

OPERATING POLICY Number 7

Policy Governance Model

WHEREAS Subsection 3.07 of General Operating By-law No. 1 of Kehillat Beth Israel Congregation (the Corporation) provides for the adoption of Operating Policies by Ordinary Resolution;

AND WHEREAS Kehillat Beth Israel Congregation has an Executive Director to manage the activities and affairs of Kehillat Beth Israel Congregation;

AND WHEREAS, pursuant to Section 124 of the Canada Not-for-Profit Act and Paragraph 6.01(a) of General Operating By-law No. 1 of Kehillat Beth Israel Congregation, the primary responsibility of the Board of Directors (the Board) is to oversee the adoption of policy decisions and to ensure the continuing viability of the congregation;

AND WHEREAS there is a desire to improve the governance model to govern with an emphasis on strategic leadership and vision rather than a preoccupation with administrative management and detail, collective Board decisions rather than individual or executive decisions, future rather than past or present, and proactivity rather than reactivity while recognizing, respecting, and supporting the time, knowledge and commitment of volunteer Committee members;

AND WHEREAS as best possible within an organization that relies on volunteers for guidance and assisting implementation, there is a need to create a clear division between governance and management, to encourage a divergence of views and opinions, and to define the roles and responsibilities of the directors, including the President, committee members, and the roles and responsibilities of staff, including the Executive Director, and their respective accountability;

NOW THEREFORE BE IT ESTABLISHED as an Operating Policy of the Corporation as follows:

Part I – Purpose

The purpose of this Operating Policy is to establish a governance process for Kehillat Beth Israel Congregation where the Board of Directors representing the Membership establish, through policy development, the vision for the congregation and the goals to achieve that vision, while the Executive Director and staff implement the goals while respecting the Executive Director limitations established by this policy.

Part II – Annual Review

1. To accomplish its job to govern with a long-term strategic perspective, the Board shall on a regular basis, and not less than every two years, re-examine and re-establish its goals and priorities.

Part III – Governance Process

A. Governing Approach

In governing, the directors will emphasize strategic leadership, policy making, and the creation of effective accountability mechanisms.

In establishing policies, the directors will be proactive while preserving the capacity to react appropriately to unforeseen challenges and issues and will clearly distinguish between their role and that of staff, allocating to the staff responsibility for implementing policies and for administrative matters.

B. The Role of the Board

Since the synagogue is a membership organization, the source of authority is the membership. The Board acts in trusteeship for the members, governing on the members' behalf, and serves as the legitimizing connection between this base and the organization. The Board is entrusted by the members with the authority to govern and lead the synagogue and is accountable to them. Therefore, the Board shall educate itself regarding the values held by the persons it represents (the membership) and shall act always under the influence of those values.

Although the Board is to speak with one voice, speaking with one voice does not mean that there must be unanimity in coming to a decision. The Board shall encourage and respect different views and opinions among directors. However, once the Board has spoken, its decision shall be implemented as decided.

The Board is the only body with the responsibility for making policy relating to the governance of the synagogue. The responsibility of the Board is to ensure the achievement of the Mission and carry out the synagogue's legal obligations.

The Board shall:

- a) govern the affairs of the synagogue effectively and efficiently;
- b) determine what policies are needed, what those policies should be and the level of detail the policies will go into;
- c) impose on itself whatever discipline is needed to govern with excellence;
- d) at each regular meeting, monitor its own performance; and
- e) receive the report of the President regarding the performance of the Executive Director and direct the President accordingly.

C. Director Responsibilities

All Directors shall:

- a) familiarize themselves with General Operating By-law No. 1, the Operating Policies , and the Mission;
- b) participate productively in Board discussions;
- c) act as chair or a member of committees;
- d) participate in volunteer work in collaboration with staff or clergy; and
- e) comply with the Directors' Code of Conduct.

All Directors shall not:

- a) perform staff or administrative work except as volunteers guided by staff or clergy; and
- b) exercise authority over staff.

D. Additional Responsibilities

In addition to all Director responsibilities set out in Section D above, the President, Treasurer, and Secretary shall have the following additional responsibilities:

President

The President is the head of the synagogue.

