



## **BOARD GOVERNANCE**

Humber Community Development Corporation is a provincially, registered, not-for-profit, private, independent Corporation governed by the applicable laws of the Province of Newfoundland and Labrador.

The Corporation is currently managed by an Executive Director under the Governance of up to a seven (7) member volunteer Board of Directors, who set and manage policy of the Corporation.

The number of Directors shall not be fewer than the minimum and not more than the maximum as provided for in the Articles of the Corporation. A minimum of 50% of the Directors will constitute a quorum for the transaction of business at any meeting of the Directors. Any alterations or amendments may be made by a majority of the Directors if the Notice of such meeting contains a statement in writing of the proposed alterations or amendments.

The Corporation will seek to maintain and/or obtain a balanced membership of its Board of Directors to include, minorities and/or people with disabilities while taking into consideration such things as, accountability to the community as a development lender, commitment to the professional development of the Corporation, age, gender, skill level such as, knowledge of business, knowledge of loan management, knowledge of accounting and legal issues, knowledge of economic development, and experience in serving as a volunteer with other stakeholder organizations with similar aims and objectives.

In addition, prospective Board members:

- a) must reside in the area serviced by the Corporation,
- b) shall not have a record of criminal convictions or criminal findings of guilt in the files of any police department,
- c) should not be in bankruptcy and/or have been bankrupt in the past five (5) years,
- d) shall not be an existing client of the Corporation,
- e) should not have defaulted on loans with the Corporation and/or did not fulfill their repayment obligations on loans, and
- f) should not be involved in any activity that would be in a Conflict of Interest with the Corporation.



## **BOARD GOVERNANCE**

### **Process**

A Committee has been formed within the existing structure of the Corporation. The Chairperson will appoint two (2) Directors or alternatively, Directors may volunteer to serve for a term of two (2) years as the Recruitment Committee (a Sub-Committee of the General Board). The Committee will identify and solicit potential new Board members or identify, in consultation with existing Directors, potential new candidates as possible successors for Directors' replacement. The Recruitment Committee will consult, advise and make recommendations by compiling a list of potential candidates and by collecting personal information on all candidates as the Committee may deem appropriate in the selection, screening and recommendation of new Board members to the General Board for final approval.

The Corporation and/or any of its Sub-Committees will respect the privacy and confidentiality of any and/or all of its Directors and/or prospective Directors during and after the recruitment process and/or appointment as a Director to the Corporation and vice versa on all matters dealing with the Corporation.

The Executive Director will serve as ex-officio on the Recruitment Committee.

### **Orientation of New Board Members**

Potential new directors will be invited to attend a meeting of the Board after the initial review and nomination, and before the appointment is voted upon by the full Board of Directors. Upon appointment to the Board, an Orientation Manual is provided to each new member and includes the following information:

- CFDCs and CBDCs Background;
- Pan-Canadian Community Futures Group;
- Role of the Atlantic Association;
- Role of the Provincial Association;
- CBDC Humber's Annual Report;
- CBDC Humber's Audited Financial Statement;
- CBDC Humber's Executive and Officers;
- CBDC Humber's Committees;
- CBDC Humber's Staff (Job Descriptions);



## **BOARD GOVERNANCE**

### **Orientation of New Board Members (Cont'd)**

- Director's Liability Insurance (Policy Attached);
- CBDC Humber's Employee Policy Manual (Attached);
- CBDC Humber's Contracting;
- CBDC Humber's Lending Mechanism and Guidelines;
- Loan Due Diligence (Lending Guidelines Attached);
- Government of Canada (ACOA) Definitions for Operational and Investment Quarterly Reports (Attached);
- Governance Policy;
- CBDC Humber's By-Laws (Attached);
- CBDC Humber's Three (3) Year Strategic, Operational and Investment Plan to March 31<sup>st</sup>, 2014 (Attached);
- Acronyms

### **Elections**

The Corporation will conduct an Election of Officers every three (3) years for the Executive Member positions and they will include:

- The Chairperson
- The Vice-Chairperson
- The Secretary-Treasurer

The term of office for any single Executive Member will not exceed six (6) years unless specified in writing by a majority of all Directors. On an annual basis, normally at the Annual General Meeting of the Corporation, all Directors are to make their individual intentions known regarding continued membership. A Director may retire from his/her office upon giving to the Corporation one (1) month's written notice of his/her intention to do so. Such resignation shall take effect upon the expiration of such notice or its earlier acceptance.

