



# Quality Improvement & Innovation Partnership

Advancing Improvement in Primary Healthcare in Ontario



## FAMILY HEALTH TEAM'S GOVERNANCE AND ACCOUNTABILITY RESOURCE GUIDE

**DRAFT**

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## ACKNOWLEDGEMENTS

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For additional information about other resources contact:

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## EXECUTIVE SUMMARY

### I. Introduction

This Executive Summary highlights the main issues addressed in the *Family Health Team's Governance and Accountability Resource Guide* (Resource Guide). It provides an overview of the more intricate details of governance and accountability that are addressed in the Resource Guide. The Resource Guide is designed for: (1) potential Family Health Team (FHT) sponsors; (2) current FHT Board members; and (3) current FHT lead physicians and administrators.

FHTs represent an innovative approach to primary healthcare as locally driven organizations which include a range of health care professionals who are committed to working together to provide comprehensive, accessible, coordinated primary healthcare service tailored to the needs of the population that they serve.

The Resource Guide is meant as a resource for FHTs in developing and assessing the effectiveness of their governance and accountability plan. FHTs are encouraged to consult the links and resources noted in the Resource Guide as well as other relevant resources in exploring the best governance and accountability arrangements in their particular circumstances. FHTs and/or their sponsors should also consider obtaining independent legal and business advice as necessary. Your Ministry of Health and Long-Term Care (MOHLTC) contact can also provide information regarding insurance coverage and eligibility for financial support as well as other relevant resources that may be available.

This Executive Summary contains an overview of each section of the Resource Guide and it concludes with a checklist of some of the more important issues to address in designing and implementing a FHT Governance and Accountability plan.

## 2. Selected Aspects of Governance and Accountability Addressed in the Resource Guide

Part II of the Resource Guide includes explanatory sections, sample documents, and links to more information on the following four key elements of a governance and accountability plan:

- developing a strategic plan;
- selecting an organizational structure for your FHT;
- establishing relationships with primary healthcare stakeholders; and
- designing a plan to manage risks, including those arising from legal liability.

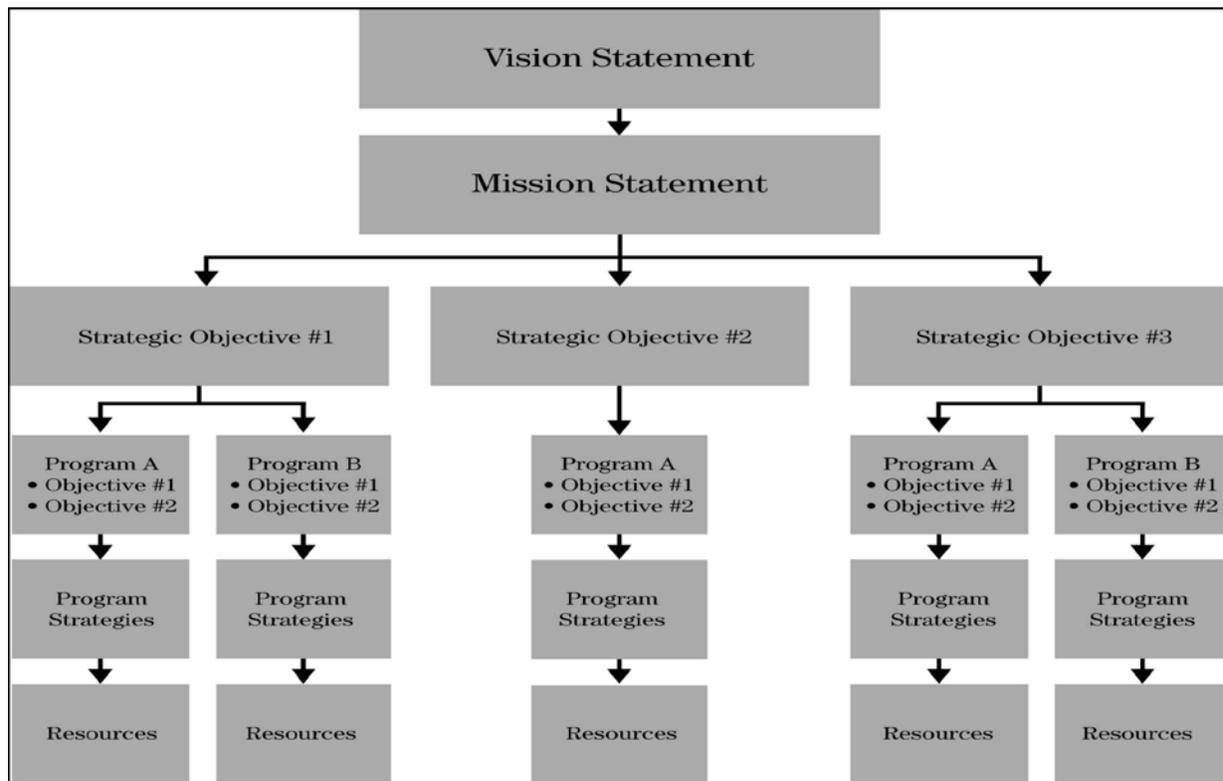
### A) Strategic Plan

**Strategic planning** is an on-going process. In the initial stages of FHT formation, a strategic plan, even if presented as tentative, is an invaluable document to gain the input and support of primary healthcare stakeholders. As consensus on the content of the strategic plan develops, ultimately resulting in official ratification and endorsement by the FHT, the strategic plan will provide a common purpose and understanding to guide development of the FHT organization as a whole and the work of individuals within it. It will also provide a common point of departure for communicating with key stakeholders about the FHT mandate and discussing opportunities for collaborative partnerships. Some of the core elements of a strategic plan include;

- a vision statement;
- a mission statement; and
- a set of strategic objectives.

The relationship between these three elements is diagrammed in Figure 1. Each element is described, with several examples drawn from FHT strategic plans, in the Resource Guide.

Figure 1: Strategic Planning



#### SELECTING AN ORGANIZATIONAL STRUCTURE

FHTs can be organized under three models: (1) **Provider-Led**; (2) **Community-sponsored**; and (3) **Mixed-Governance**. No matter which model is selected, a FHT will need to consider which organizational structure best suits its needs. The MOHLTC recognizes the following organizational structures for FHTs:

- a corporation;
- a partnership;
- an organization formed by a contract of association; or
- a natural person.

#### Corporation

A corporation is a general organizational model recognized and, to a certain extent, defined by legislation. Incorporation is the process by which a corporation is established. In Canada, you can incorporate under either provincial or federal legislation. In either case, incorporation creates a legal entity distinct from any individual or group of incorporators. Creating the separate legal entity of a

corporation has advantages but it also comes with certain responsibilities, some of which are described in the Resource Guide.

**Community Sponsored** and **Mixed-Governance** FHTs that are established as corporations must be operated on a not-for-profit basis. The *Canada Corporations Act* and the *Ontario Corporations Act* govern not-for-profit corporations. **Provider-Led** groups also have the option of establishing their FHT corporations as a professional corporation under the *Ontario Business Corporations Act*.

If the corporate structure is selected for a FHT, it is the responsibility of the incorporators of the FHT to ensure that all requirements of incorporation are met. You are not legally required to retain a lawyer to incorporate.

The Resource Guide contains explanatory sections, sample documents, and links to more information on the following topics: (a) an introduction to the corporate model; (b) the process of incorporation of not-for-profit and professional corporations; and (c) the basics of corporate governance.

## Partnership

In common law, a “partnership” is a certain type of relationship between two or more persons characterized by the following features: (1) equality; (2) consensualism; (3) fiduciary character; and (4) personal character. The following topics regarding partnerships are discussed in the Resource Guide:

- a. the nature of legal partnerships currently recognized under the *Partnerships Act* and the *Limited Partnerships Act*;
- b. some relevant considerations in forming a FHT partnership; and
- c. management structures of a partnership.

From the perspective of the MOHLTC, a legal partnership solely between physician providers is an acceptable governance structure for a provider-led FHT. However, this is merely an acceptable governance structure and the inclusion of other professionals in the governance structure through either another legal partnership or another type of formal relationship might be more likely to create the conditions leading to effective collaborative care in your FHT.

## Contract of Association

A contract of association is a general legal tool that defines the relationship between two or more parties. The advantage of establishing an organization through a contract of association is the flexibility that it provides. The flexibility can be attributed to the fact that the terms of the association are not restricted by either corporate or partnership legislation. However, this flexibility also means that the organization is not protected by any of the numerous safeguards inherent in either corporate or partnership legislation, including certainty in roles and responsibilities and ready-made solutions to common governance challenges. For this reason, it is important to ensure that a thorough and detailed

contract outlining the rights and responsibilities of each of the parties is drafted in order to prevent any future issues from disrupting the operations of your FHT if you choose to establish your FHT through a contract of association.

### **Natural Person**

A natural person is an individual human being. In exceptional circumstances, a natural person may be recognized by the MOHLTC as being personally responsible for all decisions and activities involved in the formation of a FHT. The responsible individual would have to establish various relationships with health care practitioners, administrative staff, community organizations and other stakeholders. The nature of these relationships and a plan for achieving the FHT mission and vision must be detailed in the Business and Operational Plans. This governance option is only available in the context of a provider-led FHT, where the provider is an individual physician contracted with the MOHLTC as the sole physician under a Rural and Northern Physician Group Agreement. Typically, this arrangement is only advisable in smaller rural and/or northern communities.

#### **A) RELATIONSHIPS WITH STAKEHOLDERS NOT DIRECTLY INVOLVED IN FHT GOVERNANCE**

There are many community stakeholders who might be able to provide valuable input into the operation of your FHT. Stakeholders can be involved in the governance of your FHT through a variety of mechanisms. You may choose to give the stakeholder direct responsibility in the governance of the FHT by including them in the governance structure of your FHT. Alternatively, an advisory relationship can be established between your FHT and one or more stakeholders.

One possible mechanism to involve stakeholders is to establish a “Community Advisory Board.” The exact mechanism of creation and the exact nature of this Board will depend on the structure of your FHT. If you choose to establish your FHT as a corporation, one option is to create a Community Advisory Board through the FHT Corporate By-Laws. The composition and responsibilities of the Community Advisory Board should be carefully thought out to ensure that maximum value is added to the governance of the FHT.

#### **B) RISK MANAGEMENT**

The creation of any new entity such as a “Family Health Team” inevitably raises questions regarding the legal status and potential legal liabilities of that entity. These are complex questions and they require a case-by-case assessment. As with other situations that involve risk, it may also lead to considerations of insurance to manage that risk. The information in the Resource Guide is intended only as a guide. FHTs and/or their sponsors should consider obtaining independent legal and financial counsel. This section of the Resource Guide contains an introduction to:

- legal liability;
- other financial risks;
- the role of insurance to minimize these risks in the context of FHTs; and
- dispute resolution mechanisms as part of a risk management plan.

### **3. Making Decisions Re: Governance and Accountability Plans**

Part 3 of the Resource Guide elaborates on some of the more important objectives to consider in making decisions about a governance and accountability plan, including:

- how best to achieve the strategic plan in light of specific community needs/challenges;
- meeting the specific obligations of the FHT with respect to key stakeholders including the MOHLTC, taxpayers of Ontario, community partners, other funders, and the patient population being served;
- effective integration with relevant health care organizations already operating in your community;
- effective engagement of health care professionals; and
- minimizing liability and other risks of physicians and/or leaders of FHTs.

FHTs are being implemented in the context of a complex primary healthcare system and each within a unique community. A strategic plan that clearly articulates the FHT vision within the context of the needs, challenges and opportunities within your community, along with a governance and accountability plan that anticipates and addresses the challenges and opportunities of integrating your FHT within existing primary healthcare models and providers should be viewed as the foundation upon which your FHT can flourish in partnership with the relevant stakeholders, including the MOHLTC. This section of the Resource Guide specifically highlights some of the more important objectives to consider in making decisions about a governance and accountability plan for your FHT.

## 4. Governance and Accountability Planning Checklist

The following checklist covers some of the key areas relating to governance and accountability. For more details on each topic, see the appropriate section in the Resource Guide.

### Strategic Planning: (Pages 4-18, 46, 51)

#### Purpose of Strategic Plan

- Provides a framework for guiding discussions with key stakeholders on the ultimate vision, goals, objectives and partnerships that will form the basis of the FHT mandate

#### The Elements of Strategic Plan:

- Vision Statement
- Mission Statement
- Strategic Objectives

### Organizational Structure: (Pages 20-32, 38-43)

- Identify your FHT Governance Framework based on the composition of the FHT leadership:
  - Provider
  - Mixed
  - Community
- Identify the organizational structure that is appropriate to the Governance Framework within the existing policy environment:
  - Corporation
  - Partnership
  - Contract of Association
  - Natural Person
- Select the appropriate organizational model to operationalize your FHT's mandate based on, among other things, the:
  - Ability to progress towards the realization of the FHT Strategic Plan
  - Ability to fulfill contractual obligations to the MOHLTC
  - Ability to attract health care professionals
  - Responsiveness to the community, providers, and other key stakeholders
  - Minimization of liability concerns

- Establish an Executive/Management Structure (e.g. Board of Directors, Executive Committee) that is:
  - Committed to the FHT Strategic Plan
  - Able to meet the responsibilities of governance
  - Reflective of the interests of all professionals within the FHT
  - Responsive to the interests of community stakeholders

**Risk Management: (Pages 32-34)**

- Take proactive steps in order to minimize risks to the long-term viability of the FHT, including:
  - Fostering mechanisms that promote integrated, collaborative inter-professional care teams
  - Developing and distributing policies and protocols regarding key areas of responsibilities of governance including financial and human resources management
  - Fulfilling all legal requirements in establishing an organizational structure
  - Securing contracts for insurance that protect against legal and other liability
  - Establishing FHT dispute resolution mechanisms

## 1. INTRODUCTION

### 1.2) Purpose

The objective of this Resource Guide is to provide context and guidance to Family Health Teams (FHTs) in developing and assessing the effectiveness of their governance and accountability plan. It should be read in conjunction with the series of guides developed by the Ministry of Health and Long-Term Care (MOHLTC) to assist FHTs, particularly *The Guide to Governance & Accountability*, at: [http://www.health.gov.on.ca/transformation/fht/guides/fht\\_governance2.pdf](http://www.health.gov.on.ca/transformation/fht/guides/fht_governance2.pdf).

**Governance** refers to the authority and responsibility of making decisions and taking action. **Accountability** relates to the expectations by which the organization will perform and report on the matters for which it is funded. Governance and accountability are related concepts. The governing body of an organization is accountable for the organization's performance.

FHTs represent an innovative approach to primary healthcare as locally driven organizations which include a range of healthcare professionals who are committed to working together to provide comprehensive, accessible, coordinated primary healthcare service tailored to the needs of the population that they serve.

An effective operating FHT is founded on a relevant and thoughtful governance and accountability plan. The development and implementation process of the plan should be on-going, with periodic reassessment for effectiveness in light of changes in the external and internal healthcare environment. Part II of this Resource Guide is specifically directed towards supporting FHTs in developing and assessing: (A) a strategic plan; (B) a governance structure for their FHT; and (C) a plan to manage risks in forming and operating a FHT, including those arising from legal liability. It includes explanatory sections, sample documents, and links to more information on these matters.

Part III will elaborate on some of the more important objectives to consider in making decisions about a governance and accountability plan for FHTs, including: (A) how best to achieve the strategic plan in light of specific community needs/challenges; (B) meeting the specific obligations of the FHT with respect to key stakeholders including the MOHLTC, community partners, and the patient population being served; (C) effective integration with relevant health care organizations already operating in your community; (D) effective engagement of health care professionals; and (E) minimizing liability and other risks of physicians and/or leaders of FHTs.

The information in this Resource Guide is intended only as a guide. Groups should obtain independent legal and business planning counsel as necessary.

## 2. SELECTED ASPECTS OF GOVERNANCE AND ACCOUNTABILITY

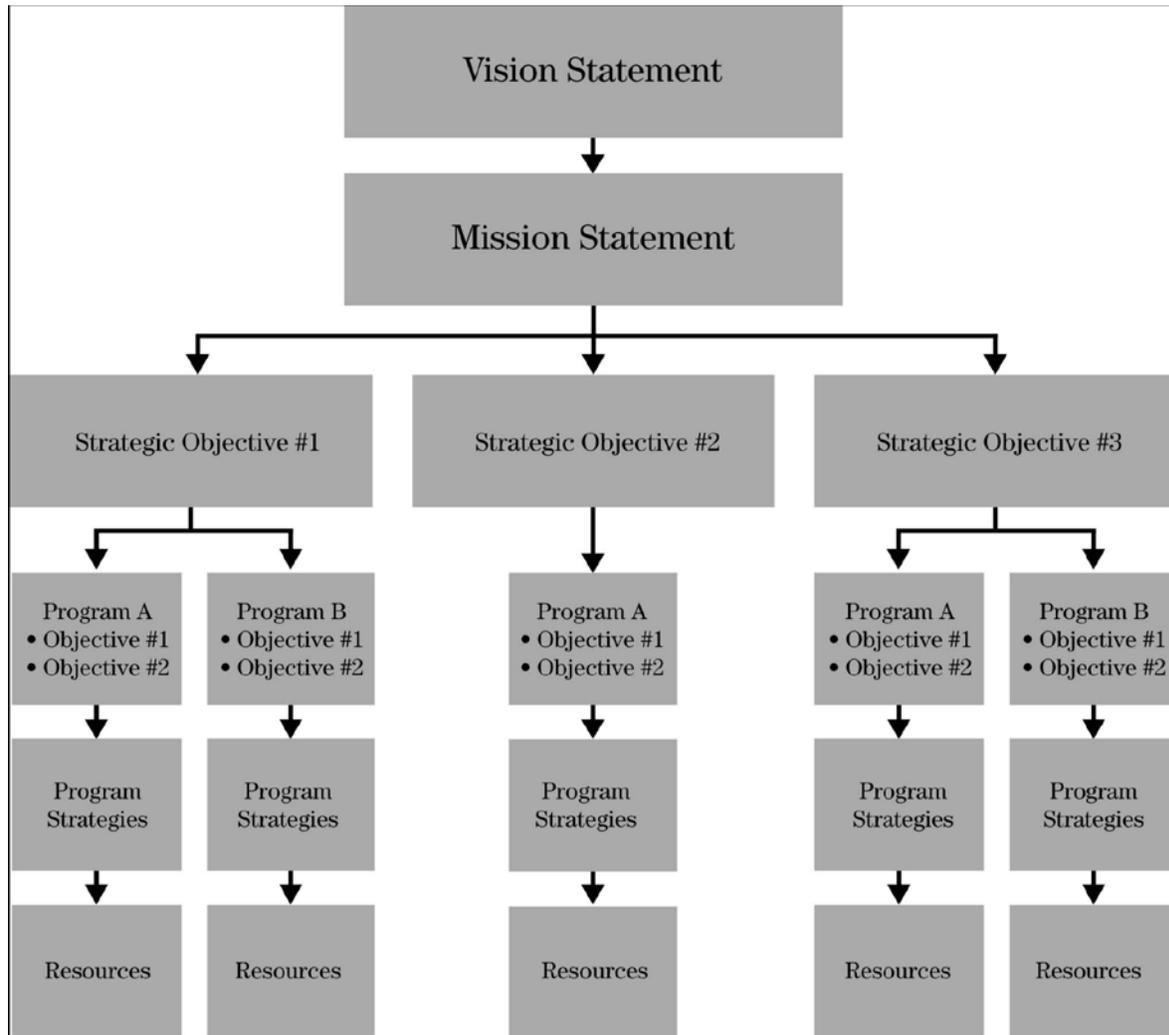
FHTs can be organized under three models; (1) **Provider-Led**, (2) **Community-sponsored** and (3) **Mixed-Governance**. No matter which model is adopted, the FHT will need to develop a governance and accountability plan. This Resource Guide is particularly directed towards providing support for developing the following aspects of a governance and accountability plan: (A) a strategic plan, (B) an organizational structure and (C) a plan to manage risk. Each of these inter-related elements is elaborated on below and sample documents are provided in the Appendices.

### 2.1 Strategic Plan

**Strategic planning** is an on-going process. In the initial stages of FHT formation, a strategic plan, even if presented as tentative, is an invaluable document to gain the input and support of primary healthcare stakeholders. As consensus on the content of the strategic plan develops, ultimately resulting in official ratification and endorsement by the FHT, the strategic plan will provide a common purpose and understanding to guide development of the FHT organization as a whole and the work of individuals within it. It will also provide a common point of departure for communicating with key stakeholders about the FHT mandate and discussing opportunities for collaborative partnerships. Some of the core elements of a strategic plan include (1) a **vision statement**, (2) a **mission statement** and (3) a set of **strategic objectives**. The relationship between these three elements is diagrammed in Figure 1. Each element is described, with several examples drawn from FHT strategic plans, in this section.

Planning for the long term will help ensure that FHTs develop an approach to service delivery that addresses the needs of patients for comprehensive, accessible, and coordinated primary healthcare services. A strategic plan should also include processes to regularly determine the extent to which these needs are being met. For more information on developing a strategic plan for your FHT please see the *Guide to Strategic and Program Planning* at [http://www.health.gov.on.ca/transformation/fht/guides/fht\\_strategic.pdf](http://www.health.gov.on.ca/transformation/fht/guides/fht_strategic.pdf).

Figure 1: Strategic Planning



### 2.1.1 Vision Statement

A **vision statement** describes the long-term goal of your FHT. It should reflect the FHTs commitment to improving the health of the community it serves. A vision statement is an invaluable part of a governance and accountability plan. It assists members of the team and other stakeholders in the community to understand the purpose and nature of the organization and its place within the community that it serves. Some examples of vision statements adopted by FHTs are provided below.

**Example I)** To empower the people in the \_\_\_\_\_ and surrounding area to enhance their health through equitable access to a range of the highest quality primary healthcare services.

**Example 2)** To improve the health of the community with a collaborative, integrative, primary healthcare team.

**Example 3)** To provide leadership in the clinical practice of comprehensive, interdisciplinary primary care and assist in the education and training of future physicians in the development of effective models of care.

### 2.1.2 Mission Statement

A **mission statement** more specifically outlines the approach or method in which your FHT will achieve the FHT vision for improving the health of individuals in your community. It should highlight the services and programs your FHT will implement to achieve its vision – such as comprehensive care, health promotion and chronic disease management programs. Some examples of mission statements adopted by FHTs are provided below.