The President shall:

- a) be the public representative of the synagogue on non-ritual matters and the only person authorized to speak for the Board unless the President authorizes another person to speak for the Board respecting a particular matter;
- b) ensure that the Board accomplishes its own responsibilities;
- c) assure the integrity of the Board process, including the effectiveness of meetings and the Board's adherence to its own rules;
- d) chair meetings of the Board and the Members;
- e) prepare the Board's agenda, subject to ratification at the Board meeting;
- f) in consultation with directors and the Executive Director, develop, for Board approval, goals and priorities for the synagogue;
- g) appoint chairs and members of committees, subject to ratification by the Board;
- h) ensure policy issues are assigned to appropriate committees;
- i) in consultation with staff and committee chairs, coordinate the work and responsibility of committees; and
- j) provide such reports and evaluations as the Board may request, including an annual evaluation of the performance of the Executive Director and the Senior Rabbi.

Treasurer

The Treasurer shall:

- a) perform duties in connection with the finances of the synagogue as may be required by the Board; and
- b) deliver to the directors at each Board meeting an interim revenue and expense statement.

No duty of the Treasurer shall lessen or add to the Executive Director's accountability on fiscal conditions and budgeting.

Secretary

The Secretary shall:

- a) report on discussions and decisions of the Board through formal minutes;
- b) report on and note any inconsistencies of Board actions; and
- c) by affixing his/her signature, attest formally to the legitimacy of Board documents.

E. Director Code of Conduct

1. The Directors commit themselves to ethical conduct.
2. Directors shall declare conflicts of interest and act in accordance with the By-law respecting any real or perceived conflict of interest.
3. Directors shall not use their positions to obtain, directly or indirectly, employment, contracts, or preferential treatment for themselves, their family members, friends, or associates, or for any corporation in which they, their family members, friends, or associates hold a direct or indirect interest.
4. Directors shall not purport to speak for the Board unless designated to do so by the President.
5. Directors shall maintain the confidentiality of all Board deliberations.

F. Board Meetings

1. The Board has sole authority over its agenda. The President will exercise this authority on behalf of the Board by sending to all directors a draft agenda with adequate lead time before each Board meeting. Once sent, business cannot be added to or deleted from the draft agenda by any member including the President except at the meeting and with the majority of directors attending the meeting agreeing.
2. Board members are obligated to prepare for meetings and to participate productively in discussion, always within the boundaries of discipline established by the Board.
3. The Board will work only on the Board's job, not staff's job.

G. Board and Committee Principles

1. The Board, on the recommendation of the President, shall establish committees to help carry out its responsibilities.
2. The President shall appoint Chairs of committees, subject to ratification by the Board. This will normally be done within two months of the Annual General Meeting.

3. Committee Chairs and members will be appointed for a one-year term and may be re-appointed annually to serve for a maximum of four years.
4. The President, in consultation with each Chair, is responsible for appointing members and should aim for an appropriate mix of competencies and a variety of appointment terms on committees.
5. The President is an ex-officio member of all committees and may designate another Board member to participate in a committee's work on behalf of the President.
6. The Board shall not establish more committees than it needs to further its mission.
7. Committees are established to aid in the process of governance and operations. Committee members work collaboratively with staff and clergy in the development of policy proposals to the Board, and to carry out programs within the mandate set by the Board.
8. Committee members do not direct, supervise or evaluate staff or clergy.
9. Committees do not undertake expenditures without the approval of the Executive Director or the Board (as the case may require).
10. With regard to establishing synagogue policies, committees are charged with advising the Board by providing recommendations, explanations and options. For greater clarity, a particular policy decision may be delegated to a committee but only by way of a resolution of the Board.
11. Committees may not speak or act for the Board except when formally given that authority for specific and time limited purposes. Any such delegation shall not conflict with the authority delegated to the Executive Director.
12. Subject to Paragraph (g) of Section B of Part V, the Board shall not impede its direct delegation to the Executive Director by requiring approval of a committee before an executive action.
13. Committee members are volunteers who work collaboratively with staff and clergy. Staff and clergy shall work with relevant committees in a collaborative manner, with the shared goal of achieving agreed-upon outcomes that benefit the congregation.
14. All committees shall have clearly articulated Terms of Reference and mandates approved by the Board. The Chair of each committee and the President shall collaborate on presenting a proposed mandate to guide activities over a 12-to-24-month period. **These mandates should specify what area or areas the Board would like each committee to address during the period. These mandates should be well-aligned with the overall direction for the synagogue.**
15. The mandate should make clear where the committee is charged with an administrative role or a program operations role. When the Board tasks a committee with something, the Board should make it clear whether it is seeking a recommendation that the Board ultimately needs to approve or amend, or whether the committee is empowered to act without further approval from the Board. Typically, administrative tasks (e.g. budget recommendations from Finance and Audit Committee, or a slate of nominees from the Nomination and Leadership Committee) will need to come back to the Board for approval, while program operations tasks will not need Board approval (but there may be exceptions for programs that are complex, expensive, or sensitive in other ways).
16. Committees shall adhere to their mandates and Terms of Reference and vary them only with the approval of the Board.