The Executive Director will serve as ex-officio on the Executive Committee.



## **BOARD GOVERNANCE**

### **Rotation or Vacancy of Executive Member Positions**

In the event of a vacancy in the Office of the Chairperson, the Vice-Chairperson shall replace the Chairperson and will serve as the Chairperson until the balance of the term. In the event of a vacancy in the Office of the Vice-Chairperson or the Office of the Secretary-Treasurer, the Directors shall have the power to appoint a Director as a replacement who will serve the balance of the term.

In any one (1) election year and provided a vacancy occurs and upon approval of the majority of the Directors, the Vice-Chairperson may be appointed as the Chairperson elect.

### **Terms of Office**

Subject to the Articles, a Director shall hold office for a term not exceeding nine years. Upon written notification by each Director to the Board, such term shall be renewed for two additional terms to a total maximum term of nine years. It is intended that the Board of Directors fairly represent the Economic Zones (regions) within the Board's jurisdiction. New Directors will be selected based upon their residency within the vacant region. In the event that the Board is unable to recruit a new Board Member to fill the vacant region, the Board may increase the “at large” representation to maintain the minimum number of board members.

Any past Director shall be eligible to hold office after a six (6) month absence, depending upon a vacancy in the region he/she represents. In the event that there are no suitable candidates to fill a vacancy, the Board may ask the incumbent to remain in the position until a replacement is found for a period not exceeding three years.

Upon Board Approval, a Director who is elected as an executive member to the Provincial or Atlantic Association may have his/her term of office extended by the same term set for the position of the Provincial or Atlantic Association.

Upon the vacancy of an office of Director, the continuing Directors may act but if the number of Directors falls below the quorum required, the Directors shall not, except in emergencies, act so long as the number is below the quorum required.



## **BOARD GOVERNANCE**

### **Forfeiture of Membership**

- a) Criminal Convictions
- b) Undisclosed Conflict of Interest
- c) Breach of Confidentiality
- d) Missed Attendance without just cause for three (3) meetings or more.  
Individual Board members will review their own contribution in attending a reasonable number of meetings. In the event of absenteeism and/or extenuating circumstances regarding absenteeism, the Board member should give consideration to discussing the matter with the full Board of Directors. The Board of Directors shall act accordingly.

### **Accountability and Transparency**

- Nominating Committee to broaden their candidate search approach
- Directors are encouraged to identify successors
- Directors' involvement as members in other stakeholder community organizations shall be identified
- Directors to review the balance, the diversity and continuity of its membership on an annual basis
- The Annual Report of CBDC Humber will be distributed to identified partners and stakeholders as well as displayed on Humber's website [www.cbdchumber.ca](http://www.cbdchumber.ca). Copies of the Audited Financial Statements will be provided to the funding agencies within ninety (90) days of CBDC Humber's year end.

### **Remuneration of Directors**

Directors are compensated for travel and accommodation expenses through Per Diem allocations under Treasury Board guidelines. Directors can also be compensated for Lost Wages up to \$250.00 per day subject to verification.

### **Communications Protocol**

- The Chairperson speaks on behalf of the Board of Directors of the Corporation
- Client issues and inquiries are referred to the Executive Director.