**Example 1)** Our mission is to maintain and improve the health of our community by providing a patient-centered and family-oriented interdisciplinary healthcare team which delivers timely, quality and collaborative assessment, treatment, and health promotion, in a supportive and caring environment.

**Example 2)** To enhance patient health through improved coordination of Family Medicine care, specialist services and available community resources, by creating integrated care models that emphasize preventative care; health promotion and patient education, early detection of illness and ongoing supervision of chronic disease.

**Example 3)** To deliver high quality, integrated primary care -- through our clinics, through homecare visits and through integration with our community partners -- that responds to the diverse needs of people in central \_\_\_\_\_, and results in a measurable improvement in quality of life and health outcomes. A secondary, but important part of our mission, is to contribute to the development of new family physicians through teaching.

### 2.1.3 Strategic Objectives

**Strategic objectives** are measurable and meaningful targets that your FHT will aim to achieve. Objectives should be patient-centered and focused on immediate as well as longer term outcomes such as efficiency, accessibility, comprehensiveness, appropriateness and quality of care. Some examples of collections of objectives adopted by FHTs are provided below.

### Strategic Objectives Example (I)

| Family Health Team of _____ and Area — Strategic Goals   |  |   |  |  |
|--|--|---|--|--|
| 1.<br>The Family Health Team (FHT) will establish an accessible inter-disciplinary, collaborative, and integrated, primary care team in an efficient, friendly, and cost effective working environment.  | 2.<br>The FHT will develop early identification, prevention, and health promotion programs for the most prevalent chronic health conditions.   | 3.<br>The FHT will provide the community with increased capacity to deal with acute medical conditions in a timely, competent and efficient manner.   | 4.<br>The FHT will strive to develop a core capacity to assist individuals and families with emotional and social problems affecting their health status.  | 5.<br>The FHT will focus on using the latest and most effective technology to enhance its core primary care services, its health promotion programs, and its administration.   |
| Methods to Achieve the Strategic Goals   |  |   |  |  |
| <p>*The patient will be treated as a member of the team.</p> <p>* The Team will be comprised of a range of health professionals.</p> <p>* Specialists will be encouraged to develop links to the primary care team in person and/or through technology.</p> <p>* There will be extended service through additional hours, computer communication, and THAS.</p> <p>*Patient evaluation of the services will be a regular occurrence.</p> <p>*Partnerships will be developed with allied resources.</p> | <p>*The patients will have access to the most up-to-date nutritional expertise to develop individual approaches to health promotion (exercise and good nutrition) and chronic disease management (diabetes, obesity, aging).</p> <p>*The program will be generic in nature but also address smoking cessation, injuries, teen pregnancy, hypertension, cancer.</p> <p>*Partnerships will be developed with allied resources.</p> | <p>* The FHT will have the capacity to assess and treat injuries, infections, and other acute illnesses.</p> <p>*The Team will have a range of diagnostic and treatment capabilities such as a laboratory and ECG.</p> <p>* The Team will have a procedures room suitable for minor surgeries and other emergency situations.</p> <p>*Partnerships will be developed with allied resources.</p> | <p>*The Team will increase the capacity to assess and treat depression, and other mental health conditions.</p> <p>* The Team will be able to assess patients in terms of their psychosocial functioning and design appropriate interventions.</p> <p>*Psychiatric consultation will be available to the team.</p> <p>*Parenting programs will be available.</p> <p>*Partnerships will be developed with allied resources.</p> | <p>*An updated Ministry approved IT system will be available for the Team.</p> <p>*All examining rooms and offices will be equipped with computers, phones and intercom.</p> <p>*Interactive DVD/CD and internet resources will be available for patient and staff education.</p> <p>*An automated phone system, cell phones, and internet email will be available for staff to ensure timely and confidential communication between staff, between staff and patients, and between staff and consultants.</p> <p>*Administration will have secure resources for filing confidential information and for administrative functions including tracking and evaluation.</p> |
| Professional Support to Achieve Goals  |  |   |  |  |
| Family Physician<br>Nurse Practitioner(s)<br>Nurse(s) and RPN(s)<br>Specialist(s)<br>Dietitian<br>Social Worker<br>Support Staff<br>Administrator  | Family Physician<br>Dietitian<br>Nurse<br>Nurse Practitioner   | Family Physician<br>RPN<br>Nurse<br>Nurse Practitioner<br>Physician   | Family Physician<br>Social Worker<br>Nurse Practitioner<br>Psychiatrist  | Administrator<br>Support Staff<br>Service Providers  |

## Strategic Objectives Example (2)

Over the next five years we will put our energy into the following 5 Strategic Objectives. By doing so, we believe we will be able to reach our vision of helping to create the healthiest community in Ontario.

1. We will attract 3,500 unattached patients and build an awareness of our clinic as a place to come for wellness and care.
2. We will establish a Health Maintenance Clinic which will deal with Risk Factors of chronic illnesses so we can reduce their prevalence in the community.
3. The \_\_\_\_\_ Family Health Team will be fully established as a well functioning team, focusing our efforts on:
  - patient care;
  - creating a friendly, caring environment in which people are treated with respect;
  - having patients feel good about their clinic experience;
  - encouraging patients to participate in their wellness when possible.
4. We will assist our patients and community members with mental health issues and provide care, guidance and referrals to all.
5. Access to care for the community will be an important element of our practice. We will work with the \_\_\_\_\_ Hospital as strategic partners to assure people receive care in a timely and professional manner.

To accomplish our objectives we have outlined our strategies as they align to specific goals. It is our belief that by attracting unattached patients and providing chronic disease management to all our patients, we will be moving towards our vision in the best way possible.

## Strategic Objectives Example (3)

In this section we first describe strategies that we will employ in support of each of our strategic objectives and then we describe the specific programs and services that are part of our business plan in the areas of primary care access and chronic disease management.

### OBJECTIVE #1

Improve access to comprehensive, primary care that is timely and that provides support for all our patient groups, especially those with the highest needs.

### Strategies

- Recruit new physicians, nurse practitioners (NPs) and nurses (RNs).

- Expand on \_\_\_\_\_ history of 24 hour access by piloting advanced access daytime booking in one or more of our sites.
- Use NPs/RNs to free up physician time.
- Hire nurse practitioners with selected skills to attend to critical care: treatment of HIV positive patients, addictions counselling, pediatric management, home care.
- Augment our information technology so that all offices are interconnected, lab and hospital data can be accessed from our computers, and health information can be successfully tracked.
- Develop group programs for patients with similar health concerns as a means of educating patients and reducing office and after-hours visits: e.g. groups for new parents, weight control groups.

### Resources needed

- Physicians, NPs, RNs.
- Additional clinical space, including multi-use group room, and administrative help to support the additional professionals on the team.
- Assistance with AHP recruitment and personnel policy development.
- Support to maintain and maximize IT usage by providing computers for AHPs and having a dedicated IT staff person.
- Support for written educational material.

### OBJECTIVE #2

Reduce the burden of chronic disease in our patient population by creating and delivering high impact preventive and chronic disease management (CDM) programs for our patients and by helping our patients to become more engaged participants in their own health care.

### Strategies

- Develop and launch chronic disease management programs, in the following areas of priority: mental health, diabetes, osteoarthritis, pediatrics; expanding to address asthma and cardiovascular disease as we develop protocols in these areas.
- Provide support for critically ill psychiatric patients by maintaining a partnership with CAMH and enlisting the services of a part-time consulting psychiatrist.
- Developing protocol for regular phone contact with chronically unwell psychiatric patients and patients with complex disease.
- Identify and provide ready access to short-term counselling for patients with anxiety disorder.
- Leverage the services provided by other providers such as the Arthritis Society and CAMH.
- Improve coordination in the delivery of mental health CDM applications.
- Provide services of a child therapist.

- Develop an integrated team approach with other providers such as a pharmacist, diabetes nurse educator, dietician, physiotherapist/fitness consultant and mental health workers to maintain best practices in chronic disease management.
- Coordinate services with UHN by running a General Internal Medicine Clinic to identify chronic ER and hospital patient use, co-manage complex patients, reduce wait times for sub-specialist care, and prevent morbidity in an aging population.
- Enlist patients on an Advisory Board to the \_\_\_\_\_ Family Health Team.
- Use prevention programs and patient education models in CDM such as AV material and a web site.

### **Resources needed**

- Mental health workers, child therapist, psychologist with CBT experience, Diabetes.
- Nurse Educator, pharmacist, physiotherapist, funding for Internal medicine clinic, and funding for consulting psychiatrist.
- Funding for workshops to integrate best practices into applicable protocols.
- Support for AV material and web site design.
- Funding for AHP team building and continuing professional development, e.g opportunity to shadow other successful AHP providers.
- Support for additional phone lines.

### **OBJECTIVE #3**

Improve continuity of care for our patients, both in our ability to coordinate and monitor patient care throughout the healthcare system and in our ability to offer community outreach with an emphasis on home care -- for marginalized groups.

### **Strategies**

- Develop strong liaison and networking function with major downtown hospitals such as UHN, CAMH, and Women's College Hospital.
- Develop the services of a patient navigator via our partnership with CCAC.
- Enlist the services of a CCAC case worker to coordinate needs for institutional care and research community resources on behalf of our patients.
- Maintain an active home care service that would use an interdisciplinary approach to include physicians, nurse practitioner, dietician, pharmacist, physiotherapist.

### **Resources needed**

- Support for workshop on collaborative care involving AHPs and community partners.
- Case worker provided by CCAC.
- Physical space, administrative and IT support for CCAC case worker.
- Funding for travel and materials to support homecare service.

## **OBJECTIVE #4**

Develop the \_\_\_\_\_ FHT as an organizational model of comprehensive, efficient, and compassionate primary care that serves both the patients and the team of practitioners and attracts new physicians to our practice and to family medicine in general.

### **Strategies**

- Enlist the support of a FHT Administrator early in our development to help with staff recruitment, staff performance standards and professional development, practice management strategies and enhancement of the collaborative care model.
- Enlist the support of a dedicated financial and IT staff person.
- Maintain legal, bookkeeping, accounting, and auditing services.
- Provide insurance package for all staff including Director liability insurance.
- Retain the services of a recruitment and HR consultant.
- Organize visits to successful FHTs.
- Organize training workshops as necessary to enhance collaborative care.
- Maintain services of a management consultant to help with transition issues.
- Offer professional development opportunities for nurses and nurse practitioners.
- Provide protected time to record the progress of this model of health care and to publish and present these findings.
- Gain maximum advantage from IT – our clinical management system and other tools – to support all aspects of our practice and the achievement of all of our strategic objectives.
- Continue to monitor and perform outreach to our community of patients with respect to preventative care interventions.
- Offer in-house training of senior secretary to junior secretarial staff.

### **Resources needed**

- Clinic administrator and physical and administrative support for this position.
- IT/financial services staff person.
- Support for legal and accounting services.
- Director liability insurance.
- Support for recruitment and HR consultant.
- Support for management consultant.
- Funding for site visits to FHTs.
- Funding for AHP continuing education.
- Funding for secretarial training.
- Continued funding for FHT leader.
- Funding for training workshops.
- Funding for \_\_\_\_\_ services to coordinate and perform outreach to population groups identified for specific preventive care interventions.

## **OBJECTIVE #5**

Make an important contribution to the training and development of new family physicians and to the advancement of best practices in primary care by developing a research capability and continuing our commitment to family medicine teaching.

### **Strategies**

- Monitor and study design and delivery of illness prevention and CDM programs.
- Facilitate student interaction with other health disciplines with a view to recording outcomes for student learning and collaborative practice enhancement.
- Maintain partnership with \_\_\_\_\_ Academic teaching unit.
- Continue to engage \_\_\_\_\_ physicians in the teaching of medical students and family medicine residents.
- Continue to offer elective experience for family practice residents in counselling and human relations.

### **Resources needed**

- Physician time.

See Appendix I for an example of an integrated strategic plan adopted by a FHT, including a vision statement, a mission statement and a set of strategic objectives.

## 2.2 Selecting an Organizational Structure

A FHT will need to consider which legal arrangement best suits its needs. The following is an introduction to each organizational structure that the MOHLTC may recognize as a FHT: (a) a corporation; (b) a partnership; or (c) an organization formed by a contract of association; or (d) a natural person. FHTs are encouraged to consider seeking independent legal and business advice in selecting the most appropriate structure for their circumstances and to ensure that all legal requirements are met.

### 2.2.1 Corporation

A corporation is a general organizational model recognized and, to a certain extent defined, by legislation. Incorporation is the process by which a corporation is established. In Canada, you can incorporate under either provincial or federal legislation. In either case, incorporation creates a legal entity distinct from any individual or group of incorporators.<sup>1</sup> Creating the **separate legal entity** of a corporation has advantages but it also comes with certain responsibilities, some of which will be described below.

**Community Sponsored** and **Mixed-Governance** FHTs established as corporations must be operated on a **not-for-profit** basis. The federal *Canada Corporations Act* and the Ontario *Corporations Act* govern not-for-profit corporations.

Provider-Led groups also have the option of establishing their FHT corporations as professional corporations under the Ontario *Business Corporations Act*, as discussed below.

If the corporate structure is selected for a FHT, it is the responsibility of the incorporators of the FHT to ensure that all requirements of incorporation are met. You are not legally required to retain a lawyer to incorporate. The decision to do so is entirely up to you as the sponsor or incorporator.

The following is a brief overview of: (1) the corporate model; (2) the process of incorporation of not-for-profit and professional corporations; and (3) key elements of effective corporate governance.

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<sup>1</sup> Each piece of legislation specifies exactly who or what can incorporate but, in general, a corporation, in addition to eligible natural persons, is eligible to incorporate another corporation.

### 2.2.1a) The Corporate Model

Many of the advantages of carrying on an enterprise as a corporation arise from its nature as a **legal entity distinct** from its shareholders/members, Directors and officers. This allows for perpetual succession of the enterprise regardless of the death or retirement of any of its members. Furthermore, shareholders/members, Directors and officers of a corporation are not liable for the debts or obligations of the corporation. Instead, the corporation is the entity that is legally responsible for any debts or obligations that arise from the conduct of the affairs of the organization. An important exception to this general rule is that professionals practicing as shareholders of a professional corporation are not shielded from professional liability by the corporate model.

Some of the drawbacks of operating an enterprise as a corporation arise from the formalization of the corporation and the incorporation process. Incorporating, either provincially or federally, requires filing various documents, payment of a filing fee and involves organizational and reporting obligations.

There are several factors to consider in deciding under which jurisdiction to incorporate. Generally, one of the most important of these factors is where the actual business is to be carried out. Although there is significant alignment between most provincial and the federal corporate models, each piece of legislation governing corporations should be assessed carefully in deciding whether to incorporate federally or provincially.

### 2.2.1b) The Process

In general, incorporating provincially and federally are similar processes. The incorporator must provide information specified by legislation to the government agency responsible for incorporation. Specific forms have been created to facilitate this process. The government agency has the responsibility of assessing whether the forms are complete and whether the statutory obligations are met by the incorporator. In some jurisdictions, the government agency retains the discretion to deny approval of the corporation even if all statutory obligations are met by the incorporators, although this discretion is rarely exercised today. It is, however, more likely to be exercised in the case of a corporation operating on a not-for-profit basis. If the government agency is satisfied by the application, it will issue the **Letters Patent** for the corporation.

The processes of (i) not-for-profit incorporation under the federal *Canada Corporations Act*, (ii) not-for-profit incorporation under Ontario's *Corporations Act*, and (iii) professional incorporation under the *Ontario Business Corporations Act* are elaborated on below. These sections are only meant as a guide and it is the sole responsibility of the incorporator to ensure that all statutory obligations are met in incorporation.

#### (i) Federal Not-for-Profit Incorporation

Federal incorporation of a not-for-profit organization is accomplished pursuant to Part II of the *Canada Corporations Act*. Not-for-profit corporations are also known as "**corporations without share capital.**"

Section 155 of the *Canada Corporations Act*, cited below, identifies the required elements for the application. These include the basic structural elements of the proposed corporation, such as the

name, purpose and location of the corporation as well as specified information to be included in By-Laws. A minimum of three persons must be involved in the application process.

*Canada Corporations Act*

Application to be filed

**155.** (1) The applicants for such Letters Patent, who shall be of the full age of eighteen years and have power under law to contract, shall file in the Department an application signed by each of the applicants and setting forth the following particulars:

- (a) the proposed name of the corporation;
- (b) the purposes for which its incorporation is sought;
- (c) the place within Canada where the head office of the corporation is to be situated;
- (d) the names in full and the address and calling of each of the applicants; and
- (e) the names of the applicants, not less than three, who are to be the first Directors of the corporation.

By-Laws to accompany application

(2) The application shall be accompanied by the By-Laws, in duplicate, of the proposed corporation, which By-Laws shall include provisions upon the following matters:

- (a) conditions of membership, including societies or companies becoming members of the corporation;
- (b) mode of holding meetings, provision for quorum, rights of voting and of enacting By-Laws.

Currently, the forms required to incorporate a not-for-profit organization federally under Part II of the *Canadian Corporations Act* cannot be filed on-line. Corporations Canada has, however, created a guide regarding the process of incorporating under this section available on-line at:

[http://strategis.ic.gc.ca/epic/site/cd-dgc.nsf/vwapi/13-2E\\_23-04-07.pdf/\\$file/13-2E\\_23-04-07.pdf](http://strategis.ic.gc.ca/epic/site/cd-dgc.nsf/vwapi/13-2E_23-04-07.pdf/$file/13-2E_23-04-07.pdf)

*Ontario Corporations Act*

Application for incorporation

**119.** (1) The applicants for the incorporation of a corporation shall file with the Lieutenant Governor an application showing:

1. The names in full and the address for service of each of the applicants.
2. The name of the corporation to be incorporated.
3. The objects for which the corporation is to be incorporated.
4. The place in Ontario where the head office of the corporation is to be situated.
5. The names of the applicants who are to be the first Directors of the corporation.

Applicants must complete “Form 2 of The Corporations Act: Application for Incorporation of a Corporation Without Share Capital” available on-line at:

[http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/AttachDocsPublish/007-07109~6/\\$File/07109E.pdf](http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/AttachDocsPublish/007-07109~6/$File/07109E.pdf).

If approved, the Lieutenant Governor will issue Letters Patent for the proposed corporation.

See Appendix II for an example of a completed “Application for Incorporation of a Corporation Without Share Capital.” Note that a stamp from the office of the Minister of Consumer and Business Services in the upper left hand corner of the application would indicate that the application has been approved and the corporation has been granted its “Letters Patent.”

(iii) Ontario Professional Incorporation: An Option for Provider-Led FHTs

The MOHLTC may recognize a **professional corporation** as a FHT. This option is relevant only for **Provider-Led** FHTs. Physicians sponsoring a Provider-Led FHT must also be parties to, or contracted under, one of the MOHLTC/OMA approved physician services agreements, which also include governance requirements. The exact relationship between the governance structures under these physician services agreements and the governance requirements for FHTs is elaborated on in Part III.

A properly constituted professional corporation must not only fulfill the legislative requirements of incorporation under the *Ontario Business Corporations Act*, but must also receive approval from their particular professional regulatory body to practice their particular profession under the corporate model. Many professions have formed associations to represent the interests of the profession and to regulate the conduct of the members of that profession. Over time, the regulatory function of many of these professional associations has been assumed by regulatory bodies with authority delegated by the government. Thus, when a group of professionals are interested in incorporating to practice that profession they must consider both (1) the requirements/and or restrictions imposed by their professional regulatory body and (2) the statutory obligations of incorporation under the *Ontario Business Corporations Act*.

Healthcare practitioners operating under the *Regulated Health Professionals Act* are authorized to form professional corporations according to the terms and conditions under sections 3.1-3.4 of the *Ontario Business Corporations Act* but they must also meet the requirements set out by their particular College for a Certificate of Authorization to practice that profession as a corporation. For example, the process and requirements for a physician corporation to receive a Certificate of Authorization from the College of Physicians and Surgeons of Ontario are described on-line at: [http://www.cpso.on.ca/uploadedFiles/downloads/cpsodocuments/members/incorporation/Inc\\_Appendix\\_RegsBylaws\\_08.pdf](http://www.cpso.on.ca/uploadedFiles/downloads/cpsodocuments/members/incorporation/Inc_Appendix_RegsBylaws_08.pdf).

Other health care professionals operating under the *Regulated Health Professionals Act* should consult with their respective regulatory College regarding the possibility of forming a professional corporation. See Appendix III for a listing of the regulatory colleges for health professions in Ontario.

In general, the corporate form insulates shareholders in their personal capacity from corporate liability. However, personal professional liability of shareholders practicing in a professional corporation will not be limited. That is, a professional practicing their profession through a professional corporation is still personally liable for their professional practice.

In summary, regulated professionals who wish to incorporate their practices should consult the Companies Branch of the Ministry of Community and Business Services for incorporation requirements, and their regulatory body for conditions of incorporation specific to their profession.

## 2.2.1c) Corporate Governance Overview

### (a) Organization and Board Structure

One of the defining features of the corporate model is the division between ownership and management of the corporation. Generally, shareholders or members of a corporation are considered to be the “owners” of the corporation, whereas the Board of Directors and the officers that they appoint are considered to be the “managers” of a corporation.

This feature of the corporate model allows for specialization in function but it also raises the risk that management will pursue objectives that do not align with the overall corporate vision and mission. Many of the obligations outlined in corporate legislation have been designed to maximize the benefits that arise from the division of roles between shareholders/members and the management of the corporation while minimizing the risk that management will deviate from the original mission of the corporation.

The shareholders/members of a corporation still have an important role to play in the management of the corporation under most pieces of corporate legislation. Most directly, shareholders/members are responsible for electing the Directors of the corporation. Shareholders/members are also often empowered with voting rights regarding important decisions to be made by the corporation.

Each piece of corporate legislation defines the relationships between the shareholders/members, the Directors and the officers of a corporation. Under the Ontario *Corporations Act*, for example, Directors must also be members of the corporation. The corporation, at a minimum, must appoint the following officers: (a) a president and (b) a secretary. The corporation may also appoint any number of other officers, including: a chair of the Board of Directors, a treasurer and any number of vice-presidents. The president and the chair of the Board of Directors are the only officers that must be members and Directors of the corporation. Any other officer may be, but does not have to be, a member or Director of the corporation.

