



# Executive Limitations Policies

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## EXECUTIVE LIMITATIONS: OVERVIEW AND PRINCIPLES:

The Executive Limitations policies describe boundaries for the Executive Director established by the Board of Directors of the Newfoundland and Labrador Soccer Association (NLSA). The Executive Limitations are guided by the following governance principles:

- a. The Board needs to maintain oversight of internal operations because it is accountable for all organizational activity; yet the Board needs to be free from operational matters so that it can get its own job done.
- b. The Board, through its Executive Limitations policy, establishes the limitations on the authority of the Executive Director and then allows the Executive Director latitude to use all reasonable, prudent and ethical means to carry out the responsibilities of his/her position.
- c. The Board reserves the right to alter the Executive Limitations policy from time to time, and shall consult with the Executive Director before doing so.

The Executive Director shall not fail to report less than quarterly, compliance with all requirements of the Executive Limitations policy and their understanding of the policy.

### 1. GLOBAL EXECUTIVE LIMITATION

The Executive Director is charged with the responsibility of following, within the bounds of reasonable interpretation, the *Governance Policies* of the Association and the *Executive Limitations* as prescribed by the Board of Directors.

The Executive Director shall perform all actions necessary to manage, lead and administer the operations of the NLSA in accordance with the Mission, Vision and priorities in the NLSA's Strategic Plan, and within the budget approved by the Board of Directors.

The Executive Director shall seek to sustain the good reputation of the Association consistent with the intent of its Mission, Vision, and Policies, and the annual budget approved by the Board of Directors, and, in any event, to the full and most effective extent possible with the available resources.

The Executive Director shall at all times conduct the business affairs of the Association in a prudent and ethical manner.

The Executive Director is accountable for the decisions and activities of the entire staff of the NLSA.

Accordingly, the Executive Director shall not:

- a. Cause or allow any practice, activity, decision or organizational circumstance that is unlawful, imprudent, unethical or in violation of commonly accepted business standards, or in violation of regulations of funding agencies or regulatory bodies.
- b. Alter any of the *Executive Limitations* without the approval of the Board.
- c. Operate in a manner that is in breach of existing board approved policies.

## 2. EMPLOYEE AND VOLUNTEER MANAGEMENT

With respect to treatment of employees and volunteers, the Executive Director shall not cause or allow conduct or conditions that are unsafe, disrespectful, unfair, discriminatory, undignified, or offensive.

Accordingly, the Executive Director shall not:

Fail to ensure that employees and volunteers are informed of the guiding policies and procedures of the NLSA and of changes to such policies and procedures that affect their roles and responsibilities:

- a. Operate without written personnel policies for NLSA employees that include but are not limited to, policies for discipline action, termination, and annual performance appraisals;
- b. Operate without written volunteer policies that affirm volunteer rights and responsibilities;
- c. Allow employee or volunteers to work without descriptors and without appropriate means of performance review;
- d. Fail to ensure respect for confidentiality on organizational and personnel matters;
- e. Create or allow a work atmosphere that does not provide adequate support or direction or that is not conducive to job satisfaction;
- f. Subject employees or volunteers to unsafe or unhealthy work conditions;
- g. Allow the Association to operate without an employee and volunteer grievance procedure that is made known to them;
- h. Prevent employees from bringing grievances to the Board when:
  - i. Internal procedures have been exhausted and / or
  - ii. The employee alleges either of the following:
    - That NLSA policy has been violated to his/her detriment;
    - NLSA policy does not adequately protect his/her human rights.
- i. Discriminate or allow discrimination against an employee or volunteer for their non disruptive expression of dissent;
- j. Fail to ensure that the staff provides adequate support and direction to volunteers of the NLSA;

- k. Allow the NLSA to operate without a conflict of interest policy and a whistleblower policy that encourages the reporting of fraudulent or dishonest conduct and protects individuals who make such reports from retaliation;
- l. Permit the hiring of employees or contractors without utilizing an established, transparent and clear selection process that requires adherence to the policies of the NLSA, (including conflict of interest) and existing labour laws.

### **3. COMPENSATION AND BENEFITS**

With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the Executive Director shall not cause or allow the fiscal integrity or public image of the NLSA to be placed at risk.

Accordingly the Executive Director shall not:

- a. Change the Executive Director's own compensation or benefits;
- b. Hire full-time employees without undertaking a proper selection process that affords an opportunity to NLSA staff to apply for the position;
- c. Establish or change compensation or benefits to employees that:
  - i. Deviate materially from the compensation practices for comparable positions among similarly situated organizations;
  - ii. Cause unfunded liabilities to occur or in any way commit the organization to benefits that incur unpredictable future costs;
  - iii. Provide less than required levels of benefits to all full-time employees;
  - iv. Allow any employee to lose benefits already accrued from any forgoing plan;
- d. Determine severance packages outside of specified limits of existing labour laws, NLSA Personnel Policy or the employee's contract.