## CONFIDENTIALITY

At CBDC Humber, we have always made it a priority to protect your personal information. As part of our ongoing efforts to ensure that your rights are fully respected, we have developed policies and procedures aimed at protecting personal information. Our commitment to privacy is an integral part of our Code of Professional Conduct, to which all CBDC Humber employees must strictly adhere. You may contact the Executive Director about your privacy by email at [mark.kelly@cbdc.ca](mailto:mark.kelly@cbdc.ca) or by regular mail at Humber Community Development Corporation, 19 Union Street, Suite 4, P. O. Box 657, Corner Brook, Newfoundland and Labrador, A2H 6G1.

To be able to offer you our products and services, we require basic information about you that only you can give. For example, we will ask you for your name, address and telephone number. We will also need your social insurance number and date of birth. These help us identify you with financial institutions, public registries, regulatory authorities and bodies, employers and professionals. It can also enable us to distinguish your information from that of other clients whose name may be similar to yours. This differentiation is particularly important when we have to check your creditworthiness. Although you are not required to disclose your social insurance number for identification purposes, we think it is in your interest to do so. Other types of information, such as state of your health, enable us to check your eligibility or have a third party check your eligibility for Life Insurance on our loan products.

We also require, when available, financial information about your business in the form of financial statements and personal income tax returns. With your consent, we may also obtain information from a third party to help us determine your eligibility for our loan products, services and other non-loan programs. For loan products, for example, it is essential that we know your financial worth and your credit record. We will therefore contact other lenders, financial institutions, credit bureaus, accountants and employers.

In most cases, your consent is given on the application forms used by CBDC Humber. You will notice that the Declaration of Consent is clear and unambiguous. We suggest that you read it over and, if you have any questions, please ask the staff at our office or write us at the address provided above.

Your refusal to give consent could prevent us from acting on your behalf, and you may be refused a particular product or service as a result. However, once you have been granted credit, we cannot withdraw your consent to disclose information about your credit record



## CONFIDENTIALITY

to other lenders and to credit bureaus. This measure is designed to preserve the integrity of the credit lending process.

In order to offer you our products and services, we must occasionally disclose information about you to third parties such as credit bureaus and some of our service providers; for example, life insurance on our loan products. We also disclose your information to our Board of Directors who make loan decisions. We also make you aware that, the Atlantic Canada Opportunities Agency (ACOA) have access to our client files which may contain your personal and business information. If, for instance, you authorize us to convey information concerning your creditworthiness or credit record to other lenders or to credit bureaus, the only information disclosed is your identity and your ability to meet your financial obligations. We take care to ensure that your information is protected. If you have questions concerning the services rendered by our suppliers, for example, Life Insurance, for which they may have access to your personal information for the purposes explained herein, please ask our staff or contact us at the above address.

We are legally bound to disclose information about you and /or your business when we receive a valid request, search warrant, subpoena or other Government or Court Order. In cases where we are involved in court proceedings, we may have to disclose, on our own initiative, personal information about you. Moreover, if we receive a NSF cheque or other notice of return payment on your loan, a third party would then know that your loan account is in arrears. Similarly, if we must use a collection agency or other legal form of collection; for example, a Solicitor, a third party could then deduce that you are not meeting yours or your business' financial obligations to us. It is our duty to denounce criminal activity such as fraud, money laundering or proceeds of crime. In all such cases, authorities will be contacted and personal and business information could be disclosed at that time.

You can consult your personal information that we have on file free of charge. Simply submit a request in writing to the Executive Director at the address provided above. We will respond to your request within thirty (30) days.

We will do our utmost to keep your personal information up to date, but we ask that you help us by notifying us of any change in your information. In addition, if you notice any errors or inaccuracies, please let us know and we will make the necessary corrections. If we have conveyed incorrect information to third parties, we will do everything possible to bring these corrections to their attention.