17. Committees should report regularly to the Board in writing or in person. Reports should cover the following: recommendations from the committee that require approval from the Board, updates on the work of the committee regarding its mandate, and information that will reduce the likelihood that the Board will intervene in the work of the committee simply because it was unaware of what the committee was doing.
18. Every committee should have one member who is designated as the liaison with the Board. This need not be the Chair. Ideally, this person would also be a Board member.
19. Standing Committees operate on ongoing matters that further the core mandate and responsibilities of the synagogue. Special Purpose Committees are established for specified activities or program areas, which should be described in their Terms of Reference.
20. Committees shall ensure that a range of options for each matter presented to the Board for approval has been considered by the committee and shall identify reasonable policy options and the implications of each option to inform the Board's decisions. All policy matters for deliberation by the Board shall address at a minimum the following components:
 - a) an analysis of options available,
 - b) likely economic and financial impact on the synagogue of each option,
 - c) likely impact on staffing of each option, and
 - d) the need for change in the By-law or the Operating Policies arising from any recommended option.
21. Chairs of committees shall:
 - a) ensure that a plan and timetable for the work of their committee is established at the inception and on an annual basis in consultation with committee members, staff and the President;
 - b) consult regularly with chairs of other committees where their mandate affect the work or responsibility of those other committees;
 - c) report regularly on work in progress of their committee to the President and the Board; and
 - d) ensure that the content of committee reports is sufficiently complete to meet the needs of the Board.

H. Finance and Audit Committee

The primary purpose of this committee is to monitor financial performance on behalf of the Board. The committee performs a due diligence function on behalf of the Board.

The Finance and Audit Committee shall:

- a) receive and review interim and annual financial statements for the synagogue;
- b) review the integrity and effectiveness of policies regarding the financial operations, systems of internal control and reporting mechanisms of the synagogue;
- c) recommend the appointment of the external auditor and review the proposed audit scope, fees and annual auditor's management letter; and
- d) review budget plans and projections, and in collaboration with the Executive Director propose annual budgets or amendments to the budget for approval by the Board.

Part IV – Director-Staff Relations

A. Executive Director

1. The Executive Director is accountable to the Board acting as a body. The Board will instruct the Executive Director through written policies, delegating to him/her interpretation and implementation of those policies. The Executive Director shall execute the Board's policies while operating within the boundaries of prudence and ethics established by the Board in the Executive Director Limitations section of this policy.
2. The Executive Director shall deliver to the directors at each Board meeting a statement on the status of all compensation to staff and remittances to government to the end of the immediately preceding month.