The minimum requirements for your Board of Directors are established by the legislation under which you incorporate. However, once these minimum requirements have been met, there are a wide variety of options, in terms of size and composition, in establishing the structure of your corporate Board of Directors. The structure of the Board should be tailored to the circumstances and needs of your FHT. The structure can be defined in the constituting document of your corporation (e.g. the **article of incorporation/Letters Patent**), the **By-Laws** and/or in the **resolutions**.

**Bylaws** - The By-Law making authority of a not-for-profit corporation under the Ontario *Corporations Act* is addressed by section 129, the relevant parts of which are cited below.

### **By-Laws**

**129.(1)** The Directors of a corporation may pass By-Laws not contrary to this Act or to the Letters Patent or supplementary Letters Patent to regulate,

- (a) the admission of persons and unincorporated associations as members and as members by virtue of their office and the qualification of and the conditions of membership;
- (b) the fees and dues of members;
- (c) the issue of membership cards and certificates;
- (d) the suspension and termination of memberships by the corporation and by the member;
- (e) the transfer of memberships;
- (f) the qualification of and the remuneration of the Directors and the Directors by virtue of their office, if any;
- (g) the time for and the manner of election of Directors;
- (h) the appointment, remuneration, functions, duties and removal of agents, officers and employees of the corporation and the security, if any, to be given by them to it;
- (i) the time and place and the notice to be given for the holding of meetings of the members and of the Board of Directors, the quorum at meetings of members, the requirement as to proxies, and the procedure in all things at members' meetings and at meetings of the Board of Directors;
- (j) the conduct in all other particulars of the affairs of the corporation.

By-Laws can be thought of as the operational rules of the corporation. A corporation will often address many core organizational issues through a single By-Law for ease of reference. Two examples of By-Laws adopted by FHTs are included in Appendix IV.

#### **(b) Considerations in Establishing Your FHT Corporate Board Structure**

As mentioned above, there are a wide variety of options, in terms of size and composition, in establishing the structure of your corporate Board of Directors.

Generally, the advantages of a larger Board of Directors include greater specialization in function and the potential to include a wider range of expertise on the Board. A larger Board would also more easily facilitate the use of various Board committees. Conversely, a larger Board may also impede efficient and effective decision making.

Beyond the size of the Board of Directors, some thought needs to be put into the organization of the Board. Various committees could be established in order to carry out the responsibilities of the Board of Directors. Some examples of committees which may be struck include: a finance committee, a human resources committee, a patient services committee, an ethics committee, a quality and education committee, and a policy/By-Law committee.

These committees could be detailed explicitly in the corporate By-Laws, or the By-Laws may be drafted to authorize the Board to create various committees by resolution. (See Appendix V). If the latter approach is pursued, the Board could, by resolution, adopt detailed policies which address the structure and functioning of the Board and the officers. These roles and responsibilities must be consistent with the powers detailed in the By-Laws and the enabling legislation. For an example of a detailed governance resolution adopted by a Board of Directors of a FHT see Appendix VI.

Below, Rosslyn Bentley, executive Director of the Upper Grand FHT shares her thoughts and experiences regarding the establishment of the Upper Grand FHT as a provincial not-for-profit corporation and the size and composition of the Board of Directors.

Rosslyn Bentley, Executive Director of the Upper Grand FHT, comments on:

**a. Choice of Governance Framework and Organizational Structure**

There was a pre-existing FHN (which has since become a Family Health Organization (FHO)) which had cordial relations with the local hospital so they were natural sponsoring partners for the FHT's establishment. This is reflected in the composition of our Board of Directors. Corporate governance brings the formality, transparency, equity and accountability required in a multiple practice site FHT. Covering three communities and eight locations, the Upper Grand FHT needs to reflect the diversity of FP's whilst providing an efficient structure to meet needs and move the business of governing this relatively small but rapidly growing organization forward. The corporate structure fits our governance needs.

**b. Size and composition of the Board of Directors of the Upper Grand FHT**

The Upper Grand FHT Business proposal to the MOHLTC was a **mixed governance** model FHT and the FHT was established as a provincial not-for-profit corporation. Small really is beautiful in primary care because there is neither the room, nor the resources, for overly bureaucratic structures. A partnership was not considered because in a large FHT the leadership needs appropriate legal protection.

The Upper Grand FHT Board has 6 members, including 3 physicians (one of whom is the Chair, one is the FHN lead and one is a "sponsored" position funded by the FHN), the local hospital CEO (who has a financial background), a hospital Board committee community representative and a directly recruited community representative. There are no Board sub-committees as business can be dealt with swiftly and effectively in the regular-monthly Board meetings. The community representatives try to represent the various geographic and socioeconomic communities in the area. All Board members live locally. Strong conflict of interest and dispute resolution guidelines are essential. Board turnover is also built into the model to ensure broad physician involvement over time. The FHN lead and hospital CEO appointments are permanent and are a responsibility of the post-holder of these positions.

Because the physicians have the balance of votes on the Board, the Executive Director's job is to ensure that the founding principles of equity and good practice are established at a high level. Physicians can then police themselves as a group using these guiding principles. Although this may be a somewhat conservative approach for some communities in our area where there is no shortage of Family Physicians due to the efforts of a core of dedicated and committed physicians in the past, this approach is ensuring that the physicians are leading primary care reform in our community.

In order to engage other important local stakeholders such as Public Health, the Community Care Access Centre, Community Mental Health Clinic, the Township, the School Board and other FHT staff, a Community Collaborative Committee has been established. Comprised of individuals representing various healthcare providers, other allied services and the community at large, the committee is a forum for information sharing, discussion and assessment of service quality. Members are appointed annually. The Medical Director and Executive Director are ad hoc members.

### (c) Board Meetings

Board meetings should be conducted with a view to ensuring both fairness and efficiency in decision-making. Generally, corporate legislation imposes minimal requirements for corporate Board meetings regarding record-keeping and voting requirements. For example, section 299 of the Ontario *Corporations Act* requires a corporation to keep a record of the proceedings of the meetings of shareholders, members, Directors and executive committees. The actual mechanics of a Board meeting, however, are not usually prescribed in corporate legislation. Instead, the Board is usually given the authority to delineate rules and procedures through their corporate By-Laws and/or resolutions.

There are a myriad of resources available for those interested in learning about the principles of fair and effective facilitation of meetings. A common source of guidance for the conduct of meetings is referred to as *Robert's Rules*.<sup>2</sup> Individual companies and organizations have tailored the general principles and model structures that these and other guides have produced to suit their own particular needs and circumstances. See Appendix VII for an example of a By-Law article directed towards ensuring the fair and efficient operation of a Board meeting in the context of a FHT.

Drafting a concise description of the *roles and responsibilities* of individual Board members is another helpful way to ensuring the effective operation of your Board as a whole. These "Roles and Responsibilities" documents should be distributed to Board members as the foundation for collective action by the Board. The roles to be described should include: (1) The Board Chair, (2) The Board Secretary and (3) the Board Treasurer. Other roles may include a Vice Chair and any other Board positions described in the corporate By-Laws. See Appendix VIII for a sample collection of "Roles and Responsibilities" documents specific to corporate governance. "Roles and Responsibilities" document can also be useful for the various team members involved in the actual FHT operation. The documents attached, however, are specifically related to roles and responsibilities in the corporate Board context.

Some of the common documents related to a well-run meeting include: a meeting agenda and the minutes of a meeting. See Appendix IX for a sample collection of such documents produced in the context of a FHT.

Industry Canada has created a guide called the *Primer for Directors of not-for-profit corporations (Rights, Duties and Practices)* which is general enough to apply to not-for-profit corporations incorporated under both federal and provincial legislation. It is available on-line at: <http://strategis.ic.gc.ca/epic/site/cilp-pdci.nsf/en/cl00689e.html>.

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<sup>2</sup> Henry M. Robert III and others, *Robert's Rules of Order Newly Revised*, 10th ed. (Cambridge, Mass.: Perseus Publishing, 2000).

## 2.2.2 Partnership

In the common law, a “partnership” is a certain type of relationship between two or more persons characterized by the following features: (1) equality; (2) consensualism; (3) fiduciary character; and (4) personal character.

“Equality” refers to the idea that each of the partners is equally invested and involved in the operations, profits and losses of the partnership. “Consensualism” reflects the idea that each decision made by the partnership is consented to by each of the partners. The “fiduciary character” of the partnership refers to the obligation on each partner to act with the utmost of good faith and loyalty when representing the partnership. The “personal character” of the partnership is reflected in the fact that, traditionally, if one of the partners died or became insolvent, the entire partnership ceased to exist.

The characteristics of a partnership described in the common law comprised the only legal definition of a partnership for a time. Now, however, partnerships are also defined and regulated through two pieces of legislation in Ontario, *The Partnerships Act* and the *Limited Partnerships Act*.

A distinction needs to be made between the *common* and *legal* understandings of a partnership. A FHT, by definition, will involve numerous relationships among and between individuals and organizations, each of which may be characterized as a “partnership” in the sense that there is a working relationship between multiple entities. This common understanding of a partnership is distinct from the legal understanding of a partnership discussed in this section.

From the perspective of the MOHLTC, a legal partnership *exclusively* between physician providers is an acceptable governance structure for a provider-led FHT. However, this is merely an acceptable governance structure and the inclusion of other professionals in the governance structure through either another legal partnership or another type of formal relationship might be more likely to create the conditions leading to effective collaborative care in your FHT.

This section will further describe: (1) the nature of legal partnerships currently recognized under the *Partnerships Act* and the *Limited Partnerships Act*; (2) some potentially relevant considerations in forming a partnership in the context of a FHT; and (3) management structures of a partnership. Again, these sections are only meant as a guide and it is the sole responsibility of the sponsors to ensure that all statutory obligations are met in forming a legally recognized partnership.

### 2.2.2a) Characteristics and Process of Forming a Legal Partnership

Legally, a distinction can be drawn between: (1) general partnerships, as described in the *Ontario Partnership Act*; and (2) limited partnerships, as described by the *Limited Partnership Act*.

**A General Partnership** refers to an unincorporated business with 2 or more owners. The general partnership may consist of individuals, corporations or other unincorporated businesses. Generally, the partners are both jointly and severally liable for the debts and obligations of the general partnership. The business name of a general partnership is registered by filing a Form 1 under the *Business Names Act*.

**Limited Partnership** refers to an unincorporated business with at least one general partner and one or more limited partners. General partners have unlimited liability and limited partners have limited liability up to the amount of their investment. Filing a Declaration Form 3 under the *Limited Partnerships Act* creates a limited partnership.

Generally, the partners are responsible for defining the terms of their relationship and the objectives of their partnership consistently with the applicable legislation. A **partnership agreement** is the core legal document defining the arrangement. Although you are not required to have a lawyer draft your partnership agreement, retaining independent legal counsel may be helpful. As described above, under partnerships legislation, the partners are obliged to register the name of the partnership under the *Business Names Act*.

#### 2.2.2b) Considerations in Forming a Partnership

Some of the advantages of the partnership model included the relative ease by which it could be formed and dissolved and the flexibility in designing the management structure of the organization. Historically, the personal character of the partnership was also a significant consideration in deciding whether to form a partnership. The personal liability of the partners was thought to signal to the business community that the partners had enough faith in their product or service to expose themselves to personal liability. However, with the introduction of limited liability partnerships where not every partner is exposed to general liability, such a consideration may no longer be as relevant as it once was.

#### 2.2.2c) Management Structure of a Partnership

Although one of the defining features of a partnership is the equal involvement of the partners in the decision making process, a common feature, in practice, is for the partners to consent to delegate decision making powers to some form of an **executive committee**. The exact composition, method of selection, authority and limits of such an executive committee is defined in the partnership agreement. This flexibility in defining the management structure of the partnership has traditionally been one of the more attractive features of partnership. The meetings and operation of the executive committee, howsoever constituted, should be guided by the same principles of fairness and efficiency in decision-making as discussed above in the context of the operations of a corporate Board of Directors. Similarly, “roles and responsibilities” documents can also be drafted to facilitate the operation of the executive committee of the partnership.

### 2.2.3 Contract of Association

A contract of association is a general legal tool that defines the relationship between two or more parties. The advantage of establishing an organization through a contract of association is the flexibility that it provides. The flexibility can be attributed to the fact that the terms of the association are not restricted by either corporate or partnership legislation. However, a contract of association does not automatically include any of the advantages that either corporate or partnership legislation provide to an organization, including certainty and ready-made solutions to common governance challenges. For this reason, it is important to ensure that a thorough and detailed contract outlining the rights and

responsibilities of each of the parties is drafted in order to prevent disruptions in the operation of your FHT.

#### 2.2.4 Natural Person

A natural person is an individual human being. In exceptional circumstances, a natural person may be recognized by the MOHLTC as being personally responsible for all decisions and activities involved in the formation of a FHT. The responsible individual would have to establish various relationships with healthcare practitioners, administrative staff, community organizations and other stakeholders. The nature of these relationships and a plan for achieving the FHT mission and vision must be detailed in the Business and Operational Plans. This governance option is only available in the context of a provider-led FHT, where the provider is an individual physician contracted with the MOHLTC as the sole physician under a Rural and Northern Physician Group Agreement. Typically, this arrangement is only observed in smaller rural and/or northern communities.

### 2.3 Relationships with Stakeholders not Directly Involved with FHT Governance

There are many community stakeholders who might be able to provide valuable input into the operation of your FHT. Stakeholders can be involved in the governance of your Family Health through a variety of mechanisms. You may choose to give the stakeholder direct responsibility in the governance of the FHT by including them in the governance structure of your FHT. Alternatively, an advisory relationship can be established between your FHT and one or more stakeholders.

One possible mechanism to involve stakeholders is to establish a “Community Advisory Board.” The exact mechanism of creation and the exact nature of this Board will depend on the structure of your FHT. If you choose to establish your FHT as a corporation, one option is to create a Community Advisory Board through the FHT Corporate By-Laws. The composition and responsibilities of the Community Advisory Board should be carefully thought out to ensure that maximum value is added to the governance of the FHT. See Appendix IV for one FHT’s vision for the role and responsibilities of its Community Advisory Board.

### 2.4 Risk Management

The creation of any new entity such as a “Family Health Team” inevitably raises questions regarding the legal status and potential legal liabilities of that entity. These are complex questions and they require a case-by-case assessment. As with other situations that involve risk, it may also lead to considerations of insurance to manage that risk. The information in this section, as in all sections of this Resource Guide, is intended only as a guide. FHTs and/or their sponsors should consider obtaining independent legal and financial counsel.

This section contains: (a) an introduction to legal liability; (b) a brief discussion of other financial risks; (c) the potential role for insurance to minimize these risks in the context of FHTs; (d) and a brief discussion of dispute resolution mechanisms. Such considerations are important in developing of a comprehensive risk management plan.

### 2.4.1 Legal Liability

Legal liability describes the situation where a court of law finds that one or more parties are responsible, including financially, for the situation of another party. These obligations depend on the nature of the relationship between the particular parties and they may arise through statute, contract, trust, and/or in tort. Thus, the risk of liability of any one entity such as a FHT must be assessed with careful attention to the precise legal nature of that entity, the legal nature of other entities claiming a legal obligation from the FHT, and the nature of the relationship between the two parties.

Depending on the governance structure of your FHT, certain legal obligations will arise both: (1) within the FHT; and (2) between the FHT and other entities. For example, incorporation of a FHT under the Ontario *Corporations Act* implies a range of legal obligations applicable to all corporations under that *Act*. For example, the Directors of the FHT will owe duties toward the FHT as any other Directors managing a corporation under the *Corporations Act*, including the duty to act honestly and in good faith with a view to the best interests of the corporation. Furthermore, the FHT as a corporation, and not any one individual involved in the FHT, would be legally responsible for any obligations assumed with respect to another party by, for example, contract. The nature of any legal responsibility of the FHT, whether as a corporation, partnership, or other association for the interdisciplinary care that its health care professionals provide to patients is a matter of some debate. A variety of opinions on the matter have been produced. The relevance of each opinion must be assessed by you as the FHT sponsor in making decisions about risk and insurance for your FHT. FHTs and/or their sponsors should consider obtaining independent legal counsel as necessary.

A concerted effort to ensure that your FHT is providing *quality* primary care is a prudent step towards fulfilling the expectations of patients and the general public. The MOHLTC supported the development of a *Quality in Family Practice Assessment Tool* to assist leaders to evaluate and improve primary healthcare practices as appropriate, in the following categories:

1. Factors Affecting Patients, including respecting the needs and rights of patients;
2. Physical Factors Affecting the Practice;
3. Clinical Practice Systems;
4. Practice and Patient Information Management; and
5. Continuous Quality Improvement and Continuing Professional Development and Quality of Life.

Information regarding the *Quality in Family Practice Assessment Tool* can be found at the following website: <http://www.qualityinfamilypractice.com>.

## 2.4.2 Other Sources of Financial Risk for a FHT

Any organization that provides services and owns property also assumes certain risks other than the risk of legal liability. These risks include damage to property, howsoever caused, and for the actions of their employees in the scope of their employment.

## 2.4.3 Insurance Coverage for Liability and Other Risks

Risk assessment is a complex exercise. Insurance coverage is meant to mitigate the financial damage that can result from an adverse situation, whether a finding of legal liability or otherwise. Each person and each legal entity is responsible for assessing its own risk, including that of legal liability. A fundamental distinction between *individual* professional risk and insurance, on the one hand, and *organizational* risk and insurance, on the other, should be emphasized. The MOHLTC recognizes that FHTs assume risks in operating as FHT organizations and it also recognizes the importance of purchasing insurance for a FHT to mitigate these risks. Typically, FHTs explore insurance coverage for malpractice liability [for the residual amount not funded by existing ministry programs or by another body], vicarious liability, Director/Board liability, contents/property liability, any coverage required by an agreement, and any additional coverage that the FHT may feel is necessary subject to ministry approval. Please communicate with your MOHLTC contact for more information regarding MOHLTC support for FHT insurance coverage.

Sponsors of FHTs must also make themselves aware of any professional, contractual, common law, and/or statutory obligations and restrictions regarding insurance coverage that may be applicable.<sup>3</sup>

## 2.4.4 Dispute Resolution Mechanisms as a Part of a Risk Management Plan

### 2.4.4a) Introduction

One risk that FHTs face is the possibility of disputes arising among members. A key aspect of a FHT risk management plan is, thus, the anticipation, prevention and management of disputes that may arise in both the operation and the governance of the FHT. Although each dispute is unique, key categories of disputes can be identified and corresponding approaches to resolving them can be established. The existence of fair and effective mechanisms and widespread knowledge of their applicability may even prevent some disputes from escalating unnecessarily. In thinking about the categories of disputes and the mechanisms to resolve them, certain key principles of effective dispute resolution mechanisms should be kept in mind. These include:

1. Legitimacy;
2. Transparency;

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<sup>3</sup> For example, section 283, subsection 5 of the Ontario *Corporations Act* authorizes the purchase of Directors insurance coverage for legal liability except “where the liability relates to the person’s failure to act honestly and in good faith with a view to the best interests of the corporation.”

3. Predictability;
4. Consistency;
5. Enforceability;
6. Clarity;
7. Accessibility;
8. Effectiveness;
9. Pro-active;
10. Appeal possibilities;
11. Speed;
12. Cost;

Three key categories of disputes that may arise in the context of FHTs include those arising with respect to:

- A) Executive management of the FHT, including within the Board of Directors or executive committee;
- B) Human resources of the FHT; and
- C) Operational/professional conflicts.

Each of these categories is briefly elaborated on below. FHT leaders should resist the temptation to assume that no disputes or conflicts will ever arise in the context of FHT operations and governance. Though they may represent rare possibilities, they are real possibilities that good leaders should anticipate in order to mitigate the risks to the long term viability of the FHT operation in the community.

The Quality Improvement and Innovation Partnership has developed a Resource Guide to assist in team building within FHTs, entitled *Team Building Resource Guide*. This guide is available on the QIIP website at [www.qiip.ca](http://www.qiip.ca) under the Toolkits for FHTs tab. Team-building activities are important, not only to prevent disputes among individuals working within the FHT, but also to create the conditions that will help to maximize the efficiency and quality of the care.

#### (A) Executive Management Conflicts

Clearly, preventing disputes is preferable to resolving them. To assist in preventing conflicts within the leadership of a FHT (for example, within the Board of Directors or the executive committee), it may be helpful to first ensure that each member of the Board or committee is aware of their specific responsibilities and the appropriate place of legitimate differences of opinion among the leadership.

As noted in the previous section on *Potential Organization Structures*, a description of “Roles and Responsibilities” can be included in the various organizing documents of the FHT (for example, the By-Laws or a resolution). Furthermore, it may be helpful to describe in these documents the types of conflicts that tend to arise during the process of collaborative decision making with a view to encouraging constructive dialogue while minimizing the occurrence and impact of destructive conflicts. For example, see the excerpt from a governance policy resolution adopted by a FHT in Appendix VI, Article 8.5. In brief, the description distinguishes between *issue-based* and *personality-based* conflicts and suggests that the appropriate steps would be different to manage each of these disputes.

Nonetheless, in addition to all prudent measures to prevent conflicts from arising in the management of a FHT, it is also important to have mechanisms in place to formally and effectively resolve any conflicts that do arise. In designing these mechanisms, it is important to give consideration to the principles listed in the introduction above. In particular, the mechanism should be, and should also be seen to be, transparent, accessible, fair, legitimate (including some measure of independence between the disputants and the dispute resolution mechanism) and also expedient so as not to unnecessarily interfere with the effective governance and operation of the FHT. The exact mechanism of the dispute resolution process and the method of its establishment will depend on the structure and composition of your FHT leadership team and the circumstances of your community. For example, neutral third parties with experience in the healthcare sector could be sought out to participate in dispute resolution mechanisms if they are available in your community. This initiative might contribute a measure of independence and impartiality to the process.

#### (B) Human Resources Conflicts

Conflicts may also arise between the staff and the management of a FHT in a variety of areas including working conditions, performance, salary and/or benefits. These types of disputes arise in the context of a complex framework of contract and labour law that FHTs should be aware of but which cannot be summarized in this Resource Guide. Certain mechanisms and procedures, however, can be established by a FHT to reduce the likelihood of such disputes arising in the first place, some of which are discussed below. In conjunction with the adoption of these proactive and preventive measures, FHTs should also obtain independent legal advice as appropriate with respect to establishing human resource policies and managing difficult issues that may arise.