## CONFIDENTIALITY

We take precautions to prevent your information, regardless of its form or location, from being lost, destroyed, stolen, consulted, disclosed, copied, used or altered without authorization. We have implemented various security measures, such as:

- **Physical measures:** Including the protection of infrastructure, such as ensuring that access to our premises is secure, and that equipment is in a secure location.
- **Administrative measures:** Aimed at limiting access to your personal information. Only employees that need to consult your information for work purposes may do so.
- **Technical measures:** Such as closely managing passwords and using a firewall.

Your personal information is kept only for as long as the service is provided. The retention period may vary, depending on the product or service offered. Even if you stop doing business with us, we might keep some information in order to, among other reasons, comply with laws, settle future transactions or look up past transactions. When this information is no longer necessary, it is destroyed. When destroying documents, we follow strict procedures and ensure that only authorized personnel has access to them.

If you have questions or comments regarding how your personal information is managed, or that a breach of confidentiality may have occurred on your personal information, contact the Executive Director at 19 Union Street, Suite 4, P. O. Box 657, Corner Brook, Newfoundland and Labrador, A2H 6G1.

You also have the option of contacting the Privacy Commissioner of Canada or of Newfoundland and Labrador at the following addresses:

Privacy Commissioner of Canada  
112 Kent Street  
Place de Ville  
Tower B, 3<sup>rd</sup> Floor  
Ottawa, Ontario  
K1A 1H3

Office of the Information & Privacy Commissioner  
2<sup>nd</sup> Floor, 34 Pippy Place  
P. O. Box 13004, Station A  
St. John's, NL  
A1B 3V8

Telephone: (613) 947-1698  
Toll Free: 1-800-282-1376

Telephone: (709) 729-6309  
Toll Free: 1-877-729-6309  
Email: [commissioner@oipc.nl.ca](mailto:commissioner@oipc.nl.ca)





## CONFLICT OF INTEREST

The objective of this policy is to permit CBDC Humber to manage Conflict of Interest situations successfully and resolve them fairly.

A Conflict of Interest is a situation in which a person has a private or personal interest sufficient to appear to influence the objective exercise of his or her official duties at CBDC Humber. The situation could be actual or real, perceived or apparent, foreseeable or potential.

“Private or personal interest” refers to an individual’s self-interest (e.g. to achieve financial profit or avoid loss, or to gain another special advantage or avoid a disadvantage); the interests of the individual’s immediate family or business partners; or the interests of another organization in which the individual holds a position (voluntary or paid).

In addition to and for this policy, Schedule 2- Statement of Work 1.0 Restricted Investment Fund Activities, 2.0 Goods and Services Contracts and 3.0 Significant Business Interest to the Atlantic Canada Opportunities Agency agreement (as of April 27<sup>th</sup>, 2012), shall also apply for all Board members and staff of CBDC Humber.

“Objective exercise of duties” refers to an individual’s ability to carry out her or his responsibilities in the best interest of CBDC Humber. Members and staff are responsible for managing Conflict of Interest situations in order to ensure that workplace behaviour and decision-making throughout CBDC Humber are not influenced by conflicting interests.

CBDC Humber supports an organizational culture in which its people freely take responsibility for both “self-declaring” possible conflicts of interest, and respectfully raising possible conflicts faced by others in our organization. Managers, staff and Board members have the responsibility to implement practical preventive measures, such as:

- Providing education about what to do when gifts and hospitality are offered;
- Providing meeting agendas in advance to enable participants to foresee possible conflicts;



## **CONFLICT OF INTEREST**

- Ensuring that people are clearly told when information must be protected from improper use;  
Declining involvement and access to personal information in an action (such as a loan decision or loan collection decision or supporting a questionable outside activity).
- Board members and staff must never use association with CBDC Humber to advance personal interests or act in any way that could harm the reputation of CBDC Humber or use their personal positions or confidential information to provide preferential help to anyone seeking employment or seeking to do business with CBDC Humber.
- Staff should not engage in external outside activities such as outside employment or as a volunteer where it interferes with their ability to perform their regular work or duties and it is not incompatible with CBDC Humber's policies.  
Board members who volunteer with other organizations may need to take steps to remove themselves from real, potential, or apparent conflict of interest situations.

