



Chapter 1

INTRODUCTION

This Governance Guide is one in a series designed to help non-profit societies and housing co-operatives manage affordable housing developments. Together, these guides provide detailed reference material and form a comprehensive Housing Provider Kit that covers key areas of housing management, including:

- Operations
- Financial Management
- Governance
- Maintenance
- Management Performance

Following the practices outlined in this series will enable your organization to operate safe, secure, affordable housing communities that:

- Demonstrate excellence in management and maintenance.
- Provide residents with secure tenure and opportunities to participate in decision-making.

Your organization owns and manages the development, because community groups are in the best position to understand and meet local housing needs. BC Housing plays a dual role as a resource and monitoring agency. We provide the subsidies you need to run the development, and review the administration and use of public funds to ensure housing program goals are met.

For a copy of any of these guides, contact BC Housing's Home Office at 604-433-1711, or visit our website at www.bchousing.org, and select the Housing Provider Kit in the *Housing Provider* section.

What's in this Guide?

In the first chapter of the *Governance Guide*, we list the most Frequently Asked Questions about governance, with answers, for quick reference. You'll also find these FAQs on our website at www.bchousing.org.

Chapter two provides a definition and overview of the constating documents that govern your organization.



In chapter three, we outline the Board's role and responsibilities and describe how to:

- Develop an organizational structure for your Board, committees and staff (if you have committees and staff).
- Set policies and procedures to guide the organization.
- Establish standards of conduct for the organization.
- Recruit and orient new directors and members.
- Ensure directors and officers are not in conflict of interest.
- Hold well-organized meetings and make effective decisions.
- Initiate a strategic planning process.
- Evaluate the organization's management practices.
- Develop a risk management plan.

Chapter four explains the importance of job descriptions and suggests how to hire, train and evaluate staff, select a property management company (if you opt for this approach), and recognize volunteers for contributing.

In chapter five, we outline how to launch a community building process and support resident participation in decision-making and management.

Chapter six outlines the benefits of developing a communications plan for your organization, and several problem solving and conflict resolution methods.

And in chapter seven, we discuss how to organize a fundraising campaign.

This guide has been written for everyone from community organizations managing a single development to organizations managing large portfolios. As a result, not all of the information will necessarily apply to your organization, depending on its size and your local community needs. For example, some organizations may have several committees overseeing various responsibilities, while other groups may not work with committees. The same is true for staff. As a result, the sections on establishing committees and hiring staff will be relevant for some groups, and not for others. Please use whatever information is helpful for your organization.



Frequently Asked Questions

What kind of policies does our organization need?

Your Board needs to develop policy statements to guide the organization in each area of responsibility, such as resident relations, hiring staff, volunteer and staff development, financial management, maintenance, ethics, recruitment, conflict of interest, government relations, community and public relations, and harassment. Policies are essential because they:

- State the general course of action planned for the organization.
- Create guidelines to put your mission and values into practice.
- Provide the framework for making decisions.
- Give your staff and committees direction on setting procedures.
- Ensure continuity for residents as Board members change over time.

Refer to page 16 for more information on policies and procedures.

Contact the BC Non-Profit Housing Association at 604-527-8859 or 1-800-494-8859 to obtain a copy of their *Policy Template Manual*. Housing co-ops can contact the Co-operative Housing Federation of BC at 604-879-5111 or 1-866-879-5111. The CHF BC offers workshops on policy development, and has a resource library with sample policies.

Which policies should our residents receive copies of?

Residents should be consulted for input and receive copies whenever policies affect them.

What can the Board do if a director is not doing their job?

You should have a similar process for supporting and evaluating Board members as you have for staff, based on the Board responsibilities defined in your constitution and bylaws or rules and memorandum. Refer to page 39 for information on performance reviews.

What does ‘constating document’ mean?

Your operating agreement with BC Housing defines constating documents as:

- A non-profit society’s constitution and bylaws.
- A housing co-op’s memorandum and rules.

Constating documents govern the organization's decisions and affect the way you conduct business. Refer to page 11 for more information.



What is meant by ‘conflict of interest?’

Your directors or officers and the people working for your organization must avoid any situation that could result in a conflict of interest or the *appearance* of a conflict of interest. A conflict of interest occurs when your business, or you personally, gain as a result of your duties with the society or co-op.