### **4. FINANCIAL MANAGEMENT**

The Executive Director shall not, in the course of managing the financial affairs of the NLSA, act so as to place the Association at risk.

The Executive Director shall not endanger the financial future of the NLSA or fail to take steps to build future financial capacity sufficient to achieve the NLSA's goals, priorities and plans.

Accordingly, the Executive Director shall not:

- a. Fail to have a financial planning and control system in place that includes

- adequate reporting procedures;
- b. Fail to present an annual budget to the Board for approval in consultation with the Audit and Finance Committee;
- c. Fail to work with the Audit and Finance Committee to develop a four year rolling financial plan for the NLSA;
- d. Budget for an annual operating loss; unless authorized by the board;
- e. Incur an annual operating loss without good and sufficient cause;
- f. Operate without promptly informing the Board of material changes in the environment that affect the annual operating plan or budget;
- g. Deviate materially from Board approved budgeted priorities in allocating funds;
- h. Deviate from fair and equitable business practices with respect to the acquisition of goods and services;
- i. Fail to work with the Audit and Finance Committee to develop appropriate plans and procedures for the annual audit and for the development and approval of the financial policies;
- j. Fail to prepare funding submissions in accordance with the timelines established by the NLSA's funders;
- k. Commit to contractual or other obligations that indebt the NLSA by an amount beyond the amount that can be managed within the budget.

## 5. FINANCIAL PLANNING

The Executive Director shall ensure that budgeting for any fiscal year, or the remaining part of any fiscal year, is consistent with generally accepted accounting practices, and entails the simultaneous preparation of an annual operating plan, based on the priorities set out in the Association's *Strategic Plan*.

Accordingly, the Executive Director shall not submit a budget that:

- a. Contains too little detail to enable credible projection of revenues and expenses, separation of capital and operational items, projected cash flow, and disclosure of planning assumptions;
- b. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period, unless authorized by the board;
- c. Allows operating reserves to be less than three months' operating expenses based on the expenses reflected in the average of the previous 3 years budgets unless authorized by the board;
- d. Deviates from stated Board priorities in its allocation of funds among competing budgetary needs;
- e. Fails to include capital expenditure plans for purchases of equipment and any other capital acquisitions;

- f. Fails to provide adequate funds for the Board's direct use during the current fiscal year for Board and committee meetings, Board travel, Board development, and Board communication with stakeholders;
- g. Fails to show a positive progression towards long-term reserve goals established by the Board;
- h. Fails to plan for future human resources needs of the NLSA.

## **6. FINANCIAL PRACTICES AND PROCEDURES**

The Executive Director shall not cause or allow the development of financial practices and procedures that may place the association in a position of financial risk.

The Executive Director shall not:

- a. Expend more funds than have been received in the fiscal year to date, unless approved by the Board;
- b. Indebt the NLSA in an amount greater than can be repaid by otherwise unencumbered revenues within 90 days unless approved by the Board;
- c. Allow Revenue Stabilization to drop below \$100,000, unless authorized by the Board;
- d. Open any bank or investment account or transfer money into a non-liquid account or an account with a fluctuating value without the approval of the Audit and Finance Committee;
- e. Utilize any of the NLSA's reserves unless authorized by the Board;
- f. Use restricted contributions for any purpose other than that designated by the contributor or jeopardize receipt of committed contributions;
- g. Allow cash to drop below the amount needed to meet payroll and debts in a timely manner;
- h. Allow a quarterly variance from the approved annual budget that is larger than 5% or \$2,500, whichever is greater, without bringing the variance to the attention of the Audit and Finance Committee;
- i. Fail to record expenses in a timely manner;
- j. Allow the collection of accounts receivable to be undertaken in an untimely manner;
- k. Secure a loan or line of credit from a financial institution without the prior recommendation of the Audit and Finance Committee and the authorization of the Board;
- l. Operate without Board-approved policies that establish reasonable and effective controls over bank transfers and the opening of bank or investment accounts;
- m. Fail to report quarterly any use of lines of credit and/or of reserve funds to the Chair of the Audit and Finance Committee;
- n. Fail to comply with all financial requirements set out by law;

- o. Fail to make tax payments or other government-ordered payments or filings in a timely fashion;
- p. Fail to make source deductions as required by law;
- q. Fail to designate appropriate administrative signing authorities within the Executive Director's responsibility and adhere to established policy with regard to signing authority.