### **Gifts, Hospitality, Other Benefits**

Members of the Board and employees must never solicit gifts, hospitality, or other benefits in connection with CBDC Humber duties. Acceptance is permitted only if such gifts, hospitality or other benefits are within the bounds of propriety and normal hospitality and do not:

- influence the Board member or employee in his or her judgement, or performance of his or her duties at CBDC Humber; or
- compromise or appear to compromise, the Board member's or employee's objectivity or impartiality or the integrity of CBDC Humber

### **Application**

This policy applies to all Board members and employees of CBDC Humber, all of whom are required to read and acknowledge their awareness of the Policy and disclose a potential conflict situation only if they suspect that such a situation exists. In a case where Board members or employees are found not to have complied with this policy, disciplinary measures up to and including dismissal may be applied.



## CONFLICT OF INTEREST

### Oath of Office

Each employee upon being hired by CBDC Humber and each Board member upon being appointed as a Director with CBDC Humber is required to swear the *Oath or Solemn Affirmation of Office*.

### Delegation of Authority

The Executive Director is responsible for the application of this policy. The Board of Directors are authorized to ensure that Conflicts of Interest, apparent or real, be resolved in favour of CBDC Humber.



## COMMITTEES

The Chairperson shall nominate a person to be Chairperson of any of the Sub-Committees and the Directors shall approve or reject those nominated by majority vote for each one. When serving on a Committee, the Executive Director will serve in an **\*Ex-Officio** capacity.

### **\*Executive Committee:**

Comprises the Chairperson, Vice-Chairperson and Secretary-Treasurer. The Committee manages the operations of the Board of Directors. The authority of the Committee is derived from the Corporation's By-Laws. The Committee is obligated to consult with the entire Board and to present their actions to the entire Board whereby a majority vote all decisions are typically approved. The Committee does not replace the decision-making authority of the entire Board of Directors and/or its Executive Director unless specified in the By-Laws or by an expressed vote .

### **\*Recruitment Committee**

Comprises two (2) Directors of the Corporation. Responsible for the identification, recruitment, screening and recommending appointments of new Board members in consultation and approval of the entire Board.

### **\*Nominating Committee**

Comprises two (2) Directors of the Corporation. Responsible to prepare a slate of candidates for the offices of Chairperson, Vice-Chairperson and Secretary-Treasurer at least sixty (60) days before the Annual General meeting of the Corporation, in the year of an election.

### **\*Investment Review Committee**

Comprises all members of the Executive Committee and the past Chairperson. Any Director shall be at liberty to attend and participate at any meetings of the Committee. Primary functions to approve loans and/or decisions pertaining to the collection of bad debts and/or realization of security as put forward by the Management of the Corporation. At their discretion, the Committee can delegate any of their powers to Management, as they shall think fit, provided Management conforms with the regulations and procedures that may be imposed upon him/her.



## COMMITTEES

### **\*Audit Committee**

Comprises the Chairperson and Secretary-Treasurer. Responsible to become familiar with the Corporation's finances, including the budget and its process. Know who is authorized to sign cheques and for what amount and purpose. Must ensure that the Corporation's books are audited on an annual basis by a reputable firm of Chartered Public Accountants and to meet at least annually with the accountant concerning the Audited Financial Statements of the Corporation. Must ensure that staff income and payroll taxes are withheld and submitted on time to the Canada Revenue Agency. Must ensure that the bookkeeping and all other accounting records of the Corporation are kept current and conform with standard practices in content and form.

### **\*Self-Employment Assistance (SEA) Committee**

Comprises the Chairperson and one (1) other Director. Responsible to become familiar with the budget, application and execution of contracts with the Department of Advanced Education and Skills (AES) in the delivery of the Self-Employment Assistance program. When deemed appropriate and in consultation with the Executive Director, at least one (1) Committee member should attend any meeting of AES as agreed to by the parties in situations that may involve operational changes to the program and/or in dealing with any issues of consequence that may arise.