Conflicts between FHT management and staff can be reduced through the recruitment of appropriate professionals and staff in accordance with thorough and fair *recruitment and hiring procedures*. Briefly, some of the key steps to be taken in recruiting and hiring health professionals include; conducting an assessment of the needs of the community with respect to primary healthcare services and programs, identifying the resources required to meet these needs, assessing whether the necessary capacity resides in the existing staff, establishing a fair process to identify qualified candidates, and developing and distributing fair and transparent human resources policies to hired and/or contracted professionals and staff.

Related to the recruitment and hiring process, a FHT should also ensure that appropriate and transparent *performance management and development mechanisms* are in place between management and staff. The foundation of these mechanisms will be appropriate job descriptions that are detailed enough to provide meaningful guidance but also flexible enough to allow the evolution of the position and appropriate collaboration with other professionals. Regular opportunities between management and staff for exchanging constructive feedback, developing plans to address concerns as well as identifying professional development opportunities are important in effective human resources management. This type of mechanism should be formalized in the human resources policies and its implementation should be duly documented by management.

*Clear communication* between management and staff and *thorough record keeping* of performance evaluations and feedback are important elements in both preventing conflicts and assisting in the process of constructively addressing them should they arise.

### (C) Operational/Professional Conflicts

FHTs are composed of a variety of professions, each with a different, complementary, though sometimes overlapping, scope of practice. It is not difficult, then, to imagine the possibility that a variety of tensions could arise among health care practitioners in the context of FHT operations. FHT's will need to consider the most appropriate approaches for establishing procedures and a working environment that promote cooperative and collaborative practice. For guidance on the principles of effective collaborative practice in the context of FHTs, please see the following MOHLTC Guides:

1. Guide To Collaborative Team Practice

[http://www.health.gov.on.ca/transformation/fht/guides/fht\\_collab\\_team.pdf](http://www.health.gov.on.ca/transformation/fht/guides/fht_collab_team.pdf)

2. Guide to Interdisciplinary Team Roles and Responsibilities

[http://www.health.gov.on.ca/transformation/fht/guides/fht\\_inter\\_team.pdf](http://www.health.gov.on.ca/transformation/fht/guides/fht_inter_team.pdf)

No matter how well planned a FHT's operations are, tensions may still arise among practitioners. There are many levels at which such tensions can be resolved, from the individual and informal all the way to the extreme of legal action. FHTs should also establish a mechanism by which any tensions between professionals in the FHT can be appropriately resolved internally. In designing these mechanisms, FHTs should again refer to the principles of dispute resolution mechanisms referred to in the *Introduction* above. Again, the exact mechanism of the dispute resolution process and the method of its establishment will depend on the structure of your FHT and the circumstances of your community.

### 3. MAKING DECISIONS RE: GOVERNANCE & ACCOUNTABILITY PLANS

FHTs are being implemented in the context of a complex primary healthcare system and each within a unique community. A strategic plan that clearly articulates the FHT vision within the context of the needs, challenges and opportunities within your community, along with a governance and accountability plan that anticipates and addresses the challenges and opportunities of integrating your FHT within existing primary healthcare models and providers should be looked upon as the foundation upon which your FHT can flourish in partnership with the relevant stakeholders, including the MOHLTC. This section will specifically highlight some of the more important objectives to consider in making many decisions about a governance and accountability plan for your FHT including: (A) effective integration with relevant health care organizations already operating in your community, (B) effective engagement of healthcare professionals in order to realize the FHT vision, (C) minimizing liability and other risks of physicians and/or leaders of FHTs, (D) meeting the specific obligations of the FHT with respect to the MOHLTC, and (E) designing your strategic plan in light of specific community needs/challenges.

#### 3.1 FHT Governance in Your Community's Healthcare Context

FHTs represent an innovative approach to primary healthcare as locally driven organizations which include a range of health care professionals who are committed to working together to provide comprehensive, accessible, coordinated primary healthcare services tailored to the needs of the population served. In order to actualize the full potential of a FHT in your community, it is important to understand and engage the health care stakeholders in your community. These stakeholders may include hospitals, existing primary healthcare models, long term care and community-based services, and a spectrum of individual healthcare practitioners in the community. The relationship between your FHT and these stakeholders should be carefully considered in assessing your FHT governance plan in light of your FHT vision. The more integrated the stakeholder is into the FHT governance structure either as a formal partner, a party to the contract of association, or through representation on a corporate Board of Directors, the more meaningful the participation of that stakeholder in the decisions to be made with respect to primary healthcare services in the community.

#### 3.2 FHTs and the Engagement of Physicians

FHTs will bring together a wide range of healthcare practitioners to provide comprehensive, accessible and coordinated primary healthcare services to patients.

This section will describe the context within which family physicians operate in this province and the implications for your FHT governance and accountability plan given that physician services agreements also impose minimum *governance requirements* on physician groups. A well thought out and relevant FHT strategic plan and governance structure that accommodates these pre-existing obligations on family physicians will likely increase physician support for, and confidence in, the FHT primary healthcare model.

Many family physicians in Ontario are currently operating within one of several primary healthcare models currently available in Ontario. These models commit the physicians, the MOHLTC and other stakeholders to providing a specific set of services according to certain requirements under a selected compensation scheme. The key features of the most prominent models are summarized in the table in Appendix X. Physicians eligible to participate in the FHT model have a choice of three compensation schemes. See the guide to Physician Compensation for more details.

[http://www.health.gov.on.ca/transformation/fht/guides/fht\\_compensation.pdf](http://www.health.gov.on.ca/transformation/fht/guides/fht_compensation.pdf)

When establishing a FHT governance structure, it is important to recognize that some models also commit the physicians and/or other parties to the agreement to establishing a governance structure for the purposes of making key organizational decisions. This section is intended to provide some context for FHT leaders that need to engage physicians operating under the Family Health Network (FHN), Family Health Organization (FHO), and the Rural and Northern Physician Group (RNPG) agreements, as they represent the models most likely to be relevant to FHT formation. The ability to engage physicians both on the individual as well as at the organizational level in the governance structure of your FHT will likely be a crucial factor in the viability and sustainability of your FHT. Several case studies of how this challenge was met in particular communities will also be presented throughout the discussion below.

Below, (a) a brief overview of the governance mechanisms of the groups under these agreements will be provided followed by (b) a discussion of their implications for the governance structures of the three FHT models: (1) Provider-Led, (2) Community Sponsored, and (3) Mixed. The discussion is then summarized in a table.

### 3.2.1 Minimum Governance Requirements under FHN, FHO and RNPG Template Agreements

Each of the Family Health Network (FHN), Family Health Organization (FHO), and the Rural and Northern Physician Group (RNPG) template agreements stipulate identical minimum governance requirements for physicians that adopt these models. See Appendix XI for the governance requirements under these template agreements. These requirements do not apply to a physician who is the sole physician under a particular RNPG contract.

The minimum governance requirements specified in these physician services agreements are described below under the categories of: (1) Method of Association, (2) Items to be addressed in Association Agreement, and (3) Minimum Structure and Authority of Executive.

#### 3.2.1a) Method of Association

Physicians that are operating under these models are required to form an association in some legal form. This can be either:

- (i) A contract of association;
- (ii) A partnership; or
- (iii) A corporation.

The implications and requirements of forming these legal structures are discussed in Part II of this Resource Guide. It should be specifically recalled that incorporating comes with minimum governance requirements under the enabling legislation. Physician groups associating as a corporation need to ensure that they meet the governance requirements of the enabling corporate legislation as well as the minimum governance requirements in the primary healthcare model that they adopt, which are outlined briefly below.

### 3.2.1b) Items to be addressed in Association Agreement

Whichever of the above methods of association that the physicians adopt, the primary healthcare model agreements require that the constitutive document(s) of the association (partnership agreement, contract of association, or the corporate articles of association and By-Laws) address the following matters relevant to the membership and/or governance of the group:

- (i) Admission of new physicians;
- (ii) Withdrawal of current physicians;
- (iii) Expulsion of current physicians;
- (iv) Approval process for contracted physicians;
- (v) Selection of the commencement date of the group;
- (vi) Where the physicians are in an unincorporated association, modifications to the contract of association;
- (vii) Any decision to terminate the group agreement;
- (viii) A process for determining after-hours and on-call service by group physicians;
- (ix) How the group physicians share financial information received from the MOHLTC or the group;
- (x) How the group physicians shall determine individual payments to the group physicians from payments deposited to the group's bank account; and
- (xi) A process to provide notification from each group physician's malpractice insurer of any change or cancellation of such insurance.

### 3.2.1c) Minimum Structure and Authority of Executive

The physician group is also required to explicitly identify two elected officers to be called the "Lead Group Physician" and the "Associate Group Physician" that, at least, have the authority, either acting alone or in combination, to bind all of the members of the group collectively and personally, for a minimum of the following purposes:

- (i) Execution of all amendments, extensions, or renewals of the group agreement;
- (ii) Execution of subsequent or supplementary agreements, as may be required, relating to the receipt, disbursement and use of public funds, other than funds provided in consideration of the group services, in support of group activities and operations; and
- (iii) To enter into agreements with such other persons, healthcare providers, health organizations, and institutions, as may be required or desired, for the purpose of supporting the group activities and operations.

The above can be summarized as authorizing either of the Lead Group Physician or Associate Group Physician to represent the interests of the group in a variety of negotiations. The Lead and Associate Physicians are accountable to the rest of the group through, at the very least, election procedures.

### 3.2.2 Implications of Governance Requirements in FHN, FHO, and RNPG Agreements for FHT Governance

Physicians are increasingly associated with one of the above described primary healthcare models. If the physicians seeking to participate in your FHT are associated with either the FHN, FHO, or RNPG models, you need to be aware of the above described governance requirements to effectively engage those physicians. The exact relationship between the FHT and the physician groups will depend on the desired governance structure of your FHT (discussed above in Part II of this Resource Guide), the number of physician groups implicated and their governance structure, and the desired role of physicians in your FHT. Below, some of the options will be discussed organized by the available FHT governance models: (a) Provider-Led, (b) Community-Sponsored or (c) Mixed Governance.

#### 3.2.2a) Provider-Led FHTs: Integrating Existing Governance Structures into FHT Governance Structures

Physicians in a Provider-Led FHT must be contracted under one of the MOH/OMA approved “Physician Services Agreements.” As discussed above, each of these agreements also contains governance requirements. This can create a seemingly complex governance situation but one that is readily manageable. For the purposes of this Resource Guide, only the implications of FHN, FHO and RNPG contracted physicians being integrated into Provider-Led FHTs will be examined. The challenges in integrating the governance requirements of these primary healthcare model agreements and of Provider-Led FHT funding agreements can usefully be divided into two situations: (i) where there is one physician group looking to establish one FHT and (ii) where there are two or more physician groups looking to establish one FHT.

##### (i) One Physician Group to One FHT

In the simplest scenario, all the physicians already associated in either a FHN, FHO, or RNPG primary healthcare model *unanimously* support FHT formation and retention of the FHN, FHO, or RNPG physician group agreement. However, the situation may be more complex. As noted above, each FHN, FHO and RNPG association agreement must contain provisions regarding the withdrawal of members and the termination of the agreement. These may become relevant in FHT formation if, for example, there is not unanimous support of FHN, FHO, or RNPG associated physicians to become associated with a FHT. In this and similar situations, there may need to be some internal reorganization of the FHN, FHO or RNPG in order to ensure that the requisite physician support for a Provider-Led FHT is in place.

However, whether it arises through a simple unanimous process or through a more complex mechanism, if the end result is that there is one physician group seeking to establish one FHT, the Provider-Led FHT funding agreement provides that the same physician group governance structure can assume the responsibilities of FHT operation. That is, the governance structure established under the physician group agreement, will be responsible for ensuring that the obligations under both (1) the physician group agreement and (2) the Provider-Led FHT agreement are met.

Nonetheless, consideration should be given as to the effectiveness of this minimal governance structure in light of the interdisciplinary and community driven nature of the FHT model. Although, a single physician group participating in a single FHT is entitled to continue the governance of the FHT under its existing physician group governance structure, careful consideration should be given as to whether this governance structure will attract the necessary support of allied healthcare practitioners and other community stakeholders in order to fulfill the FHT vision within your community.

#### (ii) Multiple Physician Groups Integrating into one FHT

If multiple FHN, FHO or RNPBs would like to retain their independent existence and simultaneously participate in a single Provider-Led FHT, a separate FHT legal structure will need to be formed to ensure that the responsibilities assumed under the FHT agreement are met. Although this new FHT entity must be a *separate* legal structure from the physician groups, they should still be *integrated* legal structures.

There is no “correct” way to integrate multiple physician groups into one legal structure to operate a Provider-Led FHT, but leaders should carefully consider which arrangement will most likely (1) facilitate compliance with the contractual obligations in both the primary healthcare model and FHT agreements, (2) address the liability concerns of physicians and other FHT leaders, and (3) lead to advancement of the FHT vision in light of the specific health care needs and challenges in the community.

#### 3.2.2b) Community Sponsored FHTs: Blended Salary Model

Community-sponsored FHTs must engage physicians according to the terms of a physician services contract detailed in an appendix of their FHT funding agreements with the MOHLTC. This physician services contract remunerates, physicians through a blended salary model.

Even though community sponsors will not typically be contracting with FHN, FHO or RNPB physicians, they should still make themselves aware of the terms of the FHN, FHO, and RNPB agreements. In particular, community sponsors may need to be aware of the provisions in particular FHN, FHO or RNPB agreements regarding withdrawal of members and the termination of the agreement if they hope to retain a physician currently operating under one of these models.

In terms of FHT governance, community sponsors have the discretion as to how the contracted physicians are integrated into the governance model that they choose. Again, sponsors should consider the structure that is most likely to promote and secure the FHT vision in making this decision.

#### 3.2.2c) Mixed-Governance FHTs: Flexibility and Options in Engaging Physicians

Physicians not operating under a fee-for-service compensation model are eligible for participation in mixed-FHTs. This means that mixed-FHTs will most likely engage physicians operating under either the FHN, FHO, or RNPB models. Thus, for the purposes of both engaging these physicians and for establishing a supportable and sustainable FHT governance structure, it is imperative that sponsors of mixed-FHTs become aware of the governance requirements under these agreements.

Integration of these physicians and/or their primary care model governance structures could be a complex process, especially if multiple physician groups are being integrated into a single FHT. The exact relationship between the FHT and the physician groups will depend on the governance structure of the FHT, the number of physician groups implicated and their governance structure, and the desired role of physicians in the FHT.

For example, assume that one FHT would like to recruit the physicians associated with five FHN groups. If the FHT is organized as a corporation, one way of integrating the structures is to provide in the corporate By-Laws that the Lead Physician and Associate Lead Physician of each FHN are to be members of the FHT Board of Directors. Alternatively, the physicians within the five FHNs could terminate their individual agreements and then re-associate as one FHN. The re-configured FHN governance structure would then include, at least, one Lead Physician and one Associate Lead Physician who could then be included in the FHT corporate Board of Directors. Alternatively, the FHN(s) involved could devise an alternative method of selecting one or more representatives to participate in the governance of the FHT. Each option would have its benefits and advantages in the specific context in which they are being considered.

Below, Rosslyn Bentley, Executive Director of the Upper Grand FHT shares her thoughts and experiences regarding the integration of family physicians into the Upper Grand FHT.

Rosslyn Bentley, Executive Director of the Upper Grand FHT

- a. My experience of including physicians and/or physician groups into the Upper Grand FHT governance structure.

Physicians are generally very committed to the ownership and control of a primary care organization. In a rural area, in particular, the local Family Physicians provide almost the entire range of primary and secondary medical care services. At our local hospital they provide ER, obstetrical, anaesthetic, general medical and assistant surgical services and in the community they serve in the roles of Coroner and medical Directors for the various local nursing homes, in addition to their role in primary care. The FHT, therefore, provides an opportunity to improve health care services in the community but may also be perceived as a threat to the status quo and a challenge to the Family Physicians' expectation to be the key care provider to a patient and their family.

With the key role that Family Physicians fulfill in our community in mind, a core representative group of physicians (6 out of 21) was used to develop both the business plan and then the by-laws of the Upper Grand FHT. Some of the mechanisms that ensure physician participation in the governance of the Upper Grand FHT include (1) the stipulation that the Chair of the FHT Board must be one of the FHO members, (2) the condition that the only paid Board member is supported by the FHN and (3) the reservation of three positions on the Board for physicians. We have also established staff positions of a lead physician or medical Director and appointed four physicians to the Community Collaborative Committee which is the community advisory structure providing advice and opportunities for effective community collaboration to the Board. In addition we have an ad hoc operational Physicians Interest Group reporting to the executive which can generate advice on operational and quality improvement opportunities. In these ways, physicians have significant input into the operational and strategic levels of the organization, ensuring that changes occur at a pace that they can adapt to.

- b. The one thing I know now that I wish I knew when I started planning my FHT is ....

How challenging it is to engage all the physicians, given their time constraints and varying levels of commitment to the FHT model but making time to ensure that they are fully engaged is crucial for meaningful and effective success.

### 3.3 Risks to Physicians and/or Leaders of FHTs in FHT Operation

FHT sponsors and potential FHT stakeholders, including physicians and the allied healthcare professionals, will naturally be concerned with issues of risk and/or liability in the day-to-day operation of FHTs, both as individuals and as an enterprise. A thoughtful governance and accountability plan that anticipates and addresses these concerns will reassure all stakeholders in the planning stage of FHT development and increase the likelihood of their support.

As discussed above in Part II of the Resource Guide, each potential governance structure of a FHT has implications for the burden of liabilities and risks on individuals and the enterprise. Furthermore, prudent investment in insurance to mitigate any outstanding risks can also be presented to potential stakeholders to increase confidence in the model.

FHTs and/or their sponsors should consider obtaining independent legal and financial counsel to establish a plan to assess and mitigate risk and liability.

### 3.4 Specific Obligations on FHTs with Respect to MOHLTC

As noted above, accountability relates to the expectations by which the organization will perform and report on the matters for which it is funded. In this sense, a FHT is accountable to the MOHLTC for the public funding that it receives. The obligations that the FHT assumes are identified in its contractual relationship with the MOHLTC. The capability of each governance structure (corporation, partnership or contract of association) to meet these model-specific (i.e. Provider-Led, Community-Sponsored, or Mixed-Governance) obligations is a practical consideration in determining an appropriate governance structure and model for your FHT. The following table is a summary of obligations that FHTs need to address with respect to governance, organized by FHT model type. It is not a substitute for the contractual obligations that your FHT has actually assumed but is only meant as a guide, highlighting some of the major expectations on FHTs from the perspective of the MOHLTC. The extent and nature of these governance obligations should inform the design of a governance and accountability plan in the specific context of your FHT in your community.

| Obligation                                      | Provider-Led FHT  | Community Sponsored FHT  | Mixed FHT |
|---|---|--|-----------|
| <b>1. Secure Non-fee-for-service Physicians</b> | YES - Physician leaders must be signatories to an MOH/OMA approved agreement such as FHN, FHO or RNPG | YES - Physicians must be committed to "Physicians Service Contract" contained in Appendix of Agreement | YES       |

| Obligation   | Provider-Led FHT  | Community Sponsored FHT | Mixed FHT |
|--|---|-------------------------|-----------|
| <b>2. Secure FHT admin. and interdisciplinary team members according to Service Plan</b> | YES   | YES                     | YES       |
| <b>3. Establish a Distinct FHT Governance Structure</b>                                  | Only if providers are a combination of two or more physician groups | YES                     | YES       |
| <b>4. Establish a Distinct FHT Banking Account</b>                                       | Only if providers are a combination of two or more physician groups | YES                     | YES       |
| <b>5. Submit Financial Reports as required in Contract</b>                               | YES   | YES                     | YES       |
| <b>6. Maintain financial records</b>   | YES   | YES                     | YES       |
| <b>7. Put in effect and maintain all necessary insurance</b>                             | YES   | YES                     | YES       |
| <b>8. Service Based Reporting</b>  | YES   | YES                     | YES       |

### 3.5 Strategic Planning in Light of Specific Community Needs/Challenges

The extent to which your FHT strategic plan aligns with the particular health needs and challenges in your community will play a significant role in securing the greatest amount of stakeholder support for the FHT model. It is important to be aware of the real health needs and the existing challenges to providing care in your community. An emphasis on meeting these need can be incorporated into your FHT vision statement which is, in turn, a valuable tool for engaging potential FHT stakeholders.

Although your FHT will likely be directed towards addressing a broad array of health needs in your community, identifying one or two galvanizing issues can play an important role in rallying the support of key stakeholders in the community for your FHT.

For example, if the lack of physicians in your community is a particularly important issue in your community, not only can you structure your FHT towards making it attractive for a physician but you can also include this objective in your vision statement. This will signal both to prospective physicians and also the community at large that your FHT understands the needs of the community and will work towards meeting those needs. This, in turn, will allow you to secure the support of the broadest possible range of stakeholders.

## 4. OTHER RESOURCES

This Resource Guide provides an introduction to selected aspects of governance and accountability. FHTs are encouraged to consult the links and resources noted in the Resource Guide as well as other relevant resources in exploring the best governance and accountability arrangements in their particular circumstances. FHTs and/or their sponsors should also consider obtaining independent legal and business advice as necessary. Your MOHLTC contact can also provide information regarding insurance coverage and eligibility for financial support as well as other relevant resources that may be available.

## 5. GLOSSARY

### **Accountability**

Relates to the expectations by which the organization will perform and report on the matters for which it is funded.

### **Articles of Incorporation and Letters Patent**

Historically, several methods of creating and/or recognizing corporations have been developed in the commonwealth system. As the models have evolved, so has the terminology. Each model was based on a particular understanding of the nature of a corporation and its relationship with the state. Most basically, the question was to what extent the corporation exists independently of recognition by a government.

“Articles of Incorporation” are most associated with the model of corporations as private associations that are merely acknowledged by the state. Under this model, incorporators set the terms of their own association and the appropriate minister would simply register the corporation as a legal entity.

“Letters Patent,” on the other hand, are more closely associated with the model of corporations as public vehicles that only gain status through recognition by the government. Under this model, a corporation did not exist until the appropriate executive authority approved of the objects and structure of the corporation. The approval process was in the sole discretion of the minister.

Most of the models in operation today can be characterized as combining both of these historical models. Today, most jurisdictions subscribe to a hybrid model in the sense that incorporators are only required to submit a few basic pieces of information to the government and the minister reserves only a very limited amount of discretion in granting approval of the formation of the corporation.

The name of the form that must be submitted, its contents, and the approval of the minister are referred to differently depending on the specific piece of legislation under which incorporation is sought.