B. Delegation to the Executive Director

1. While the Board's job is to establish policies and goals to achieve the mission and ends of the synagogue, the implementation is delegated to the Executive Director. All Board authority delegated to staff is sub-delegated, through the Executive Director, so that all authority and accountability of staff – as far as the Board is concerned – is through the Executive Director.
2. The Board shall direct, through the President, the Executive Director to achieve specified results, through the establishment of mission and ends. The Board limits the latitude that the Executive Director may exercise in practices, procedures, methods and conduct through Executive Director Limitations.
3. As long as the Executive Director uses any reasonable interpretation of mission and ends and Executive Director Limitations, the Executive Director is authorized to establish all further means or procedural policies, make all decisions, take all actions, establish all practices and develop all activities necessary to achieve the results directed by the Board.
4. Only decisions of the directors acting as a Board are binding upon the Executive Director. No individual Board member or committee has authority over the Executive Director. Decisions or instructions of individual directors or committees are not binding on the Executive Director except in rare instances when the Board has specifically authorized such exercise of authority. In the case of directors or committees requesting information or assistance without the Board's authorization, the Executive Director may decline such requests if they are disruptive or require – in his/her judgment – a material amount of staff time or unbudgeted funds.

C. Monitoring Executive Performance

1. The Executive Director's performance is evaluated annually by the President, who shall report to the Board. . The appraisal should include the extent to which the Board's policies are being implemented and whether the Executive Director is in compliance with Executive Director Limitations. The Executive Director's performance can only be assessed against objective criteria, not against the views

held by individual directors. The President will lead the evaluation process described in Paragraph 3, below.

2. Any policy can be reviewed at any time by the Board. The financial condition of the synagogue will be monitored monthly; the financial planning, and the administration of the synagogue's assets will be monitored quarterly; communication and advice from the Executive Director will be monitored semi annually; and human resources, staff treatment, and compensation will be monitored annually.
3. Each year the Board will receive a formal evaluation of the Executive Director from the President to assess his/her compliance with the Board's policies and the Executive Director's performance expectations, including the Executive Director Limitations. That process will normally include the following elements:
 - a) the Executive Director's annual report to the Board;
 - b) a self-assessment by the Executive Director;
 - c) the President's meeting with the Executive Director to discuss his/her annual performance;
 - d) the Board's approval of the final performance review report; and
 - e) the Board's approval of performance expectations for the Executive Director for the coming year.

Part V – Executive Director Limitations

A. Budgeting

Unless directed by the Board, the Executive Director shall not:

- a) allow operating expenses to deviate from the budget in any significant way;
- b) allow expenditures to deviate materially from the synagogue's mission, priorities and programs;
- c) incur debt on behalf of the synagogue;
- d) cause or allow budgeting which:
 - i. contain too little detail to enable reasonably accurate projection of revenues and expenses, cash flow, separation of capital and operational items, and subsequent audit trails;
 - ii. plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period; or
 - iii. deviates materially from Board-stated priorities in its allocation among competing budgetary needs.
- e) present a budget without:
 - i. a reasonable projection of revenues and expenses;
 - ii. disclosure of planning assumptions; and
 - iii. disclosure of operating and capital items.

B. Asset Administration and Acquisition of Goods or Services

Unless directed by the Board, the Executive Director shall not:

- a) allow the synagogue's funds to be invested, except in accordance with the By-law;
- b) allow the integrity of the building to be impaired;
- c) allow physical assets to be abused, misused or subjected to improper wear and tear or insufficient maintenance;
- d) operate without adequate insurance;
- e) allow any insurance to expire without Board notification;
- f) make any purchase of goods or services or commit the synagogue to any purchase of goods or services of a value of \$50,000 or greater without recommendation of the Finance and Audit Committee and approval of the Board, provided that, in the case of an emergency (defined as time sensitive) the Executive Director may make the purchase if authorized by the President after obtaining approval of;
- g) make any purchase of goods or services or commit the synagogue to any purchase of goods or services of a value of \$10,000 or greater without approval of the Finance and Audit Committee, provided that, in the case of an emergency (defined as time sensitive) the Executive Director may make the purchase if authorized by the President after obtaining approval of or;
- h) make any purchase of goods or services or commit the synagogue to any purchase of goods or services of a value of \$2,500 or greater but less than \$10,000 without approval of the President or the Treasurer, provided that, in the case of an emergency (defined as time sensitive) the Executive Director may make the purchase if authorized by the President after obtaining approval of or ;
- i) make any purchase of goods or services if normally prudent protection against conflict of interest has not been taken;
- j) make any purchase of goods or services of a cost of over \$5,000 without having obtained competitive prices and quality, unless fully justified and documented;
- k) contract for any service that does not comply with the synagogue's policy on retaining services;
- l) keep books and records, receive, process or disburse funds under controls which are insufficient to meet the synagogue's auditor's standards; or
- m) acquire, encumber, or dispose of real property.

