

BOARD - GENERAL MANAGER RELATIONSHIP

General Overview

Principles of Policy Governance:

Boards govern by means of general policies which they establish; managers implement the general policies of the Board. These are two different functions, and they should not be confused. Boards do not implement their own policies, and managers do not determine general policy. However, the functions of Boards and managers are complementary, and, hence, each cannot function without the other. It is necessary therefore to define the relationship that should exist between the Board and the manager.

Responsibilities

The Board of Directors is the governing body of the MNFC. It is responsible to the members of MNFC. The General Manager is the chief executive officer of the MNFC and is responsible to the Board of Directors. The staff working with the General Manager operates the store, and is responsible to the General Manager.

Policies:

1. Role of the Board of Directors
2. Role of the General Manager
3. Evaluation of the General Manager

Board - General Manager Relationship

Role of the Board of Directors

1. The Board of Directors governs through the use of written policies. The Board defines the Ends and Executive Limitations policies, which serve as guidelines to the General Manager.
2. The Board is bound by its own policies. It may change or alter its policies, but until it does so, its actions must be consistent with existing policies.
3. The Board will communicate its policies to the General Manager who will devise specific operational means to implement it in a consistent and reasonable way.
4. Only actions of the Board at regular meetings or special meetings properly called shall be binding on the General Manager. Board members acting individually have no authority over the General Manager, except in those instances where a member is delegated by the Board to act for it. These instances will most likely be rare.
5. The Board may request special reports from the General Manager. It shall make its request to the General Manager in a clear and timely manner, and s/he shall respond in the same way. Committees of the Board may request special information from the General Manager. In such instances, when the request is not authorized by the Board, the General Manager may refuse to comply when, in her/his judgment, it interferes with the regular operation of the store or involves an unwarranted use of staff time or funds.

Board-General Manager Relationship

Role of the General Manager

1. The General Manager is the chief executive officer of MNFC and has two primary job responsibilities:
 - To carry out Board policies on Ends; and
 - To operate within the boundaries set forth in the Executive Limitations.
2. The General Manager is accountable to the Board acting as a body. The Board will instruct the General Manager through written policies, delegating to him or her interpretation and implementation of those policies.
3. The General Manager shall report to the Board on MNFC's current status, trends, successes and failures, at regular Board meetings according to a schedule decided by the Board in consultation with the General Manager. The General Manager has the right to convey to the Board her/his concerns about operational concerns as well as the Board's policies and to suggest changes in them. S/he may also seek advice from the Board.

Board - General Manager Relationship

Evaluating The General Manager

The purpose of the evaluation is to determine the degree to which the General Manager is in compliance with the Ends and Executive Limitations policies. Evaluation of the General Manager is linked to the overall performance of MNFC.

Compliance with the policies may be evaluated in one or more of the following ways:

1. **Internal report** submitted by the General Manager to the Board which contains information substantiating compliance with Ends and Executive Limitations.
2. **External report** furnished by an objective third party who is selected by the Board. Such reports may assess the General Manager's performance only against Board policy unless the Board has instructed the third party to use a different standard.
3. **Direct Board inspection** of documents, activities or circumstances directed by the Board which allows a "prudent person" test of policy compliance. The inspection to substantiate compliance may be carried out by a Board member, a committee, or the Board as a whole.

Upon the decision of the Board, any policy can be evaluated by any of the above-mentioned methods at any time.

Routine evaluation of Ends and Executive Limitations policies shall be governed by internal reporting based on the Policy Monitoring Schedule.