### **Chairperson**

The leader of any Board or committee. The chairperson is responsible for facilitating meetings at which decisions are made.

### **Contract of Association.**

A general legal tool that defines the relationship between two or more parties. A contract of association is a flexible tool by which to arrange unique governance structures. The flexibility can be attributed to the fact that the terms of the association are not restricted by either corporate or partnership legislation.

### **Corporate By-Laws**

The term “By-Law” refers to a rule that is created in accordance with an authority delegated and defined by a law. Corporations, under the various pieces of corporate legislation, are authorized to issue By-Laws regarding certain matters. By-Laws have the force of law upon the members of the corporation.

In *Mackenzie v Maple Mountain Mining Co*<sup>4</sup>, the Ontario Court of Appeal described the function of a corporate By-Law as prescribing “the rights and duties of the members with reference to the internal government of the corporation, the management of its affairs, and the rights and duties existing between the members.” The court also distinguished By-Laws from resolutions by noting that a “By-Law differs from a resolution, in that a resolution applies to a single act of the corporation, while a By-Law ... is a permanent continuing rule, which is to be applied to all future occasions.”

### **Corporate Directors**

As a collective, the Board of Directors is responsible for the overall direction of the corporation, including the supervision of corporate officers.

### **Corporate Officers**

Officers are the designated managers of a corporation. They are appointed by the Board of Directors and are delegated specified responsibilities for the overall management of the corporation. They are, thus, accountable to the Board of Directors.

### **Corporate Resolution**

The most applicable dictionary definition of a resolution is “a formal expression of opinion or intention made, usually after voting, by a formal organization, a legislature, a club, or other group.”<sup>5</sup> In the corporate context, resolutions represent a decision made either by the Board of Directors or by the shareholders. The specific piece of legislation under which a particular corporation is formed defines the limits of the authority of the Board and shareholders to make resolutions.

Under the Ontario *Corporations Act*, one of the first matters requiring a resolution by the Board of Directors is the appointment of the officers. Section 289 of the Act requires the Board to appoint a president and a secretary and allows the Board to appoint other officers, if so desired. See appendix XII for an example of one such resolution.

### **Corporate Shareholders and Members,**

The “owners” or core constituents of a corporation. In the context of a business corporation, they are referred to as “shareholders.” In the context of a **corporation without share capital** (not for profit corporations), they are referred to as “members.” Shareholders/members have several key responsibilities in the corporation, including the election of the Board of Directors.

### **Corporation**

An organizational model recognized in the law that confers certain rights and responsibilities on the organization and the individuals that operate within it.

### **Corporation Without Share Capital**

The legal designation of a corporation commonly referred to as a “not-for-profit corporation.” That is, the shares of the corporation do not have any capital value.

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<sup>4</sup> 1910 20 OLR 615 (Ontario Court of Appeal):

<sup>5</sup> "resolution." *Dictionary.com Unabridged (v 1.1)*. Random House, Inc. 16 Aug. 2007. <Dictionary.com <http://dictionary.reference.com/browse/resolution>>

### **FHT Mission Statement**

Specifically outlines the approach or method in which your FHT will achieve the FHT vision for improving the health of individuals in your community. It should highlight the services and programs your FHT will implement to achieve its vision – such as comprehensive care, health promotion and chronic disease management programs

### **FHT Strategic Objectives**

Measurable and meaningful targets that your FHT will aim to achieve. Objectives should be patient-centered and focused on immediate as well as longer term outcomes such as efficiency, accessibility, comprehensiveness, appropriateness and quality of care.

### **FHT Strategic Planning**

An on-going process. Some of the core elements of a strategic plan include (1) a vision statement, (2) a mission statement and (3) a list of strategic objectives.

### **FHT Vision Statement**

Describes the long-term goal of your FHT. It should reflect the FHTs commitment to improving the health of the community it serves.

### **Governance**

Refers to the authority and responsibility of making decisions and taking action.

### **Natural person**

An individual human being. A natural person is to be distinguished, legally, from the corporation, which is a person, in law, in certain situations.

### **Partnership**

A distinction needs to be made between the common understanding and the legal definition of a partnership. A FHT, by definition, will involve numerous relationships among and between individuals and organizations, each of which may be characterized as a “partnership” in the sense that there is a working relationship between multiple entities. This common understanding of a partnership needs to be distinguished from the legal definition of a partnership which, though continuously evolving, has a fixed meaning at a particular time.

### **Separate Legal Entity**

A defining feature of the corporation is that it is a separate legal entity from those individuals that make it up. The corporation is thus legally able to enter into contracts, sue and be sued, and, in certain circumstances be protected by the *Charter of Rights and Freedoms*.

### **Stakeholders**

People or organizations who have an interest an institution at any level, or at any distance both internal and external, e.g. patients, shareholders, clients, employees, Board members, suppliers, contractors, other primary healthcare organizations.

## APPENDIX 1: AN INTEGRATED STRATEGIC PLAN

### STRATEGIC PLAN

*The first part of a Strategic Plan is the Vision and Mission. The Vision describes the organization's most fundamental reason for existence. The Mission describes the values, beliefs and purpose of the organization.*

#### VISION

To become a centre of excellence for educating healthcare professionals in a comprehensive primary care environment.

#### MISSION

The Mission of the \_\_\_\_\_ Family Health Team is:

- To provide medical residents and other learners with the competency, skills and experience to be exceptional primary care professionals;
- To train primary care providers in a collaborative team environment such that new graduating physicians understand the benefits of working with allied health professionals;
- To ensure each learner experiences working with professionals outside of their discipline;
- To enhance access for residents of the FHT catchment area to quality patient-centred primary health care;
- To provide a safe, enriching and positive working environment for all staff, nurses, allied health professionals, physicians and residents which allows them to grow in their profession; and
- To provide an atmosphere that encourages original research into the problems of primary health care, including but not limited to: collaborative team practice issues; primary care residency issues; and, specific primary care health issues.

*The second part of the Strategic Plan is the Objectives. The Objectives are the intended outcomes that the organization wants to achieve through the implementation of the Strategic Plan. Each Objective is followed by a series of Actions that are designed to bring the Objectives to fruition.*

## OBJECTIVES

1. Establish, evaluate and evolve a collaborative team clinic model that improves access to a comprehensive range of high-quality and effective healthcare services for our patient population.
  - 1.1 Experiment with team / clinic organizational models;
  - 1.2 Define allied health professionals' scope of practice within the context of the clinic team;
  - 1.3 Ensure all team members understand the scope of practice and triage / direct / book patients accordingly to the appropriate team member;
  - 1.4 Evaluation / metrics; and
  - 1.5 Evaluate and develop models for the appropriate professional mix of providers within various primary care settings.
  
2. Establish, evaluate and evolve a team teaching approach to training learners that fully utilizes the skills, abilities, and contributions of all faculty physicians and allied health professionals.
  - 2.1 Create an innovative teaching schedule that utilizes the skills of all FHT healthcare professional and exposes learners to the widest possible range of experiences;
  - 2.2 Provide all residents with training in the FHT model; the benefits to primary care practice of collaborative team based care; and in the scopes of practice of the FHT allied healthcare professionals;
  - 2.3 Continue to support faculty in developing and executing research and demonstration projects in areas such as: Falls Prevention; Congestive Heart Failure and Chronic Obstructive Lung Disease management trails; obesity and exercise projects, etc.;
  - 2.4 Build research excellence by establishing projects and publishing results of studies in primary care reform models, as well as in learner training models in a comprehensive care environment;
  - 2.5 Explore options around establishing teaching satellites in team based practices in \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, etc.;
  - 2.6 Promote the development/establishment of other academic and non-academic FHTs across Ontario;
  - 2.7 Explore opportunities for entering into partnerships/collaborations with other academic and non-academic FHTs (i.e. \_\_\_\_\_ FHT);

- 2.8 Develop partnerships with other institutions to expand opportunities for internships, residencies and placements, such as, \_\_\_\_\_, other \_\_\_\_\_ departments, etc.; and
  - 2.9 Evaluation / metrics.
3. Increase access to patient-centred primary care services for \_\_\_\_\_ and area residents.
    - 3.1 Continue to implement an attitude of excellence in patient-centred care across all teams;
    - 3.2 Develop and distribute a patient orientation brochure that outlines patient and clinic responsibilities, as well as clinic services;
    - 3.3 After hours clinic reorganization to increase efficiencies and increase access;
    - 3.4 Set-up booking protocols based on all clinic team assets and scope of practice protocols;
    - 3.5 Roster all patients to \_\_\_\_\_ FHT, assigning each patient to a clinic team;
    - 3.6 Examine the potential of expanding the geographic catchment area of the FHT by opening satellite clinics, such as, on \_\_\_\_\_, \_\_\_\_\_ and on the \_\_\_\_\_; and
    - 3.7 Continue to partner with \_\_\_\_\_ group homes to offer special programs and services to developmentally disabled adults in the community.
  4. Ensure stable, sustainable funding that will support the ongoing development of \_\_\_\_\_ FHT.
    - 4.1 Establish operating grant funding in keeping with current costs, through the MOHLTC FHT funding;
    - 4.2 Ensure adequate ongoing funding for teaching of learners;
    - 4.3 Develop and execute an aggressive communications plan for the Department of Family Medicine, increasing awareness within the \_\_\_\_\_ and \_\_\_\_\_ communities of the accomplishments, vision and goals of the \_\_\_\_\_ FHT;
    - 4.4 Ensure continued application by all members of faculty for research grants;
    - 4.5 Actively request funding for adequate recruitment and retention of qualified faculty and other primary healthcare professionals; and
    - 4.6 Develop a 10-year capital plan for the \_\_\_\_\_ FHT, which may include creating a purpose-built facility and maintaining a strong downtown \_\_\_\_\_ presence.



2.

4. The objects for which the corporation is incorporated are:  
*Objets pour lesquels la personne morale est constituée:*

To create and operate an organization that will assist health service providers to function within a collaborative interdisciplinary setting in order to enhance their ability to deliver effective, appropriate, and quality primary health care services for patients within Ontario; primarily to those patients residing in and around the city of .

Form 2  
Corporations  
Act

Formule 2  
Loi sur les  
personnes  
morales

DYE & DURHAM  
Corporation  
Forms-On-Disk

3.

5. The special provisions are:  
*Dispositions particulières:*

The corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the corporation shall be used in promoting its objects.

*La personne morale doit exercer ses activités sans rechercher de gain pécuniaire pour ses membres, et tout bénéfice ou tout accroissement de l'actif de la personne morale doit être utilisé pour promouvoir ses objets.*

Form 2  
Corporations  
Act

Formule 2  
Loi sur les  
personnes  
morales

DYE & DURHAM  
Corporation  
Forms - Ctl - Disk

6. The names and address for service of the applicants:  
*Nom et prénoms et domicile élu des requérants:*

4.

| First name, middle name and surname<br><i>Prénom, autres Prénoms et nom de famille</i> | Address for service, giving Street & No. or R.R. No., Municipality, Province, Country and Postal Code<br><i>Domicile élu, y compris la rue et le numéro, le numéro de la R.R. ou le nom de la municipalité, la province, le pays et le code postal</i> |
|--|--|
|  |  |

Form 2  
Corporations  
Act

Formule 2  
Loi sur les  
personnes  
morales

This application is executed in duplicate.  
*La présente requête est faite en double exemplaire.*

Signatures of applicants  
Signature des requérants

\_\_\_\_\_

\_\_\_\_\_

or

\_\_\_\_\_

DYE & DURHAM  
Corporation  
Forms-On-Disk

## APPENDIX 3: LIST OF REGULATORY COLLEGES UNDER THE RHPA

| College  | Address  | Telephone                                    | Fax          | Website   |
|--|--|--|--------------|---|
| College of Audiologists and Speech-Language Pathologists of Ontario (CASLPO) | 3080 Yonge Street, Suite 5060<br>Toronto, Ontario<br>M4N 3N1               | 416-975-5347<br>1-800-993-9459               | 416-975-8394 | <a href="http://www.caslpo.com">http://www.caslpo.com</a>                 |
| College of Chiropractors of Ontario  | 180 Dundas Street West<br>Suite 2102<br>Toronto, Ontario M5G 1Z8           | 416-542-1333<br>Toll-Free:<br>1-877-232-7653 | 416-542-1666 | <a href="http://www.cocoo.on.ca">http://www.cocoo.on.ca</a>               |
| College of Chiropractors of Ontario  | 130 Bloor Street West, Suite 902<br>Toronto, Ontario<br>M5S 1N5            | 416-922-6355                                 | 416-925-9610 | <a href="http://www.cco.on.ca">http://www.cco.on.ca</a>                   |
| College of Dental Hygienists of Ontario                                      | 69 Bloor Street East, Suite 300<br>Toronto, Ontario<br>M4W 1A9             | 416-961-6234<br>1-800-268-2346               | 416-961-6028 | <a href="http://www.cdho.org">http://www.cdho.org</a>                     |
| Royal College of Dental Surgeons of Ontario                                  | 6 Crescent Road, 5th Floor<br>Toronto, Ontario<br>M4W 1T1                  | 416-961-6555<br>1-800-565-4591               | 416-961-5814 | <a href="http://www.rcdso.org">http://www.rcdso.org</a>                   |
| College of Dental Technologists of Ontario                                   | 2100 Ellesmere Road, Suite 260<br>Toronto, Ontario<br>M1H 3B7              | 416-438-5003<br>1-877-391-2386               | 416-438-5004 | <a href="http://www.cdto.ca">http://www.cdto.ca</a>                       |
| College of Denturists of Ontario   | 180 Bloor Street West, Suite 903<br>Toronto, Ontario<br>M5S 2V6            | 416-925-6331<br>1-888-236-4326               | 416-925-6332 | <a href="http://www.denturists-cdo.com">http://www.denturists-cdo.com</a> |
| College of Dietitians of Ontario   | 5775 Yonge Street, Suite 1810<br>Box 30<br>Toronto, Ontario M2M 4J1        | 416-598-1725 or<br>1-800-668-4990            | 416-598-0274 | <a href="http://www.cdo.on.ca">http://www.cdo.on.ca</a>                   |
| College of Massage Therapists of Ontario                                     | 1867 Yonge Street, Suite 810<br>Toronto, Ontario<br>M4S 1Y5                | 416-489-2626<br>1-800-465-1933               | 416-489-2625 | <a href="http://www.cmto.com">http://www.cmto.com</a>                     |
| College of Medical Laboratory Technologists of Ontario                       | 36 Toronto Street, Suite 950<br>Toronto, Ontario<br>M5C 2C5                | 416-861-9605<br>1-800-323-9672               | 416-861-0934 | <a href="http://www.cmlto.com">http://www.cmlto.com</a>                   |
| College of Medical Radiation Technologists                                   | 170 Bloor Street West,<br>Suite 1001<br>Toronto, Ontario M5S 1T9           | 416-975-4353<br>1-800-563-5847               | 416-975-4355 | <a href="http://www.cmrto.org">http://www.cmrto.org</a>                   |
| College of Midwives of Ontario   | 55 St. Clair Avenue West,<br>8th Floor, Box 27<br>Toronto, Ontario M4V 2Y7 | 416-327-0874                                 | 416-327-8219 | <a href="http://www.cmo.on.ca">http://www.cmo.on.ca</a>                   |
| College of Nurses of Ontario   | 101 Davenport Road<br>Toronto, Ontario<br>M5R 3P1                          | 416-928-0900<br>1-800-387-5526               | 416-928-6507 | <a href="http://www.cno.org">http://www.cno.org</a>                       |
| College of Occupational Therapists of Ontario                                | 20 Bay Street, Suite 900<br>Toronto, Ontario<br>M5J 2N8                    | 416-214-1177<br>1-800-890-6570               | 416-214-1173 | <a href="http://www.coto.org">http://www.coto.org</a>                     |
| College of Opticians of Ontario  | 85 Richmond Street West<br>Suite 902<br>Toronto, Ontario M5H 2C9           | 416-368-3616<br>1-800-990-9793               | 416-368-2713 | <a href="http://www.coptont.org">http://www.coptont.org</a>               |

*Continued on next page*

## APPENDIX 4: EXAMPLE OF FHT CORPORATE BY-LAW

### BY-LAW NO. 1

Approved by the Board of Directors at the Annual General Meeting

June 12, 2007

A by-law relating generally to the conduct of the affairs of Primary Health Care Services of \_\_\_\_\_, a company incorporated under the laws of Ontario.

**BE IT ENACTED AND IT IS HEREBY ENACTED** a by-law of Primary Health Care Services of \_\_\_\_\_ (hereinafter called the "Corporation") as follows:

#### **1. Interpretation and Definitions**

"Act" means the *Corporations Act (Ontario)*.

"Board" means the Corporation's board of directors, consisting of all Directors.

"Directors" mean the directors of the Corporations.

"Member" means a member of the Corporation.

"Physician Association" means two or more Physicians (including Physicians' professional corporations) practicing in association and recognized as such by the Ministry of Health and Long Term Care, that has made application in writing to the Corporation to participate in the Corporation and which has not notified the Corporation in writing that it wishes to withdraw from participation in the Corporation and: (a) a majority of whom have their principal place of business in \_\_\_\_\_ County; or (b) which the Board has approved as a Physician Association that may participate in the Corporation.

"Physician" means a person licenced to carry on the practice of medicine in the province of Ontario, in good standing with the College of Physicians and Surgeons of Ontario and primarily practicing family medicine.

## **APPENDIX 5: EXAMPLE OF BY-LAW ARTICLE AUTHORIZING BOARD OF DIRECTORS TO CREATE SUB-COMMITTEE**

Article 19 **Committees Generally.** The Board may by resolution create one or more other committees. Unless otherwise provided, the President shall be a member of all committees.

**The Community Advisory Committee:** From-time-to-time the Board may seek the advice of an ad-hoc community-based committee led by \_\_\_\_\_ FHT Board members and comprised of representatives from organizations such as hospitals, community agencies, the CCAC and the LHIN. This group is advisory in nature and would provide information and advice to the \_\_\_\_\_ FHT as to how to continue to enhance primary care in \_\_\_\_\_ .

## **APPENDIX 6: EXAMPLE OF A GOVERNANCE RESOLUTION**

### **Governance Policies Board of Directors June 2007**

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## INTRODUCTION

### *Authority*

The Board of [Name of Family Health Team], under the authority of the By-Law, establishes these governance policies. If there is any conflict between these policies and the By-Law, the provisions of the By-Law shall take precedence.

### *Vision, Mission and Values*

#### *Vision*

The realization of optimal health for the people in our community.

#### *Mission*

[Name of Family Health Team] exists to provide universally accessible and comprehensive primary healthcare and community support services in the promotion and building of a healthier community.

#### \_\_\_\_\_ *Core Values*

Caring for those we serve through:

Accountability, Integrity, Openness, Participation, Respect and Responsiveness

### OVERVIEW of Governance Policies

These governance policies formalize the roles and responsibilities of the Board, its officers and committees; the manner in which the Board exercises its authority in the fulfilment of its responsibilities; the responsibilities and authority of its Executive Director; the relationship between the Board and its Executive Director; and, the general principles that will guide its governance practices.

#### *Governance: The Primary Focus of the Board*

Governance, as defined here, is ***“the structures, processes and traditions that support the exercise of legitimate authority in providing sound leadership, direction, oversight and control in order to ensure that the Corporation’s purpose is achieved and that there is a proper accounting for the manner in which its business is conducted, the efficient use of its resources, and the results of its activities.”***

**The primary focus of the Board** will be on establishing general direction, defining concrete objectives, monitoring and auditing results. It will establish clear values, vision and mission through its strategic planning, ensure that the business of the Corporation is conducted in an ethical manner, that resources are used efficiently, that realistic goals and objectives are established and achieved, and that a full accounting for performance is provided to key stakeholders.

## **1. BOARD STRUCTURE AND GENERAL DUTIES**

The structure and mandate of the Corporation are defined by the legislation under which it is incorporated, other legislation related to its operations, the Letters Patent, the By-Law, and these governance policies approved by resolution of the Board under the authority of the By-Law.

### **1.1 Board Structure**

The By-Law specifies the number and terms of office of Directors and eligibility for office. The officers of the Corporation are those defined in the By-Law.

The following three standing committees of the Board are established in the By-Law: Executive; Finance, and Human Resources. A Board resolution defining terms of reference for committee membership, terms of appointment, mandate and procedures is required for all committees. The Board Chair (voting) and Executive Director (non-voting) shall be ex-officio members of all committees.

Other ad hoc task forces or working groups may, from time to time, be established by the Board to carry out certain tasks or make recommendations to the Board on specific issues such as strategic planning, pension administration, accreditation, and addition of new service areas.

Ad hoc working groups will be automatically disbanded when the task is completed, no longer relevant, or consequent to a Board motion, or to a sunset clause in the original motion establishing the working group of committee.

### **1.2 General Responsibilities of the Board as a Corporate Body**

The Board's job is to govern the affairs of the Corporation within the framework of relevant legislation, and standards. The Board of Directors, representative of the Corporation's membership and the community, is the legally incorporated entity with the authority and responsibility for:

- Safeguarding the organizational mission and ensuring the viability and stability of the organization;
- Establishing its values, direction and objectives;
- Securing input of key stakeholders to strategic direction;
- Fulfilling its fiduciary obligations to serve the interests of those who fund the services and those who benefit from them;
- Ensuring that it has adequate information to monitor major areas of Executive Director and corporate performance;
- Ensuring the proper and prudent management of the organization;
- Ensuring the achievement of the organization's mission;
- Accounting to its members and other key stakeholders for the performance of the Corporation; and,
- Ensuring systematic linkage with other organizations engaged in the pursuit of similar or related objectives, and with the community at large.

### 1.3 Authority and Accountability

The Board, as a whole, has general and specific responsibilities to the corporate membership and those government, agency and individual payers or donors who provide funds for the operation of the Corporation. The Board is also accountable, in a more general sense, to exercise good stewardship of the Corporation on behalf of the trust placed in it by the general public, consumers, staff, volunteers and other stakeholders.

Individual members of the Board (Directors) are elected under the authority of the By-Law and are responsible to the members of the Corporation. The Corporations Act of Ontario obligates all Directors to act in the overall best interests of the Corporation.

Individual Directors have ***no authority to act or give direction individually*** other than in such manner as may be approved in these policies or by resolution of the Board. The Board may delegate authority to an individual Director or officer or the Executive Director. However the Board retains ultimate responsibility and accountability for all aspects of the Corporation's affairs and the conduct of its business.