C. Financial Condition

The Executive Director shall protect the financial stability of the synagogue and shall not:

- a) allow tax payments or other government required payments or filings to be overdue or inaccurately filed;
- b) use any reserves except as budgeted; or
- c) use restricted contributions for any purpose other than that required by the contribution or for any purpose other than that for which the contribution was made.

D. Human Resource Principles

1. The Executive Director's authority with respect to staff is limited to assure that their rights to fair, equitable, and humane treatment are not impaired.
2. The dignity, safety, and right of employees to ethical job-related dissent shall not be impaired.

3. The Executive Director shall not cause or allow conditions that are unfair or undignified to staff.
4. The Executive Director shall not operate without:
 - a) written personnel procedures that clarify personnel rules for staff, provide effective handling of grievances, or protect against wrongful conditions;
 - b) job descriptions and regular performance appraisals for all staff;
 - c) a workplace harassment policy for staff that prohibits the harassment of any person; and
 - d) being in compliance with the By-law, the Operating Policies and any relevant provincial or federal legislation.
5. Grievances by employees shall receive fair internal hearing through procedural safeguards; and
6. The Executive Director:
 - a) may hire staff, other than Clergy, provided the hiring is implemented using the approved form of contract and the total compensation is within the approved budget; and
 - b) shall advise the Personnel Committee before implementing any proposed dismissal.

E. Compensation and Benefits

The Executive Director shall not:

- a) authorize or establish compensation or benefits to employees, consultants, or contract workers that jeopardizes the synagogue's fiscal stability;
- b) change his/her own compensation or benefits;
- c) establish compensation and benefits which deviate materially from the geographic or professional market for the skills employed;
- d) create compensation obligations that continue over a longer term than revenues can safely be projected; or
- e) fail to submit monitoring data required by the Board (see Part IV Section C) in a timely, accurate and understandable fashion, directly addressing provisions of the policies being monitored.

F. Communication with and Support to the Board

The Executive Director shall not:

1. fail to provide the Board with sufficient and timely information and advice so that directors are reasonably informed with respect to the operations and activities of the synagogue and the staff;
2. fail to give immediate notice of information which is relevant to the President, or the Board;
3. let the Board be unaware of anticipated media coverage;
4. let the Board be unaware of changes in assumptions upon which any policy has previously been established;
5. fail to advise the Board if the directors are not in compliance with their own policies on Governance Process or Board-Staff Relations, particularly in the case of director

behaviour which is detrimental to the working relationship between the directors and the Executive Director;

6. fail to provide the Board with as many staff and external points of view, issues and options as required to allow the Board to make fully informed choices and decisions for any policy matter the Executive Director brings to the Board. All policy matters for deliberation by the Board must address at a minimum the following components:
 - a) an analysis of options available;
 - b) economic and financial impacts on the synagogue;
 - c) impacts on staffing; and
 - d) need for change in the By-law, Operating Policies or this policy;
7. fail to report in a timely manner actual or anticipated non-compliance with any policy of the Board; and
8. fail to always treat members with respect and dignity.

G. Other

1. The Executive Director shall not supervise any clergy in their capacity as clergy. However, where the Clergy are performing a non-clergy function that is otherwise the responsibility of the Executive Director, the Executive Director shall oversee the performance of the Clergy in respect thereto.

This Operating Policy shall take effect when enacted by Resolution of the Board. This Operating Policy may be amended by Resolution of the Board and shall remain in effect until repealed by Resolution of the Board.

CERTIFIED to be a true copy of Operating Policy Number 7 passed by Resolution of the Board of Directors of Kehillat Beth Israel Congregation at a meeting of the Board held on the XXth day of XXXXXX 2022.

Jodi Gitter – Secretary