## VOLUNTEER JOB DESCRIPTIONS

### EXECUTIVE COMMITTEE

#### Chairperson, Job Description

- Is a participating member of the Board
- Practises Privacy and Confidentiality, respects and abides by the Conflict of Interest policy of the organization
- Serves as the Chief Volunteer of the organization
- Is a partner with the Executive Director in achieving the organization's mission
- Provides leadership to the Board of Directors, who sets policy and to whom the Executive Director is accountable
- Chairs meetings of the Board after developing the agenda with the Executive Director
- Assists in the appointment of Committee chairpersons in consultation and with majority agreement of the Board of Directors
- Serves as Chairperson or ex-officio as a member of committees and attends all meetings
- Discusses issues confronting the Corporation with the Executive Director
- Helps guide and mediate Board actions with respect to the organizational priorities and governance concerns
- Reviews with the Executive Director any issues of concern to the Board
- Monitors financial planning and financial reports
- Verbally evaluates the performance of the Executive Director and informally evaluates the effectiveness of the Board members
- Evaluates annually the performance of the organization in achieving its mandate
- Performs other responsibilities as assigned by the Board.

#### Vice-Chairperson, Job Description

- Is a participating member of the Board
- Practises Privacy and Confidentiality, respects and abides by the Conflict of Interest policy of the organization
- Performs Chairperson responsibilities in his/her absence
- Is a partner with the Chairperson and Executive Director in achieving the organization's mission.



## VOLUNTEER JOB DESCRIPTIONS

### EXECUTIVE COMMITTEE

#### Secretary/Treasurer, Job Description

- Is a participating member of the Board
- Practises Privacy and Confidentiality, respects and abides by the Conflict of Interest policy of the organization
- Is a partner with the Chairperson, the Vice-Chairperson and Executive Director in achieving the organization's mission
- Is a partner with the Executive Director in managing the finances and annual operating budgets of the organization
- Is a partner with the Executive Director in the development of financial policies and procedures
- Is a partner with the Executive Director in managing and distributing minutes of board meetings to its members
- Shall perform the duties outlined in Article V11, 1C of the organization's By-Laws.

#### Directors (Reference CBDC Humber's By-Laws)

- **Duty of Honesty** - to act honestly and in good faith;
- **Duty of Loyalty** - to give his/her individual loyalty to the Corporation and to act at all times as a Director in the best interest of the Corporation. To foster and promote the mandate of the Corporation, to provide guidance and direction wherever possible, and to assist the Corporation's staff in the performance of their duties;
- **Duty of Care** - to act in a prudent and diligent manner, keeping himself/herself informed as to the policies, business and affairs of the Corporation;
- **Duty of Diligence** - to make those inquiries which a person of ordinary care in his/her position or in managing his/her affairs would make;
- **Duty of Skill** - to exercise the degree of skill to be reasonably expected from a person of his/her knowledge and expertise; and
- **Duty of Confidentiality** - to treat in confidentiality all matters of the Board of Directors of the Corporation and all information obtained as a Director of the Corporation.



## REDRESS

CBDC Humber is sensitive to your needs and would like to hear any complaints you may have so we can serve you better. If you have any concerns about a procedure, privacy or compliance issue, or have encountered a problem with our service or concern regarding your application for financing or other programs that you may have applied for, we want to know about it. You should contact our Executive Director, Toll-Free 1-888-303-2232 or by email [mark.kelly@cbdc.ca](mailto:mark.kelly@cbdc.ca), or by writing the Executive Director, P. O. Box 657, Corner Brook, Newfoundland and Labrador, A2H 6G1. Should your concerns remain unresolved at the Management level, then we shall proceed to involve our Board of Directors, to the attention of the Chairperson at the above-noted address.