The Board will account to the Corporation's members, funders and other key stakeholders through annual and periodic reports on the activities and finances of the Corporation, annual audited financial statements, minutes of Board meetings (except in-camera portions), receiving representations from and consulting with key stakeholders and generally operating in an open and transparent manner.

### 1.4 Essential Governance Tasks of the Board

The Board may carry out its duties directly or establish certain committees to assist in its work. However, the Board itself retains ultimate authority and accountability for the work of its committees and for overseeing and coordinating their efforts. These responsibilities fall generally within eight major categories: Mission and Planning; Financial Stewardship; Human Resources Stewardship; Performance Monitoring and Accountability; Risk Management; Community Representation and Advocacy; Management of Critical Events and Transitional Phases; and, Complaints Processes. They are, more specifically:

- Define and/or safeguard the mission, the values framework and operating principles within which it expects the organization to be administered, and to review and update these periodically to ensure that they remain current and responsive to community/consumer needs;
- Govern the organization through broad policies and planned objectives approved by the Board, formulated with the Executive Director and staff, and reviewed periodically;
- Oversee development and approval of a longer-term organizational plan or strategic priorities and develop or approve annual budgets and operating plans;
- Approve, upon advice of the Executive Director, major changes to the organizational structure and programs of the Corporation;
- Solicit input from key stakeholders to the strategic priorities of the organization;
- Select and support a Executive Director to whom the responsibility for management and administration of the organization is delegated;
- Provide advice and act as a resource and sounding Board for the Executive Director;

- Regularly review and evaluate the performance of the Executive Director on the basis of a specific job description and negotiated performance objectives;
- Monitor performance of the organization overall in relation to achievement of its mission, strategic goals and objectives;
- Maintain sufficient independence from management and adequate knowledge about the organization to ensure that the Board can make reasonably objective judgements about the reliability and validity of management reports on finances and general operations;
- Seek or secure sufficient resources for the organization to adequately finance its operational and capital requirements;
- Account to members, financial investors, donors, other key stakeholders and the public for the services of the organization and expenditure of funds;
- Ensure prudent and proper management of the organization's resources;
- Anticipate, mitigate and ensure proper management of risks to the organization, its staff, Board, members, clients and other key stakeholders;
- Establish the general values framework within which the organization's human resources will be managed and periodically monitor key human resource performance indicators;
- Approve and periodically review personnel policies within which human resources will be managed;
- Approve a mandate within which pay and benefits agreements with staff are to be negotiated;
- Regularly review the organization's services to ensure that they are consistent with the purpose of the organization and that its programs are effective and relevant to community needs;
- Provide continuity/stability for the organization and preserve the corporate memory;
- Represent the organization and its programs positively to key stakeholders and the community at large...Be a good ambassador;
- Serve as an advocate for services of good quality; and
- Ensure fair arbitration of complaints from consumers about services or products through a formal complaints procedure.

### 1.5 Due Diligence -- Responsibilities of Individual Board Members

Individual Board members have no authority to act independently of the Board except insofar as the By-Law or the Board, by resolution, specifically mandates. This means, among other things, that an individual Board member cannot provide direction to the Executive Director or staff. The only legal authority to provide direction or require information is vested in the full Board.

Each Board member is expected to become an active participant in a body that functions effectively as a whole. In addition to assisting in the fulfilment of the essential governance tasks of the Board outlined in Part 1.4 of these policies, members are responsible to exercise due diligence, loyalty and care in the performance of their duties. Each Board member is responsible to exercise these duties as follows:

#### 1.5.1. Duty of due diligence

- Be informed of the Letters Patent, the legislation under which the organization is incorporated, relevant jurisprudence, the organization's By-Laws, values, mission, code of conduct, and policies as they pertain to the duties of a Director.

- Keep generally informed about the activities of the organization, the community issues that affect the organization, and general trends in the business in which the organization operates; and
- Prepare diligently for and attend Board meetings regularly, serve on committees of the Board and contribute from personal, professional and life experience to the work of the Board.

#### 1.5.2 Duty of loyalty

- Act with honesty and in good faith in what the Director reasonably believes to be the best interests of the Corporation;
- Maintain solidarity with fellow Directors in support of a decision that has been made in good faith, in a legally constituted meeting, by Directors in reasonably full possession of the facts; and
- Exercise vigilance for and declare any apparent or real personal conflict of interest in accordance with the organization's bylaws and policies and statutory requirements.

#### 1.5.3. Duty of care

- Exercise the same degree of care, diligence and skill that a reasonably prudent person would show in comparable circumstances;
- Offer personal perspectives and opinions on issues that are the subject of Board discussion and decision;
- Voice, clearly and explicitly, at the time a decision is being taken, any opposition to a decision being considered by the Board;
- Ask for a review of a decision, if the Director has reasonable grounds to believe that the Board acted without full information or in a manner inconsistent with its fiduciary obligations; if still not satisfied after such review, ask that the matter be placed before the membership;
- Work cooperatively with the staff of the organization on committees or task forces of the Board; and
- Know and respect the distinction in the roles of Board and staff consistent with the principles underlying approved governance policies.

### 1.6 Oath of Office

The Board and individual Directors make a vital contribution to the success of the Corporation. The Oath of Office outlines the serious commitment that Directors undertake when they join the Board. Directors are required to sign the 'Oath of Office' (Appendix A) upon joining the Board of Directors.

### Code of Conduct

Board members, staff and volunteers are expected to comply with the prescribed Code of Conduct that encourages the development of a spirit of collective decision-making, shared objectives and shared ownership of and respect for Board decisions. The Code of Conduct is a succinct statement of essential principles intended to govern the conduct of the Board and staff of the organization.

Directors, staff and volunteers are required to sign the Code of Conduct (Appendix B) upon assuming office.

### Confidentiality Policy

Respect for confidentiality is the cornerstone of trust and confidence. Board members, staff and volunteers must at all times respect the confidentiality of clients. Similarly, all matters dealt with by the Board during in-camera meetings and matters related to personnel must be held in strictest confidence. Confidentiality means Directors may not relate such matters to anyone including immediate family members. The duty of confidentiality continues indefinitely after a Director has left the Board, or a staff or volunteer has left the employ of the Corporation.

Clients, customers, staff and volunteers trust Board members and employees to protect the confidentiality and accuracy of their personal information and to respect the sensitivity of corporate information and records, the disclosure of which could have a harmful impact on their personal or professional lives or corporate operations.

This policy applies to Board members, staff, volunteers and agents of the Corporation. Directors, staff, volunteers and agents of the Corporation are required to sign the Confidentiality Policy (Appendix C) upon assuming office or commencing their duties.

### Conflict of Interest Policy

Members of the Board of Directors shall act at all times in the best interests of the Corporation rather than particular interests or constituencies. This means setting aside personal self-interest and performing their duties in transaction of the affairs of the Corporation in such a manner that promotes public confidence and trust in the integrity, objectivity and impartiality of the Board. Members of the Board shall serve without remuneration. No Director shall directly or indirectly receive any profit from his/her position as such, provided that Directors may be paid reasonable expenses incurred by them in the performance of their duties.

The pecuniary interests of immediate family members or close personal or business associates of a Director are considered to also be the pecuniary interests of the Director.

#### 1.9.1 Definition of Conflict of Interest:

Board members are considered to be in a “conflict of interest” whenever they themselves, or members of their family, business partners or close personal associates, may personally benefit either directly or indirectly, financially or otherwise, from their position on the Board.

A conflict of interest may be “real”, “potential” or “perceived”; the same duty to disclose applies to each.

Full disclosure in itself, does not remove a conflict of interest.

Non-pecuniary interests may also present a moral, if not a legal, conflict of interest. This pertains, for example, to a Board member of one organization who holds a Board or staff position in another

organization that may have competing interests or that may place that person in a position of influence or decision-making that might conflict with or be adverse to the interests of the first organization.

#### 1.9.2 Principles for Dealing with Conflict of Interest:

The Board member must openly disclose a potential, real or perceived conflict of interest as soon as the issue arises and before the Board or its committees deal with the matter in question. The Conflict of Interest Disclosure form designed to assist Directors in such disclosure is contained in Appendix D.

If the Board member is not certain he/she is in a conflict of interest position, the matter may be brought before the Chair, Executive Committee or Board for advice and guidance.

If there is any question or doubt about the existence of a real or perceived conflict, the Board will determine by vote if a conflict exists. The person potentially in conflict shall be absent from that discussion and vote.

It is the responsibility of other Board members who are aware of a real, potential or perceived conflict of interest on the part of a fellow Board member to raise the issue for clarification, first with the Board member and, if still unresolved, with the Board Chair.

The Board member must abstain from participation in any discussion on the matter, shall not attempt to personally influence the outcome, shall refrain from voting on the matter and, unless otherwise decided by the Board, must leave the meeting room for the duration of any such discussion or vote.

The disclosure and decision as to whether a conflict exists shall be duly recorded in the minutes of the meeting. The time the person left and returned to the meeting shall also be recorded.

#### 1.9.3 Examples of Conflict of Interest on the Part of a Board Member:

- Any circumstance that may result in a personal or financial benefit to a Director or his family, business associate or friend. This includes, but is not limited to:
- Accepting any payment for services rendered to the Corporation, including contracted work or honoraria; accessing financial or other resources for personal use (e.g. transportation, training costs, supplies, and equipment);
- Personal interests which conflict with the interests of clients or are otherwise adverse to the interests of the Corporation;
- Seeking, accepting or receiving any personal benefit from a supplier, vendor, or any individual or organization doing or seeking business with the Corporation;
- Being a member of the Board or staff of another organization which might have material interests that conflict with the interests of the Corporation or its members or clients; and, dealing with matters on one Board which might materially affect the other Board;
- Any involvement in the hiring, supervision, grievance, evaluation, promotion, remuneration or firing of a family member, business associate or friend of the Director; or
- Public statements made by a Director that could be perceived as an impairment to his/her ability to consider issues, in the execution of his/her functions with the Corporation in an impartial and objective manner.

Individuals who serve as Directors on the same Board with members of their family or others with whom they have a direct business or personal relationship will be subject to an immediate perception of apparent conflict of interest.

#### 1.10 Disposition of Complaints and Disputes involving Directors:

- The Executive Committee, in a meeting duly called for the purpose, shall review any complaints that a Director has violated any provision of the Corporation's By-Law, Governance Policies, Oath of Office, Code of Conduct, Confidentiality Policy, or Conflict of Interest Policy.
- The Executive Committee shall similarly review disputes between members of the Board that impair the ability of the Board to carry on its business.
- Complaints of a grave nature may be referred to an independent arbiter.
- Allegations of illegal activity shall be immediately referred to police, or other appropriate authorities for investigation. Any Director against whom such allegations are made shall be deemed to immediately be on a leave of absence from the Board pending completion of the investigation.
- Any Board member against whom specific allegations or complaints have been made will be notified in writing, except where such complaints relate to potential criminal behaviour and have been referred for police investigation. The Director may respond in confidence to the Chair of the Board or independent arbitrator, as applicable.
- The review of such complaints or disputes shall include an opportunity for the members concerned to represent their positions. Executive Committee members who originate or are the subject of such complaints or disputes must declare their conflict and absent themselves from such meetings.
- Every attempt shall be made to resolve such matters expeditiously and fairly.
- The recommendations regarding resolution of such matters shall be brought to the Board for approval.
- The ruling of the Board shall be final. Should the member refuse to abide by the ruling the Board may table the matter pending determination of disciplinary action. Such action may include formal or informal censure by the Chair or the Board, suspension, or a request for the member's resignation.

## 2. ROLES OF THE OFFICERS OF THE BOARD

Officers of the Board are in the service of the Board. Individual officers may not act in place of the Board except when acting together as an Executive Committee in accordance with the By-Law. The

Board may, by policy or general resolution, delegate certain responsibilities to its officers but retains ultimate responsibility and accountability for the responsibilities so delegated.

### 2.1 Chair — President

The role of the Chair is to ensure integrity in the manner in which the Board and its members attend to the business of the Corporation. The Chair is the only Board member authorized to speak for the Corporation, unless this is specifically delegated to another Board member.

The Chair presides as the 'manager' of the Board's activities, ensuring that the Board and its members follow Board rules or polices and those obligations legitimately imposed by statute or regulation. Since most of the work of the Board will be done during regularly scheduled Board meetings, the Chair is responsible for ensuring that the Board's work is conducted efficiently and effectively. The Chair has no authority to make decisions outside the By-Law or the parameters of policies created by resolution of the Board.

The Chair will set the agendas for meetings of the Board with input from the members of the Board and with the assistance of the Executive Director and ensure that its meetings are focused on matters of Board responsibility.

The Chair is responsible for promoting the development of a Board work plan, complementary to the strategic priorities and operational plan of the organization, and ensuring that the Board's work and power are fairly distributed among Board members.

The Chair will plan the conduct and timing of Board meetings in conjunction with the Executive Director and will chair meetings of the Board, Executive Committee and membership.

The Chair will ensure that the Board is properly informed about the operations of the Corporation, has the information and opportunity necessary to come to decisions on matters within its purview, and that decision-making is transparent.

The Chair, without undermining the Executive Director's accountability to the full Board, will be the Board's primary liaison with the Executive Director, who is responsible for the execution of Board policies and directives, and for determining the means and management processes necessary to achieve the corporate objectives.

The Chair will strive to ensure that the Board works effectively as a team and that areas of overlap between Board, management and staff responsibilities are managed constructively.

The Chair is responsible to ensure that conflict of interest issues and other conflicts or disputes are addressed sensitively and resolved constructively.

The Chair is responsible to ensure that Board and Director self-assessments are conducted and that Board members who fail to meet expectations are gracefully retired.

The Chair, with the support and cooperation of the Board, is responsible for ensuring adequate communications and accountability to key stakeholders and the public.

The Chair will act as public and media spokesperson for the Board and Corporation as required subject to the provisions of clause \_\_\_ of these policies.

## 2.2 Vice Chair

In addition to assuming the duties of the Chair during his/her absence, the Vice-Chair shall perform other duties prescribed from time to time by the Board, coincident to the office. The Vice-Chair will normally accede to the position of Chair as that position becomes vacant.

## 2.3 Treasurer

The Treasurer shall monitor the financial activities of the Corporation; and

- Ensure that complete and accurate records are kept of all of the Corporation's financial matters in accordance with generally accepted accounting principles;
- Act as a signing authority for the Corporation as approved in the By-Law or by resolution of the Board;
- Ensure that the Board, monthly or as otherwise required, is provided with a report of all major financial transactions and of the financial position of the Corporation;
- Recommend a competent auditor to be appointed annually; and,
- Collaborate with the auditor and Executive Director in review and presentation of annual audited financial statements.

## 2.4 Secretary

The Secretary shall ensure that all secretarial functions are performed for the Board and Executive Committee, and that records are kept of all proceedings and transactions. The Secretary is the official custodian of the corporate seal and of all official books, papers, records, documents and correspondence of the Corporation. S/He shall:

- Oversee the keeping of records of meetings, policies, membership and any other records required by law;
- Ensure that minutes are taken at all regular and special meetings of the Board of Directors and its committees;
- Ensure that copies of minutes and agendas are circulated to Board members prior to each meeting; and
- Maintain, or ensure the maintenance of, the files and records of the Corporation to be passed on to future officers and ensure the security and confidentiality of all such files and records.

# 3. ROLE OF COMMITTEES

Committees play a vital role, assisting the Board in carrying out its duties. Appendix G – 'Chart of Committee Structure and Core Functions' provides a sample overview of all committees at \_\_\_\_\_. Greater details of committee authority, structure and functions are provided in the following Part III.

### 3.1 Authority of Committees

Committees have an advisory function to the Board. They do not speak or act for the Board unless such authority is formally delegated, is time-limited, and is for specific purposes. They do not have any authority to direct staff although they may, through the Board, ask the Executive Director to allocate resources in support of committee activities. The Board appoints committee members annually for one-year terms. The committee chair may, in consultation with the Board, appoint a member of the committee as a lead Director for a specific area of the committee's responsibility.

### 3.2 Composition

A member of the Board shall chair all standing or ad hoc committees. A person who is not a member of the Board may chair committees that are strictly advisory to the Board.

The composition of committees shall be representative of the Board and, where feasible and appropriate, staff and members of the membership or the community at large. This is intended as an effective way to add expertise, involve more of the membership or community in the work of the Corporation and bring to the Corporation a reflection of membership or public opinion.

Such a composition shall also serve as a means of recruiting, orienting and screening prospective candidates for the Board. The Chair (voting) of the Corporation and Executive Director (non-voting) are ex-officio members of all standing committees and may be members of ad hoc committees or task forces as prescribed by resolution of the Board.

#### Function

A committee's function is to bring the experience, expertise and judgment of a group of interested and informed persons to bear on a specific area of the Corporation's responsibility. Its job is to assist the Board by considering matters referred to it in greater depth than would be possible by the whole Board. Committees identify and isolate the key issues requiring Board consideration or corporate attention, propose alternative actions, present the implications and make recommendations to the Board for decision.

The Board will not review the matter in the same detail as the committee, but must be satisfied that all pertinent information was considered or refer the issue back to the committee for further study. The Board will consider the recommendations of the committee and adopt or amend these recommendations or make such other disposition, as it deems advisable.

#### Relationship to Staff

Board and staff work co-operatively to carry out the objectives of the Corporation. The Board relies upon the ability, training, expertise and experience of staff to plan for and provide services or

programs within the Corporation's mandate. Committee and Board meetings are the generally recognized avenues for Board and staff to think and plan together.

The attendance of the Executive Director, or designate, at all committee meetings as a resource and staff support is essential to the effective work of the committees. Committees may advise the Board or the Executive Director but do not exercise authority over staff, and will ordinarily have no direct dealing with staff operations. Committee members must know and respect the distinction between Board and staff responsibilities.

Communications between Board and staff, outside of committee meetings, shall be through the Executive Director. This includes:

- Any assignments or directives;
- Requests for organizational resources or staff time;
- Staff performance concerns or policy infractions;
- Concerns regarding any aspect of programs, services or administration; and
- Meetings.

Committee meetings are generally less formal than Board meetings, but are subject to the same requirements for record keeping and may resort to more formal procedural rules if it appears necessary. They are typically held at the call of the committee chair or at times regularly scheduled by resolution of the committee or the Board.

### Executive Committee

#### **PURPOSE**

The Executive Committee will assume the responsibilities of the Finance, Human Resources and Audit Committees until such time as the By-Law is reviewed. The Executive Committee possesses specific powers under the By-Law to make decisions between Board meetings if necessitated by unusual circumstances. Such decisions are subject to ratification by the Board at its next meeting. The Executive Committee also has responsibility for the annual performance evaluation of the Executive Director, for

making recommendations to the Board with respect to his/her performance, continuing tenure and compensation, and for leading strategic planning.

#### **SPECIFIC TERMS OF REFERENCE**

- Conduct such transactions and business of an emergency nature, subject to the approval of the Board, as may be necessary for the effective continued operation of the Corporation between regular Board meetings, and reporting such matters to the full Board at the next available opportunity;
- Be informed and aware of the significant events in the general management of the Corporation, so as to be able to provide such advice and direction to the Executive Director as may be necessary in the periods between Board meetings;

- Develop and recommend an annual work plan for the Board;
- Negotiate with the Executive Director annual performance objectives;
- Complete an annual performance appraisal of the Executive Director, seeking input from Board members and such others as approved by the Board, and report to the Board and Executive Director, such comments and recommendations with respect to performance and compensation as deemed appropriate;
- Make recommendations to the Board of Directors as necessary with respect to the structure and functioning of the Board;
- Lead the development of annual business plans and longer-term corporate/strategic plans;
- Review and make recommendations to the Board with respect to complaints against Board members or any other extraordinary matters such as conflicts of interest or ethical conduct referred for its attention by Board committees, staff, members, suppliers, funders or members of the public;
- Identify, at least annually, the career intentions of the Executive Director to ensure appropriate succession and contingency planning for the position; and
- The Board may from time to time assign such other duties, as it deems advisable.

## **COMPOSITION**

The Executive Committee shall include:

- Chair: The Board Chair;
- Officers of the Corporation (Vice-President, Secretary, Treasurer); and
- Executive Director as a non-voting member.

The Executive Director, who will attend all meetings of the Committee except for portions declared by the Chair to require in-camera deliberations, will provide staff support to this Committee.

### Finance, Human Resources and Audit Committee

## **PURPOSE**

The purpose of the Finance, Human Resources and Audit Committee is to ensure the development and implementation of a comprehensive approach to cost control, efficiency, effectiveness and risk management. It is responsible for reviewing internal control systems related to financial, human resources and risk management to ensure their integrity, ensuring a culture of accountability within the Corporation, for monitoring reports, and making recommendations to the Board with respect to these matters. It is responsible for ensuring the development of appropriate standards, authorities and practices in these areas and for ensuring the audit of management compliance with these.

## **SPECIFIC DUTIES**

- A. Develop an annual work plan for this committee;
- B. Finance and Budget:

- Review and advise the Board on the annual budget, operating plan and capital expenditures proposed by management and make recommendations to the Board in this regard;
- Recommend to the Board, appropriate criteria for allocation of revenues raised through charitable donations and bequests;
- Ensure that financial administration policies, accounting systems, internal financial standards, management authorities, controls and practices are established and maintained; are adequate to ensure compliance with legal and regulatory requirements; and, that these systems are operating effectively;
- Ensure that the Board has adequate information to assess the financial performance of the Corporation and the integrity of its internal reporting and control systems;
- Recommend to the Board realistic benchmarks for measuring the efficient use of the Corporation's financial resources;
- Periodically review financial statements (actual revenues and expenditures) against budget, assess trends and recommend to the Board any adjustments deemed necessary for exceptional expenditures;
- Review and make recommendations to the Board of Directors with respect to borrowings, credit lines, investments and loans;
- Ensure an annual financial audit is conducted; review its results; ensure that the financial statements are fairly presented in all material respects in accordance with generally accepted accounting principles; receive and duly consider recommendations in an auditor's management letter; and, make recommendations to the Board with respect to its findings;
- Annually review the terms of reference for, and performance of, the external auditors and make recommendations in accordance with the By-Law for appointment of the auditors who report to the members of the Corporation through the Board;
- Meet with the auditors, independent of management, at least annually;
- Annually review the terms of short and long-term debt (mortgages, leases, loans) to assess liabilities and potential risks; and
- Ensure appropriate guidelines for monitoring and approval of Board and management expense claims and the proper audit of these and all statutory remittances.