## **7. ASSET PROTECTION**

With respect to proper stewardship of the Association's assets, the Executive Director shall not allow the tangible and intangible assets of the NLSA to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly the Executive Director shall not:

- a. Operate without an ongoing assessment of risk and where deemed appropriate without acquiring the required property, liability and cancellation insurance to adequately protect the Association's assets and interests;
- b. Fail to insure against theft or casualty losses to at least 80% replacement value, and against liability losses to Board members, staff, volunteers or the NLSA itself to beyond the minimally acceptable prudent level;
- c. Allow un-bonded personnel access to material amounts of funds;
- d. Unnecessarily expose the Association, its Board, employees or volunteers to claims of liability;
- e. In any budget year, spend financial resources on any un-budgeted expenses or miscellaneous expenses in the approved budget, without the prior approval of the Audit & Finance Committee;
- f. In any budget year, enter into any un-budgeted rental, lease or service contract exceeding one year, and with a value exceeding \$10,000, without the prior approval of the Audit & Finance Committee;
- g. Enter into any contractual agreements over \$10,000 without engaging in an open and competitive process for determining the most suitable provider;
- h. Purchases over \$25,000 without a formal competitive process being undertaken;
- i. Receive, process, or disburse funds under controls that are insufficient to meet the auditor's standards;
- j. Fail to adhere to the Association's policies regarding investments;
- k. Fail to protect intellectual property, information and files from loss or significant damage;
- l. Operate without adequate insurance coverage, including general liability and Directors and Officers liability insurance.



## 8. COMMUNICATION AND SUPPORT TO THE BOARD

With respect to providing information and support to the Board, the Executive Director shall make every possible effort to ensure that the Board remains informed.

Accordingly, the Executive Director shall not:

- a. Fail to advise the Board in a timely fashion of relevant trends, public events, major agreements involving the NLSA that generate high public visibility, adverse media coverage, anticipated lawsuits against the NLSA, or relevant changes in the external and internal environment that might affect the NLSA in areas of concern to the Board;
- b. Fail to inform the Board of significant NLSA events, issues, actions or accomplishments prior to informing the public;
- c. Let the Board be unaware of any changes in the assumptions upon which the Board has been operating;
- d. Present information or advice to the Board that lacks timeliness, completeness, or accuracy, or fail to acquaint the Board with points of view, issues, or options of which the Executive Director is aware that are pertinent to fully informed Board decision-making;
- e. Fail to report, in a timely, accurate and understandable manner, an actual or anticipated instance of non-compliance with any policy of the Board;
- f. Fail to advise the Board if, in the Executive Director's opinion, the Board is not in compliance with the Association's *Governance Policies* or the *Executive Limitations*;
- g. Fail to adhere to the principle that the Executive Director communicates with the Board as a whole, and not with individual Directors except where authorized by the President/Board/Board approved Chairs;
- h. Fail to provide adequate administrative support for Board activities;
- i. Neglect to report planned vacation time to the President;
- j. Neglect to report to the Chair of Audit & Finance expenses incurred by the Executive Director.

## 9. PUBLIC IMAGE

The Executive Director shall not cause or allow operational conditions, procedures, opinions or decisions that jeopardize the public image of the NLSA.

Accordingly, the Executive Director shall not:

- a. Operate without effective communications and public relations policies;
- b. Speak publicly in any manner, or in any type of public presentation that may damage the public reputation and integrity of the NLSA;
- c. Allow any non-standard use of the Association logo and proprietary marks;
- d. Change the NLSA's legal name;
- e. Alter the NLSA identity or brand/event image without approval of the Board;
- f. Fail to establish and maintain standards for the use of the NLSA logo and proprietary marks;
- g. Speak publically regarding Board directives contrary to the direction of the Board, the President or designate;
- h. Permit communications that convey information contrary to NLSA policies or directives.

## **10.RELATIONSHIP WITH MEMBERS AND OTHER STAKEHOLDERS**

With respect to relations with Members, stakeholders and the public, the Executive Director shall not cause or allow conditions, procedures or decisions that are disrespectful, unfair, or lack transparency.

Accordingly the Executive Director shall not:

- a. Operate without policies regarding consultation with Members and other stakeholders;
- b. Fail to consult with the membership in such a manner that:
  - i. Consultation is a two-way process;
  - ii. There is respect for Stakeholders and a genuine, consistent and timely attempt to, understand their positions and provide support as appropriate;
  - iii. Consultation is planned in advance;
  - iv. There is follow-through on agreements reached;
- c. Fail to follow NLSA Formal complaints policy;
- d. Admit or terminate a Member Organization without the approval of the Board of Directors or without following the requirements outlined in the Bylaws.
- e. Fail to foster and maintain an effective working relationship with stakeholders that entails transparency, accountability, respect, consultation, and a genuine attempt to understand stakeholder values, needs, concerns and requirements;
- f. Fail to seek Board approval for any sponsorships or partnership with any organization whose principles, practices or products may be consistent with the NLSA's Mission and policies;
- g. Fail to meet the requirements of the Corporations Act in regard to access to information requested by a Member or stakeholder;
- h. Fail to maintain an effective working relationship with members of the local, provincial and national media as appropriate.

## **11.SUCCESSION**

The Association shall not operate without a management/staff succession plan in place.

Accordingly, the Executive Director shall not:

- a. Operate without a short-term and long-term senior staff succession plan;
- b. Operate without a designated second-in-command and a contingency plan for the Executive Director's absence or incapacity;
- c. Fail to inform the President of his / her contingency plans;
- d. Allow senior staff members to be uninformed of the issues and processes in the relationship between management and the Board.