

Governance Policies and Procedures

Policy Name: OLA Board Member/Director	
Policy Number: G 3.3	Policy Type: Board Officer's Roles and Accountability
Approval Date: November 29, 2019	Date for Review: Every 3 Years

INTRODUCTION:

GENERAL

Authority

Subject to the By-Laws and Articles of the Association, the Board of Directors is the legal authority and governing body of the Ontario Library Association.

Composition

Subject to By-Laws and Articles of the Association, in addition to the President, Vice-President, Secretary and Treasurer of OLA, the Board is comprised of the Presidents and Vice Presidents of each of the Association's Divisions. The Executive Director of the Association is an *ex-officio* member of the Board of Directors and acts as the Board Secretary.

Quorum

The quorum of the meetings of the Board of Directors shall be determined in accordance with By-Law 1, Article 15. No business may be transacted by the Board of Directors except at a meeting of its members at which a quorum of the Board of Directors is present.

Accountability

As a member of the Board, each Director acts in a position of trust for the Membership and is responsible for the effective governance of the organization. Board members are accountable for the OLA's performance in relation to its mission and strategic goals, and for the effective stewardship of financial and human resources.

PROCEDURES:

RESPONSIBILITIES

Each Director has the responsibility to become fully informed on the Association's matters, participates in the Board's deliberations, and makes decisions in matters of policy, finance, programs, personnel and advocacy.

As a member of the Board, and to contribute to the collective achievement of the role of the Board, the individual Director shall exercise:

- ***Fiduciary Duty [Amplified in Annex A, attached]***

Each Director is responsible to act in good faith and in the best interests of the Association and to support the Association in fulfilling its mission.

- ***Accountability***

A Director shall be knowledgeable of the Membership to whom the Association is accountable and shall appropriately take into account the interests of the Members when making decisions as a Director.

- ***By-laws and Policies***

A Director shall comply with the Association by-laws and polices that are applicable to the board. In addition, a Director will help establish, review and monitor policies that direct the operations of the Association.

- ***Time and Commitment***

A Director shall commit the time required to prepare for, and participate in, board meetings. This includes articulating different points of view, active listening, respecting the view of others and supporting Board decisions once made.

- ***Contribution to Governance***

Directors are expected to make a contribution to the governance role of the Board through:

- Supporting and participating in the hiring, performance measurement and performance evaluation of the Executive Director.
- Establishing and reviewing the Association's mission, vision and monitoring of the progress towards the goals of the Strategic Plan.
- Participating in the approval of the annual budget and monitoring of the financial performance of the association.
- Completing the annual Board self-evaluation.

TERMS OF OFFICE

- The Vice President, President and Past President of OLA, serve one-year in each of these positions.
- The Treasurer of OLA serves a two-year term.
- All others, as commensurate with their term of office on their Divisional Council as Vice President and President, serve a two-year term of office on the OLA Board.

MEETINGS

Meetings are held four times a year at the Association's office in Toronto.

Fiduciary Responsibilities of OLA Board Members

One of the main responsibilities of a Board Member is to maintain financial accountability of the Ontario Library Association. Board Members act as trustees of the Association's assets and must exercise due diligence to oversee that the Association is well-managed and that its financial situation remains sound.

Here is an outline on how Board Members may fulfill their role as fiduciaries.

What does 'Fiduciary' Mean? Fiduciary duty requires Board Members to stay objective, unselfish, responsible, honest, trustworthy, and efficient. Board Members, as stewards of public trust, must always act for the good of the Association, rather than for the benefit of themselves. They need to exercise reasonable care in all decision making, without placing the Association under unnecessary risk.

Understanding of Financial Basics: It is understood that not every Board Member can be a financial wizard. However, every Board Member needs to be a financial inquisitor. It is essential to understand basic terminology, be able to read financial statements and judge their soundness and have the capacity to recognize warning signs that might indicate a change in the overall health of the Association. If a Board Member does not understand something, he or she must be willing to find out the answer.

Specific Questions Board Members Should Ask:

- Is our financial plan consistent with our strategic plan?
- Is our cash flow projected to be adequate?
- Do we have sufficient reserves?
- Are any specific expense areas rising faster than their sources of income?
- Are we regularly comparing our financial activity with what we have budgeted?
- Are our expenses appropriate?
- Do we have the appropriate checks and balances to prevent errors, fraud, and abuse?
- Are we meeting guidelines and requirements set by our Membership and/or funders?

Setting up and Monitoring Key Financial Indicators: Having the proper tools to monitor and evaluate financial performance strengthens the Board's capacity to judge the health of the Association. Board Members need to agree on general guidelines and standards to measure the effectiveness of organizational accomplishments.

Appropriate policies must be in place to guide management and Board decision-making.

Ensuring Adequate Control Mechanisms: Control mechanisms are not intended to detect fraud but rather to prevent it. Ensuring clarity in job descriptions and responsibilities; defining

financial and accounting procedures (signing cheques, handling of cash, approving expenses and outlining parameters for credit card usage); managing potential conflicts of interest with a clear policy; and requesting regular external audits are all manifestations of fiduciary responsibility

Approving the Budget: The annual budget creates the framework for program management and overall administrative decisions.

The annual budget approval process helps curb any tendency for the Board to micromanage.

Securing necessary funding is part of a viable budget. Examining financial statements regularly, comparing actual figures to the projected ones, allows the Board to verify that the general guidelines stay on track. The Board should question any major variances.

Overseeing the Association's Legal Obligations: The Board of Directors is responsible for ensuring that any and all legislated requirements regarding financial reporting mechanisms, are followed and that reports are completed and submitted on time.