C. Human Resources

- Ensure the development of comprehensive Human Resources policies related to management of staff and volunteer resources. Review these with management at least once every three years to ensure they are current with the needs of the organization, relevant statutes and reporting requirements (e.g. tax withholding, employment standards, worker health and safety, human rights, etc.);
- Ensure that management has developed and implemented regular performance appraisal processes and fair grievance procedures for staff and service volunteers;
- Ensure that management has developed appropriate systems for staff succession planning, job replacement, and job rotation or cross training. Monitor overall trends in performance of Human Resources (including staff, agents and volunteers) on factors such as worker's compensation claims; absenteeism; grievances; established collective agreements, collective bargaining processes, workplace health and safety; staff development, recruitment and retention; and, performance of contractors;
- Advise and support management on labour/management relationships within the bounds of the Board's expertise in such matters;

- Ensure an annual audit to assess compliance with approved Human Resource policies and legal requirements; and
- Advise the Board with respect to guidelines/directives to management for staff compensation and monitor compliance with such guidelines and directives.

#### D. Risk Management

- Ensure that the Corporation has adequate resources to conduct its affairs safely, without undue risk to staff, clients and volunteers;
- Ensure the development of a risk assessment and management program that identifies actual or potential risks; protects against them; and, regularly monitors and reports on such risks and the steps taken to mitigate them;
- Integrate the work of the Quality Assurance and Risk Committee in relation to management of risks associated with operation of services and programs into and overall risk management program for the Corporation;
- Ensure that the Corporation's affairs are conducted in a manner that conforms to generally accepted business process, employment, and professional practice standards;
- Ensure the development of emergency or contingency plans for major risks such as fire or flood in the Corporation's facilities, occupational health and safety, workplace hazardous materials, employee work disruptions, etc;
- Annually review insurance coverage to ensure it provides adequate protection for the Corporation, employees and volunteers; and
- Annually review the performance of legal, investment and procurement services.

#### E. Other

The Board may from time to time assign such other duties or tasks, as it deems advisable.

### COMPOSITION

- Chair: Treasurer;
- Three to four Board members who are not members of the Executive Committee;
- Executive Director/Human Resources (non-voting); and
- Manager of Finance (non-voting).

\*\* At least one 'Board' member of this committee should have professional accounting or financial management training and experience. It is advisable that the committee have some Board expertise in human resources/personnel management and/or risk management.

This committee may, upon approval of the Board, establish lead Directors or working groups in one or more of these areas to assist the committee in its work. It shall appoint the Chair and members of such working groups in consultation with the Board. However, it shall remain responsible for integrating the work of any such lead Directors or working groups and presenting such work and consequent findings and recommendations to the Board. Such working groups might, for example, include Pension & Benefits, Finance, Human Resources, Audit or Risk Management.

## **4. STYLE OF GOVERNANCE**

The Board of Directors represents the "ownership" or membership of the Corporation. It is the legally constituted authority responsible directly to the funders and the community for prudent oversight of the Corporation's operations. It is responsible for the articulation (and/or safeguarding) of the organizational mission and defining the outputs and outcomes it seeks. The Board is responsible for long-term planning and direction. It defines the organizational culture, values, operating principles, and parameters within which it expects the Executive Director to manage the Corporation's operations.

The Board will focus on strategic leadership rather than administrative detail; important policy rather than operational matters. It will establish and respect distinctions between Board and staff roles and manage any overlap between these respective roles in a spirit of collegiality and partnership that supports the authority of staff and maintains proper lines of accountability.

In this spirit the Board will:

- Lead, direct, control, and inspire the agency through careful deliberation and establishment of values, vision, mission, strategic direction and general policies;
- Provide its members with the knowledge necessary to fulfil their responsibilities for the good governance of the Corporation;
- Be accountable to the general public for competent, conscientious, and effective accomplishment of its obligations as a body;
- Ensure that all business of the Corporation is conducted in a transparent, legal and ethical manner;
- At all times conduct business in accordance with the principles of fair play and due legal process;
- Enforce upon itself and its members the behaviour that is needed to govern with excellence. This will apply to matters such as attendance, policy-making principles, respect of roles, maintaining a unified front as a Board, and monitoring and correcting any tendency of Directors to stray from the principles of governance adopted in these policies. It will allow no officer, individual, or committee of the Board to either usurp this role or weaken this discipline; and
- Monitor and regularly discuss the Board's own processes, progress and performance.

## **5. BOARD RESPONSIBILITIES**

Primary Board responsibilities generally fall within eight general areas: Planning; Financial Stewardship; Human Resources Stewardship; Performance Monitoring and Accountability; Risk Management; Community Representation and Advocacy; Management of Critical Transitional Phases; and,

Complaints Review. Standing committees of the Board assist the Board in fulfilling these responsibilities. From time to time the Board may initiate ad hoc working or task groups to take a lead in any of these specific areas of responsibility.

## 5.1 Planning

One of the most important responsibilities of a Board of Directors is to provide general guidance and direction for an organization. A comprehensive framework for planning, setting priorities, management and budgeting is essential to effective and responsible organizational stewardship. Good planning results in better communication and a better understanding of how various parts of an organization work together to produce desired results.

### 5.1.1 Strategic Plan

The Board of Directors, with the assistance of staff, and in consultation with key stakeholders, establishes the Corporation's overall direction through the development and approval of a Strategic Plan. This plan provides a tentative blueprint for the Corporation's general direction and activities for the next three to five years based on a scan of internal and external factors that may bear on the resources and direction of the organization. It identifies the "key areas" in which the Board wants to focus the activities of the organization and general goals for each of these areas.

### 5.1.2 Annual Operating Plan

The Corporation's management develops annual operating plans and budgets based on the general blueprint contained in the Strategic Plan. These become the focus of work throughout the organization over the next twelve-month period. They will contain estimates of service demand for the year as well as objectives for improvement in key areas of corporate activity. The Corporation's annual operating plan will be the basis of its yearly budget containing revenue and expenditure forecasts related to planned programs and/or volumes of service. This plan will contain more specific objectives than contained in the Strategic Plan; expected results for each objective; the time period during which those results will be sought; and, criteria for measuring the achievement of those results. The annual operating plan, together with service statistics and budget forecasts are presented to the Board for review, amendment and approval.

### 5.1.3 Planning Cycle

The development and approval of the Strategic Plan takes place in a three to five-year cycle with progress monitored and assessed regularly against targets set in the annual Operating Plan and Budget. Performance against interim targets is monitored each quarter of the fiscal year. The third-quarter review begins a thorough analysis of performance, and produces projections of the expected year-end results. Preliminary planning for the coming year's operating goals takes place at the end of the third quarter, and is completed late in the fourth quarter with refinements based on actual prior

year results concluding in the first quarter of the next year. Service targets and forecasts of financial resources and constraints enter into the final preparation of the coming year's budget.

## 5.2 Financial Stewardship

The Board is responsible to review and approve the annual operating and capital budgets; secure adequate financial resources; ensure development of financial management and inventory control systems adequate to properly record and monitor financial transactions and control of assets; monitor efficient use of resources; ensure the establishment of proper financial controls and policies, including criteria for allocation of fundraising proceeds.

## 5.3 Human Resources Stewardship

The Board is responsible for ensuring the establishment of personnel policies to govern the management of staff and volunteer resources; recruiting, supporting and evaluating the Executive Director; providing guidelines for staff compensation; succession planning to ensure smooth transition in both Board and senior staff positions; and, monitoring compliance with legislative and regulatory requirements.

The Board shall ensure that grievances from unionized staff are managed in accordance with the provisions of collective agreements, and that complaints from non-union staff are managed in accordance with fair employment standards and practices.

## 5.4 Performance Monitoring and Accountability

The Board is responsible for ensuring that adequate systems are in place for monitoring organizational performance; monitoring the general performance of the organization against legislative and regulatory requirements and approved objectives of the organization and against industry benchmarks; and reporting to members, funders and other key stakeholders.

## 5.5 Risk Management

The Board is responsible to ensure: that By-Laws are current; that governance practices are consistent with the By-Law; adequate insurance provisions are in place to protect the organization, Board, staff and volunteers from potential liabilities; resources are sufficient to minimize risk to employees, volunteers and beneficiaries of services; compliance with statutory and regulatory requirements; that policies are respected in actual practice; and, adequate contingency plans are in place to protect against reasonably anticipated risks and crises.

## 5.6 Stakeholder Representation and Advocacy

The function of public relations is to assist the Corporation in achieving its goals and objectives, through the development and execution of programs designed to develop public understanding and support. The Board is responsible to represent the organization positively to the community; to fairly represent member and community perspectives to the organization; to ensure member and community input to its planning; to sponsor and participate in special events internal or external to the organization; and, to advocate for adequate resources to fulfil the organizational mandate.

Authority to speak on behalf of the Corporation shall rest with the Chair and/or Executive Director. This authority may be delegated by either of them to others in the Corporation within their special fields of competence or knowledge.

In general, the Chair will represent the Corporation on matters of Board policy and the Executive Director will represent the Corporation on operational issues. Either may represent the Corporation on issues related to advocacy on behalf of the mandate of the Corporation. Any major statements of an advocacy nature must be consistent with the general parameters of Board-approved policies or positions.

This is not intended to inhibit private expression of personal or professional opinions, but care should be taken by individual Directors to distinguish such opinions from positions of the Corporation. They are also expected to avoid public statements that might undercut or obscure the messages conveyed by the organization's approved spokespersons.

Directors, who hold elected public office concurrent with their membership on the Board of this organization, are expected to be particularly judicious about this since their public profile may deflect attention away from messages conveyed by the official spokespersons and generate confusion or controversy.

## 5.7 Management of Critical Transitional Phases or Events

The Board is responsible for managing, or ensuring the proper management of, critical transitional phases and events. These include turnover in key positions in the Board and senior management; rapid growth or decline in resources; and, issues of significant internal or public conflict or controversy.

## 5.8 Client Complaints Review

Board members do not generally have direct contact with clients. Where a client makes direct contact with a Board member for assistance in the resolution of specific service issues, the Board member should refer the client to the Executive Director. A Board member may not interfere in the handling of a specific case by approaching individual staff members. Concerns about the management of a case should be conveyed to the Executive Director. The Executive Director may inform the concerned Board Member about the action taken in the case, or authorize a manager to communicate the information directly to the Board member.

Staff shall initially respond to client complaints about the nature or quality of services provided by the Corporation. The client shall be provided with an opportunity to appeal their decisions to the Executive Director. The client shall also be provided with an opportunity to appeal a decision of the Executive

Director. The Board, in reviewing such appeals, shall establish a tribunal from among its members or an independent arbitrator to hear the client and review the matter. Members of the tribunal shall adhere to the Oath of Confidentiality. They may not overturn staff decisions but may make recommendations to the Executive Director on the matter and may recommend policy amendments to the Board.

## 6. EXECUTIVE AUTHORITY

The Board contracts with the Executive Director for the management and administration of the Corporation. The Executive Director is responsible, within parameters established by the Board, for determining the methods or 'means' by which the Board's directions and policies will be executed and the desired outcomes achieved.

The Executive Director is employed by the Board of Directors and is therefore responsible to the Board as a whole rather than to individual members of the Board. S/He is required to implement policies as determined by the Board, consistent with the requirements of any relevant legislation or regulations.

In the exercise of these responsibilities, the Executive Director is:

- Authorized to expend funds within the limits of the annual budget and operating plan approved by the Board;
- Responsible for bringing to the attention of the Board, the need for special and exceptional expenditures not included in the budget;
- Required to report to the Board if it is not possible to operate within the limits of the budget approved by it;
- Expected to provide advice to the Board on policy and program/service issues which affect the programs offered or services provided by the Corporation;
- Required to provide the Board with the information it requires to govern effectively, make informed decisions and monitor the overall performance of the Corporation in achievement of approved objectives; and
- Responsible for employing all staff members within the classifications and salary ranges approved by the Board. Board members should bear in mind that the staff are responsible to the Executive Director or to a person designated by him or her, not to the Board as a whole or to any individual Director, regardless of office. In the supervision, direction and deployment of personnel, the Executive Director is governed by the documented personnel practices and procedures approved by the Board.

Also, specific responsibilities are described in the policies related to responsibilities of the Board, the roles of Chair, of other Officers and individual members, and in the job description of the Executive Director.

### 6.1 Delegation to the Executive Director

The Board's job is generally confined to establishing broad policies for achievement of corporate objectives. It delegates responsibility for execution of those policies to the Executive Director. All Board

authority delegated to staff is delegated through the Executive Director, so that the authority and accountability of staff derives from the authority and accountability of the Executive Director.

The Board of Directors as a group, rather than individual Directors, officers or committees is responsible for providing direction to the Executive Director within the context of Board policies.

## 6.2 Appointment of the Executive Director

Recruitment, selection and appointment of the Executive Director are, along with performance monitoring, among the most important responsibilities of the Board. Appointment of an Executive Director should, ideally, be made with the full confidence of the full Board or at least by strong consensus.

In the event that the Executive Director's performance is deficient to the extent that there is a critical loss of confidence in the incumbent, the Board, as a whole, is responsible for ensuring, as amicably as possible, a termination of the relationship.

Dismissal of the Executive Director shall require fifty-one percent (51%) of the full Board of Directors (all Director positions normally filled, regardless that some of these positions may be vacant) voting in favour of dismissal at a meeting duly called to consider such action.

## 6.3 Executive Director Performance Evaluation

### 6.3.1 General

The Executive Director is the sole official link between the Board of Directors and the Corporation. The responsibilities of the Executive Director lie in the exercise of delegated authority and compliance within parameters established by Board policy and directives.

Consequently, the Executive Director's job contributions can be expressed as performance with respect to six components:

- Executive Director's Job Description;
- Annual performance objectives negotiated with the Board through its Executive Committee;
- Organizational achievement of operating plan and corporate objectives;
- Organizational operation within the boundaries established in Board policies;
- Quality of relationship with senior staff; and
- Quality of relationship with major stakeholders.

The essence of the performance evaluation shall be results-focused rather than subjective or personality oriented. The annual evaluation will provide an over-all assessment of performance relative to this policy statement and its employment contract with the Executive Director.

### 6.3.2 Procedure

The Executive Director will, at the beginning of each fiscal year, draft objectives for that year and discuss these with the Executive Committee, prior to presenting them to the Board for approval.

The Executive Director shall, at the end of the fiscal year: (i) complete a written self-evaluation of progress on meeting objectives so approved by the Board; (ii) complete a report on overall corporate performance for the preceding year; (iii) solicit feedback on his/her performance from those staff reporting directly to the Executive Director and synthesize the highlights of this feedback in a report. These reports will be provided to the Executive Committee and the direct reporting staff.

The essential elements of this material, along with Board members' observations of the Executive Director's interactions with key stakeholders throughout the year shall form the basis of the evaluation.

The Chair will obtain input from the officers of the Board, committee chairs and other Board members and prepare a written evaluation of the Executive Director's performance. The Chair will provide a summary of the performance review to the Board at its last meeting in the fiscal year or immediately thereafter. The Board will meet in-camera without the Executive Director for the specific purpose of reviewing the performance evaluation.

The Chair will bring the results of this performance appraisal including specific areas of outstanding performance and any deficiencies in the performance of the Executive Director to his/her attention in writing. The Chair shall meet with the Executive Director alone or, at the request of either, along with the Officers of the Board, Executive Committee or full Board, to discuss the evaluation. The Executive Director shall be provided with a reasonable opportunity to redress any deficiencies in performance.

The Chair shall provide the Executive Director with more informal feedback on his/her performance on a regular basis as issues may arise and at least once midway between formal appraisals.

#### 6.4 Executive Director, Succession and Senior Management Appointments

The Executive Director, in order to maintain proper lines of authority and accountability, has full authority to recruit, evaluate and dismiss all staff, including the most senior managers. However, the Board may have a particular interest in the appointment of other senior managers, such as the chief financial officer, given the considerable interaction that may be necessary between the incumbents of such positions and the Board and the potential for succession to the Executive Director position.

The Executive Director will, prior to an appointment to such positions **designated by Board motion** to be of special interest, review the job criteria established for the position, the recruitment process, a synopsis of candidates considered, and a resume of the candidate to be appointed. Board members

may offer comments but the decision to appoint (or not) a particular candidate will be at the sole discretion of the Executive Director. Similarly, decisions with respect to compensation, discipline and termination of employment for incumbents in these positions shall be the sole purview of the Executive Director.

## **7. BOARD DEVELOPMENT**

### **7.1 Recruitment and Screening of New Board Members**

The Nominating Committee will, as Director vacancies occur or are anticipated, review the needs of the Board for specific expertise, resources, skills or diversity necessary to bring strength, balance, credibility, and perceived legitimacy to the Board.

The Nominating Committee shall identify, check references, interview and recruit suitably qualified individuals willing to consider being nominated for such positions and recommend their appointment to the Board or members of the Corporation in a manner consistent with the By-Law and these policies. The Nominating Committee will maintain a file of all interested candidates who have been so reviewed.

### **7.2 Orientation of New Members**

New Board members shall receive a thorough orientation to their position within a reasonable period of becoming a member of the Board. Each new member shall also be assigned a more experienced member as a “buddy” or mentor to help integrate the new member and answer any questions he or she may have about Board procedures. Orientation includes but is not limited to:

- The history, mission and purpose of the organization;
- Constitution, By-Law, and governance policies;
- An organizational chart;
- An overview of funding sources;
- An overview of key organizational and policy issues, and copies of approved policies;
- Role, structure and functions of the Board, committees, and key staff;
- Board member Code of Conduct, Oath of Office, Confidentiality and Conflict of Interest policies;
- Procedural guidelines and rules for Board meetings;
- Calendar of meetings and events;
- Procedures for Board member expenses; and
- A tour of facilities and introduction to key staff.

## **8. BOARD MANAGEMENT**

### **8.1 Meetings**

Meetings of the Board of Directors will, unless otherwise determined by the Board, be held once a month at the Corporation’s headquarters. Except when dealing with confidential matters ‘in-camera’, all meetings of the Board will be open to the public.

Robert's Rules of Order will be followed. Discussion at meetings of the Board will be confined to those issues that clearly fall within the Board's authority according to its policies. Board deliberation at meetings will be timely, fair, orderly, thorough, and efficient. While the Chair will strive for consensus amongst Board members, this will not be done at the expense of timely and efficient decision processes.

## 8.2 Attendance

Carrying out the work of the Board of Directors effectively requires a commitment to attend all Board meetings as required. Board members who are absent, without excuse, from three consecutive meetings are automatically considered to have resigned their position. In the event such a member wishes to be reinstated, a letter of request must be sent to the Board. The Board shall then make a decision by motion regarding reinstatement, as well as any terms associated with a decision to reinstate if such is the decision.

## 8.3 Board Work Plan/ Objectives

The Board will develop a plan and objectives for its own work in support of the Corporation's goals as articulated in the approved Corporate or Strategic Plan and the annual operating or business plan.

## 8.4 Board Self-Evaluation

The Board shall periodically review its own progress on work plan objectives and its effectiveness. It shall conduct a formal assessment of its own performance annually at the same time that it reviews the performance of the Executive Director and shall take any steps for improvement in its governance practices suggested by such review.

## 8.5 Conflict Resolution

Board members are typically recruited to bring diverse views on issues to Board debates and decision-making. Constructive differences of opinion between Board members are encouraged in a well-functioning Board. They can generally be managed by following proper rules of procedure and encouragement of open consideration of all points of view. However, in the midst of debate, disagreements may escalate to serious conflict on issues.

The Board chair is responsible for managing such conflicts. A neutral Board member or third party should be selected if the Board chair is a party to the conflict. It is important to identify early on whether the conflict is based on the immediate issue at hand or has deeper roots based on differences in personal values and history, personalities, personal or political agendas, gender or culture. Identifying the source(s) of the conflict will assist in its resolution.

### Managing Issues-Based Conflict

The following techniques are adopted to assist in managing issue-based conflicts:

- Acknowledge the value and importance of divergent views in informed decision-making;
- Practice and encourage good listening skills, understanding and respect. Clarify the ground rules for effective communication: confidentiality of discussions, allowing others to have their say, listening to understand, group ownership of problems and solutions, and focus on issues rather than personalities or personal attacks;
- Assist the parties in defining the issue. State what you understand to be the substance of the issue and seek agreement between them on a clear definition of the issue. Name the problem;
- Seek agreement on the objectives, outcomes or decisions sought by placing this item on the Board agenda;
- Assist the disputants to identify and expand points of agreement;
- Assist them in identifying why this issue is important to them rather than encouraging more debate on who has the best solution/idea;
- Ask each to 'step into the other's shoes' and 'role play' the debate from the other's perspective;
- Paraphrase or summarize the discussions repeatedly until they've reached consensus on points of agreement and disagreement;
- Encourage both parties and other Board members to suggest new insights or compromises. Seek agreement on a compromise;
- Re-state the favoured solution. Check with both parties to see if it is acceptable and will allow them to resolve the matter; and
- Table the item to be dealt with after a 'cooling off' period either later in the meeting, at a future meeting of the Board or privately with the parties outside a Board meeting.

### 8.5.2 Managing Personality-Based Conflict

The following techniques, in addition to those suggested for managing issue-based conflicts, are adopted to assist in managing conflicts based on personality, personal or political agendas, or other more deeply rooted factors too time-consuming and disruptive to deal with during Board meetings:

- Do not waste valuable Board time and energy in attempting to resolve such conflicts at the Board table;
- Meet with the parties individually outside the Board meetings to express concern about the negative effect of their conflict on Board deliberations, attempt to define the issues and seek a resolution of the conflict;
- Meet with the parties together to determine whether an accord can be reached between them that will allow the Board to function effectively with their continued membership. Seek to mediate their conflicts;
- In the event that such an accord cannot be reached then suggest that either or both parties consider resigning their positions as Directors of the Corporation; and
- Recommend disciplinary action to the Board in the event that resignations are not forthcoming.

### 8.6 Board Member and Staff Expenses

Board members and staff are entitled to be reimbursed for expenses incurred during activities required to carry out their duties on behalf of the Corporation.

