall not:

1. Permit communications in any form, written or verbal, which are not consistent with or that are contrary to Board Policies, Best Practices, Recommendations and Position Statements.
2. Fail to protect intellectual property, information and files from loss, theft or significant damage.

## Communications and Support of the Board

The Executive Director shall not cause or allow the Board to be uninformed or unsupported in its work.