Directors and officers are not allowed to receive any compensation in the form of a salary, grant or honorarium for these duties. No part of the rent/housing charge revenue or federal/provincial funding you receive can be used to provide any benefit or payment to a director, officer or member, without written approval from BC Housing. An exception is made for reasonable wages for employees who are also members of the organization but do not sit on the Board.

Directors or officers’ business or personal interests are in conflict when you or someone who is a ‘related person’ directly or indirectly receives, or may receive, a benefit that is *in addition to* any reimbursement for reasonable expenses you incur as a director or officer.

The term ‘related person’ means someone with a family connection or business association with a director or officer such that:

- A transaction between the housing provider and the related person would confer a benefit on the director or officer, or
- The relationship might affect or appear to affect the director or officer’s ability to act impartially on behalf of the housing provider.

As a director or officer, you would have an actual or potential conflict of interest in the following situations:

1) When a person or business (called a contractor):

- Performs duties or provides services to BC Housing or the housing provider, in connection with a development, and you or a related person:
- Sells, leases or assists with the sale or lease of real estate or personal property to BC Housing or a housing provider, or
 - a) Is the contractor.
 - b) Is a director, officer or senior manager with the contractor.
 - c) Is a shareholder of the contractor, or has the right to become a shareholder.
 - d) Is a partner in the contractor, or has the right to become a partner.
 - e) Holds or has the right to acquire, or has an interest in or the right to acquire an interest in, any stock, bond, debenture or security of or granted by the contractor.
 - f) Has any business, financial, personal or familial relationship with a director, officer or senior manager of the contractor.

2) When you or a related person engages in any personal business transaction or private arrangement for personal profit that arises from your position as a director or officer. This situation includes access to confidential information through your position with the society or co-op.



- 3) When you or a related person owns or has the right to acquire real estate or personal property in which BC Housing or the housing provider will acquire an interest for a development.

These conditions also apply to every person or business that performs duties for a housing provider.

Refer to page 21 for more information on conflict of interest.

Can a resident be a member of a non-profit housing society? What about housing co-ops?

Yes, if your bylaws allow it, a resident can be a member of a non-profit housing society, because non-profit operating agreements do not prevent residents from being society members. But membership cannot be a requirement for being housed in a development. Even though residents who become Board members are technically in a conflict of interest, this conflict is allowed under our guidelines. See page 23 for details on residents as directors or officers.

Housing co-operatives require people to become members to live in a co-op development. Co-ops are jointly owned and managed by members, who participate in decision-making and share responsibility for running the co-op.

Refer to pages 7 and 13 of the Administration section in the *Operations Guide* for more information on residents as society and co-op members.

Can a Board director also be an employee?

No, an employee cannot be a director. This situation is considered a conflict of interest as directors control an employee's salary, benefits, hours of work, etc. If a housing provider wants to appoint an existing director as an employee, the director must resign. For more information on conflict of interest, refer to page 21.

Does BC Housing have a sample tenancy agreement we can use?

Yes, a sample tenancy agreement is included in the appendix of the Administration section of our *Operations Guide*. Visit BC Housing's online *Resource Directory* at www.bchousing.org to download a copy.

Co-ops can contact the Co-operative Housing Federation of BC at 604-879-5111 or 1-866-879-5111 for a model occupancy agreement or lease.



Where can I get copies of various Acts such as the *Residential Tenancy Act*, *Society Act*, *Co-operative Association Act*, and the *Freedom of Information and Protection of Privacy Act*?

You can locate copies of any provincial legislation online at www.qp.gov.bc.ca/statreg, through your local government agent, or the Queen's Printer at www.qp.gov.bc.ca. For more information on how these Acts affect your organization, refer to chapter one of the Administration section in the *Operations Guide*. BC Housing's online *Resource Directory* at www.bchousing.org also has links to these Acts.

What other resources are available for Boards?

Contact the BC Non-Profit Housing Association at 604-527-8859 or 1-800-494-8859, and the Co-operative Housing Federation of BC at 604-879-5111 or 1-866-879-5111, to arrange training and to find out about other resources, such as the *Board of Directors* book available from the Co-op Housing Bookstore.

Refer to page 38 for a list of training resources, and visit BC Housing's *Resource Directory* at www.bchousing.org for a list of additional Board resource materials.