- The Board, in accordance with accepted community standards, shall annually decide the rate at which mileage expenses are reimbursed;
- The rate at which all other expenses are reimbursed (such as child care during meetings, Board training, honoraria, all other transportation costs or limits for meals) shall be decided from time to time by Board motion;
- The Treasurer is responsible to recommend, to the Board, appropriate rates of reimbursement for expenses incurred by Directors, the Executive Director and other management staff;
- All Board member expenses must be documented on an approved expense form and be authorized by the Treasurer. The Chair shall review and authorize the Treasurer's Expense forms and vice versa;
- Expense claims by the Executive Director shall be submitted and approved in accordance with procedures approved by the Board and reviewed and authenticated at least quarterly by the Treasurer; and
- Claims for expenses by other staff shall be consistent with rates provided in collective agreements or other policies approved by the Board upon the recommendation of the Executive Director.

## 9. BOARD DECISION-MAKING

### 9.1 Decision-Making Process

Decisions of the Board are made as a group at Board meetings at which a quorum of the Board (50% plus one Director) is present. A quorum is required for the transaction of any business of the Corporation. Decisions will ideally be made through a consensus development process leading to a formal vote to record the decision. This process is intended to encourage full discussion and development of a decision that all or at least the largest possible majority of, Board members can support, prior to a vote. Where disagreements continue to exist, dissenting members may request that their objections be recorded in the minutes. A favorable vote of a majority of the members present, regardless of abstentions, is required for approval.

Directors have the right to discuss questions before the Board and make their decisions in an uninhibited atmosphere. These Governance Policies, the Code of Conduct and procedural guidelines will govern Board deliberations. Directors will welcome and respect the diverse views of their colleagues, maintain confidentiality as required and offer public support for Board decisions.

### 9.2 In Camera Meetings

The following items may be considered in-camera upon an approved motion of the Board:

- Personal matters about an identifiable individual (i.e. member, Director, client or employee);
- Acquisition or sale of land or other assets;
- Labour relations or employee negotiations;
- Litigation or potential litigation;
- Receiving advice that is subject to solicitor-client privilege;
- Matters falling under the *Municipal Freedom of Information and Protection of Privacy Act*;

- Matters of personal conflict between members of the Board as outlined in this governance; policy; and
- Any other matters which, the public discussion thereof, the Board, by a two-thirds (2/3) majority vote, determines would be prejudicial to the interests of the Corporation or its members or clients.

The protocol for conducting and recording in-camera discussions shall be as follows:

- The Board will initiate an in-camera meeting on the issue by motion to move in-camera;
- A separate record, which does not become part of the Board meeting minutes, will be kept of discussion of the issue in question or ensuing decisions;
- The Board will return to the open Board meeting and report that the item in question has been discussed in-camera and approved a resolution in regard to the matter; and
- In-camera notes or records will not be attached to or distributed with minutes of open Board meetings.

## **10. DISSOLUTION OF THE CORPORATION**

In the event of the dissolution or winding-up of the Corporation, any remaining assets after the payment and satisfaction of the liabilities of the Corporation shall, upon recommendation of the Board, be distributed to one or more charitable organizations operating in Ontario that have a partnership with the Corporation or agencies having a similar or related mandate and scope of service as \_\_\_\_\_.

## **EXECUTIVE DIRECTOR – JOB DESCRIPTION**

### 1. General

The Executive Director, as chief executive officer of the Corporation is responsible to the Board of Directors of the Corporation for advice and support to the Board, and within the general parameters of the approved strategic and annual operating plan and budget, the administration and enforcement of relevant legislation and regulations; execution of the Board's policy and administrative directives; planning, organizing, coordinating and managing the Corporation's financial and human resources, programs and services consistent with the pertinent legislation and professional standards; management of external corporate relationships and partnerships; emergency response, business continuity and risk management; and charitable service activities.

### 2. Executive Support to Board

- 2.1 Conduct the work of the Corporation within the broad parameters and policies established by the Board of Directors;
- 2.2 Provide staff and administrative support to the Board and its various committees;
- 2.3 Support the Board in development of the competencies of Board members to fulfil their responsibilities;
- 2.4 Participate, ex officio, as a non-voting member of the Board and its various committees;
- 2.5 Provide advice and assistance to the Board and its committees and appropriately seek advice and assistance from members of the Board in facilitating achievement of the Corporation's objectives;
- 2.6 Report regularly to the Board on activities of the Corporation and any internal or external event that may have a major or unusual effect on the Corporation;
- 2.7 Provide the staff support and information necessary for the Board to effectively and efficiently conduct its business, develop long-term and annual corporate objectives and monitor progress in achieving goals; and
- 2.8 Develop and present for Board approval the annual operating plan and budget, appropriate policy statements, analysis of legislative or related policy issues and other matters that directly affect the operation of the Corporation and its capacity to carry out its programs.

### 3. Planning, Organization and Policy Development

- 3.1 Develop, obtain Board approval, and maintain a broad corporate planning framework as a foundation for annual planning, budgeting and program activities;
- 3.2 Develop an annual operating plan for consideration/approval of the Board;
- 3.3 Ensure the development and maintenance of information systems that will permit a continuing assessment of the implementation and impact of the Corporation's plans;
- 3.4 Ensure the development and maintenance (within the limits of available resources) mechanisms for monitoring and evaluating the impact and effectiveness of the Corporation's plans and programs and the quality of its programs and/or services; and
- 3.5 Plan and prepare, for the consideration of the Board, programs to support the Corporation's objectives.

#### 4. Program Management

- 4.1 Manage the design and implementation of the Corporation's programs and services efficiently and effectively within the approved operating plan and budget, subject to variance in demand and exceptional circumstances;
- 4.2 Ensure, within the limits of available resources, an optimal range, level of standards and quality in the Corporation's programs and services;
- 4.3 Provide leadership and direction to the Corporation's programs and staff;
- 4.4 Delegate appropriate functions to other staff members as may from time to time be considered appropriate; and
- 4.5 Provide periodic reports as required to funders.

#### 5. Human Resources Management

- 5.1 Recruit, retain, motivate, evaluate performance, counsel, discipline and dismiss personnel directly responsible to the Executive Director and, upon the recommendation of subordinate staff, dismiss other personnel and volunteers in the employ of the Corporation;
- 5.2 Manage all employee and contractor relationships, consistent with the provisions of applicable legislation, regulations, funder requirements, standards, Board policies, contracts and agreements;
- 5.3 Manage the negotiation of employee contracts, administer the Corporation's personnel practices, and provide advice to the Board in regard to employee relations and contract negotiations;
- 5.4 Ensure that the Corporation's programs are resourced with competent personnel and volunteers within the approved budget;
- 5.5 Ensure the establishment and maintenance of sound personnel and compensation practices and philosophy, proper job descriptions, and a regular system of performance appraisals;
- 5.6 Ensure the development and maintenance of adequate personnel information and control systems;
- 5.7 Ensure the development and maintenance of programs for orientation of new staff and volunteers and an ongoing program of staff development; and
- 5.8 Establish and maintain a working climate conducive to the development of staff members and volunteers and the attainment of the objectives of the Corporation.

#### 6. Financial Administration and Budgeting

- 6.1 Prepare the annual budget for consideration by the Corporation's Board;
- 6.2 Manage the operation of the Corporation's programs within the approved budget, subject to variance in demand and exceptional circumstances;
- 6.3 Provide periodic expenditure forecasts and financial reports to the Board;
- 6.4 Ensure the development of systems for monitoring and controlling expenditures within approved budget levels;
- 6.5 Secure, with the assistance of the Board, the resources necessary to implement and maintain the Corporation's programs;
- 6.6 Provide periodic reports as required to funding authorities; and

6.7 Ensure the development and maintenance of "risk management" policies and procedures that will minimize financial, public relations and other liabilities for the Corporation, its Board, staff, volunteers, agents and clients.

7. Corporate and Community Relationships

7.1 Build and maintain confidence in the character and integrity of the Corporation, with its clients, staff members, volunteers, collateral agencies, the public and respective levels of government;

7.2 Deal with client complaints in a manner that generally maintains positive agency/client relationships within the context of a professional service;

7.3 Alert the Board to incidents, occurrences, or activities that may place clients, staff, volunteers or the Corporation at unusual risk, censure, criticism or public disapprobation;

7.4 Subject to the Corporation's policies on communications, routinely act as the Corporation's primary spokesperson with the media and the public;

8. Authority of Position

Subject to the approved operating plan, budget and policy directives of the Corporation, the EXECUTIVE DIRECTOR has the necessary authority to carry out the responsibilities outlined for the position and to respond to legitimate emergencies as required. Authority is specifically withheld in regard to the following:

“Authorization of expenditures beyond the approved budget with the exception of variance for excessive demand and other exceptional circumstances such as emergency or crisis situations which require an immediate statutorily mandated response.”

9. Delegation of Responsibilities

The Executive Director will discharge assigned responsibilities through such senior staff, department Directors, supervisors, employees, volunteers and other positions as he/she may from time to time determine. The incumbent may delegate and assign part of the executive, managerial, functional and operating responsibilities and corresponding authority, but remains responsible for overall results.

10. Measure of Accountability

The performance of the Executive Director will be measured on an annual basis in relationship to performance of job functions and achievement of objectives. The quality of implementation of the Corporation's operating plan and budget, the handling of exceptional events, and the quality of services as reflected in the findings of accreditation and/or operational reviews will also be taken into consideration in assessing the performance of the Executive Director.

## APPENDIX 6A -OATH OF OFFICE

I, *insert name*, a Director of [Name of FHT] declare that, in carrying out my duties as a Director, I will:

- Exercise the powers of my office and fulfil my responsibilities in good faith and in the best interests of the Corporation;
- Exercise these responsibilities, at all times, with due diligence, care and skill in a reasonable and prudent manner;
- Respect and support the Corporation’s By-Law, Code of Conduct, Confidentiality Policy, other governance policies and decisions of the Board and membership;
- Keep confidential all information that I learn about clients, personnel, collective bargaining and any other matters specifically determined by Board motion to be matters of confidence, particularly those matters dealt with during in-camera meetings of the Board;
- Conduct myself in a spirit of collegiality and respect for the collective decisions of the Board and subordinate my personal interests to the best interests of the Corporation;
- Immediately declare any real or apparent personal conflict of interest that may come to my attention;
- Not use my Board position to obtain employment in the Corporation for family members or close associates;
- Not knowingly take advantage or benefit from information, not publicly available, that I obtain in the course of my duties;
- Strive to protect and ensure the proper use of property and assets of the Corporation;
- Strive to ensure that the affairs or business of the Corporation are always conducted in a legal, fair, equitable and respectful manner in all respects;
- Not make commitments to outside parties in a way that may limit my discretion to act or vote on issues currently before the Board or which may come before the Board for decision;
- Not solicit or accept transfers of economic benefit other than incidental gifts, customary hospitality or other benefits of nominal value;
- Not, in my capacity as an individual Director, exercise or seek to exercise authority over the organization except as delegated by specific resolution of the Board or general Board policy;
- Encourage employees to use formal reporting lines to raise issues for management and Board consideration and will not engage in communication with employees in a manner that undermines or subverts the authority of management or the Board; and
- Seek to protect ‘whistleblowers’ from retribution for acting in what might reasonably be construed to be ‘the best interests of the Corporation’.

I shall immediately resign my position as a Director of the Corporation in the event that I, or my colleagues on the Board, have concluded that I have breached this ‘Oath of Office’ or the Code of Conduct, and that resignation from the Board is the appropriate course of action.

I have read, understand and agree to this Oath of Office.

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Signature:

Date:

## APPENDIX 6B – CODE OF CONDUCT

[Name of FHT]

Board members, staff and volunteers of the organization will at all times conduct themselves in a manner that:

- Supports the objectives of the Corporation;
- Serves the overall best interests of the Corporation rather than any particular constituency;
- Brings credibility and good will to the Corporation;
- Respects principles of fair play and due process;
- Demonstrates respect for individuals in all manifestations of their cultural and linguistic diversity and life circumstances;
- Respects and gives fair consideration to diverse and opposing viewpoints;
- Demonstrates due diligence and dedication in preparation for and attendance at meetings, special events and in all other activities on behalf of the Corporation;
- Demonstrates good faith, prudent judgement, honesty, transparency and openness in their activities on behalf of the Corporation;
- Ensures that the financial affairs of the Corporation are conducted in a responsible and transparent manner with due regard for their fiduciary responsibilities and public trusteeship
- Avoids real or perceived conflicts of interest;
- Conforms with the By-Law and policies approved by the Board, in particular this Code of Conduct, the Oath of Office and Confidentiality and Conflict of Interest policies; and
- Publicly demonstrates acceptance, respect and support for decisions legitimately taken in transaction of the Corporation's business.

I have read, understand and agree to conduct myself in accordance with this Code of Conduct.

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Signature

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Date

## APPENDIX 6C - CONFIDENTIALITY AGREEMENT

[Name of FHT]

- Board members, agents, employees and volunteers shall not divulge any confidential information to any person unless expressly authorized by the Corporation or required by law to do so. This obligation continues indefinitely, even when no longer employed by or in the service of the Corporation;
- Confidential information includes personal information about a Board member, employee, employer, volunteer or client; and, sensitive corporate information, such as Board deliberations, proprietary, technical, business and/or financial information;
- Board members, employees and volunteers are expected to exercise due diligence in the protection of confidential information. This includes, but is not limited to, such physical measures as the locking of file cabinets, the securing of personal computer databases, password protecting mobile devices and appropriately shredding confidential documents;
- Paper files and documents shall not be removed from corporate offices unless expressly and properly authorized, recorded and signed out for a specified time and purpose;
- When remotely accessing corporate systems, a Board member or employee must do so from a secure environment using his or her own computer or one supplied by the Corporation. A Board member or employee must not access corporate information from publicly accessible systems, such as an Internet café or a friend or relative's computer, since confidential material may inadvertently remain on the outside system after such access;
- Board members and employees may not use confidential corporate information for their own benefit or for the benefit of family or other close personal or professional associates; and
- No Board member, employee, agent or volunteer shall create or participate in the creation of a false or misleading record.

I have read, understand and agree to this policy.

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Signature

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Date

## APPENDIX 6D – CONFLICT OF INTEREST DISCLOSURE FORM

[Name of FHT]

Directors Name: \_\_\_\_\_

I have reviewed my current activities and those of recent years as they may relate to the business of [Name of FHT]. I have also considered the activities of my spouse and immediate family members, employer and any related business in which I have an interest, in so far as they could be viewed to affect my objectivity and impartiality with respect to my duties as a Director of this Corporation.

I would like to bring the following to the attention of the Board of Directors as personal interests that could be perceived or real conflicts of interest: (use a signed attachment for details if necessary)

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I hereby certify that, to the best of my knowledge and judgment, I am not in a position of real, potential or apparent conflict of interest except as disclosed above.

I undertake to inform the Board of Directors of any change in circumstances or any unforeseen issues that arise in the course of the transaction of this Corporation's business that may give rise to unforeseen real, potential or apparent conflict of interest.

I undertake not to disclose or otherwise misuse confidential or privileged information, for purposes of personal gain within the spirit of this commitment, to which I may be privy as a result of my position as a Director of this Corporation.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## APPENDIX 6E – DONOR CONFIDENTIALITY POLICY

**[Name of FHT]** is a nationally registered charity, incorporated in Ontario that receives donations and expends them for such purposes within the organization’s mandate as may be designated by donors. **[Name of FHT]** is committed to protecting the privacy of the personal information<sup>6</sup> of its donors. It respects the rights of donors to have their relationship with the **[Name of FHT]** and their contributions to the Society treated with respect and confidentiality. **[Name of FHT]** values the trust of those it deals with, and of the public, and recognizes that maintaining this trust requires it to be transparent and accountable in how it treats the information that donors choose to share with it. The **[Name of FHT]** will normally share the name and mailing address of its donors with other charitable organizations unless the donor requests that his/her name be withheld from any list that is so shared. In this regard, **[Name of FHT]** will:

- Inform donors and prospective donors of this policy and their right to confidentiality by posting it on the **[Name of FHT]** website and providing a copy to prospective donors upon request;
- Limit the collection and use of donor history and personal information to only that information necessary for purposes of solicitation, receipt or recognition of donations and donors;
- Collect and use personal information only for purposes that a reasonable person would consider appropriate in light of the circumstances;
- Guard against making unwarranted or intrusive inquiries into a donor’s or prospective donor’s gift history or personal life;
- Make every reasonable effort to ensure that all personal information collected is complete and accurate;
- Ensure that donors have the right to see their own donor record and personal information and verify its accuracy or have the information corrected. The **[Name of FHT]** will establish a formal process for verification or correction of information and will inform donors of this process;
- Provide donors, upon receiving a contribution or pledge, with a formal opportunity to express their request for anonymity and to have their names excluded from any list that may be sold, exchanged, rented or otherwise shared with other organizations;
- Respect specific requests from donors to maintain their anonymity by ensuring that the **[Name of FHT]** does not publish their names, personal information or amounts of their contributions;
- Ensure that any donor records that are maintained by the **[Name of FHT]** will be kept confidential to the greatest extent possible. A donor’s right to anonymity will be limited only by legal requirements to disclose or as otherwise authorized in writing by the donor;
- Carefully safeguard the confidentiality of information that donors or prospects would reasonably expect to be private;
- Ensure that all online transactions and contributions occur through a safe, private, and secure system that protects the donor’s personal information;

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<sup>6</sup> “Personal information is any information that can be used to distinguish, identify or contact a specific individual. This information can include an individual’s opinions or beliefs, as well as facts about, or related to, the individual. Exceptions: business contact information and certain publicly available information, such as names, addresses and telephone numbers as published in telephone Directories, are not considered personal information. Where an individual uses his or her home contact information as business contact information as well, {Name of FHT} , will consider that the contact information provided is business contact information, and is not therefore subject to protection as personal information.” Privacy Policy, Canadian Centre for Philanthropy, [www.ccp.ca](http://www.ccp.ca).

- Develop and enforce terms and conditions under which donor records (including electronic files) may be accessed and by whom;
- Ensure that access to personal information is based only on the need to deal with the information for the reason(s) for which it was obtained;
- Require that volunteers and professional staff be discrete in discussing information about donors or prospects and require that such discussions be conducted in a manner that maintains confidentiality;
- Require employees and volunteers to sign a confidentiality agreement that obligates them to treat any information to which they are privileged during the course of their fundraising efforts as confidential in perpetuity;
- Ensure that information or research about donors or prospects (including electronic files) is stored securely and properly disposed of, to prevent access by unauthorized persons; and
- Routinely update electronic and other security measures to maximize protection of such information.

## APPENDIX 6F - STANDARD POLICY FORMAT

Adopted for internal operational policies and procedures as determined by the Executive Director

|                      |                 |                   |               |
|----------------------|-----------------|-------------------|---------------|
| NAME OF ORGANIZATION | POLICY SUBJECT: | ORIGINAL<br>DATE: | DATE REVISED: |
| Text:                |                 | PAGE:             |               |

## APPENDIX 6G– CHART OF COMMITTEES

|                          |   |  |
|--------------------------|---|--|
| <b>NEW</b>               | <b>Executive</b>  | <b>Finance, H.R., Audit &amp; Risk Management (<i>Executive will assume the responsibilities until the By-Law is reviewed</i>)</b>   |
| <b>Previous</b>          | Same with enhanced Terms of Reference   | Finance, Human Resources & Audit<br>Fundraising  |
| <b>Chair</b>             | Board Chair   | Treasurer  |
| <b>Composition</b>       | Officers  | Executive Committee  |
| <b>Ex officio</b>        | EXECUTIVE DIRECTOR  | EXECUTIVE DIRECTOR   |
| <b>Staff Support</b>     | EXECUTIVE DIRECTOR  | <b>Lead:</b> Director of Administration,<br>Finance & Fundraising<br>Manager of Finance<br>Manager of H.R<br>Manager of Quality Assurance  |
| <b>Focus</b>             | Board leadership  | Audit/Oversight/Control of Financial & Human Resources & Risk  |
| <b>Outline of Duties</b> | Emergency decisions<br>Board work plan<br>EXECUTIVE DIRECTOR evaluation<br>EXECUTIVE DIRECTOR succession<br>Strategic planning<br>Public complaints | Revenue/Expenditure review<br>Financial & HR systems oversight<br>Oversight of audit processes<br>Monitor general trends in HR performance<br>Ensure adequate resources to support operations without undue risks<br>Ensure adequate systems to manage and control risk and ensure business continuity<br>Monitor performance of risk management systems |

## **APPENDIX 7: EXAMPLE OF BY-LAW ARTICLE RELATING TO THE BOARD OF GOVERNORS CONDUCT OF BUSINESS**

### **ARTICLE 4- MEETINGS OF THE BOARD OF DIRECTORS**

#### **4.1 Place of Meeting**

Meetings of the Board, and of the executive committee, may be held either at the head office or at any place within or outside Ontario.

#### **4.2 Notice Meeting**

A meeting of the Board may be convened at any time by the Chair, the President, or by any two Directors. The Secretary, when directed or authorized by any such officers or any two Directors, shall convene a meeting of the Board. The notice of meeting convened as aforesaid need not specify the purpose of or the business to be transacted at the meeting. Notice of any such meeting shall be served in a manner specified in section 13.1 of this By-Law not less than 2 days before the meeting is to take place; provided always that a Director may in any manner and at any time waive notice of a meeting of the Board and attendance of a Director at a meeting of the Board shall constitute a waiver of notice of the meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called; provided further that meetings of the Board may be held at any time without notice if all Directors are present, or if all of the absent Directors waive notice of such meeting, before or after the date of the date of the meeting.

#### **4.3 Error or Omission in Giving Notice**

No error, unless the error was willful or negligent, or accidental omission, in giving notice of any meeting the Board shall invalidate such meeting or make void any proceeding taken at such meeting.

#### **4.4 Resolution in Place of Meeting**

A resolution in writing, signed by all Directors entitled to vote on that resolution at the meeting of the Board, or committees of the Board, is as valid as if it had been passed at a meeting of the Board or a committee of the Board.

#### **4.5 Adjournment**

Any meeting of the Board may be adjourned from time to time by the Chair, with the consent of Board, to a fixed time and place. Notice of any adjourned meeting of Board is not required to be given if the time and place of the adjourned meeting is announced at the original meeting.

Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The Directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting.

#### **4.6 Regular Meetings**

The Board will hold regular meetings at least quarterly in each Financial Year.

The Board may appoint a day or days in any month or months for regular meetings of the Board at a place or hour to be named by the Board and a copy of any resolution of the Board fixing the place and time of regular meetings of the Board shall be sent to each Director forthwith after being passed, but no further notice shall be required for any such regular meetings.

#### **4.7 Chair**

The chair of each meeting of the Board shall be the Chair of the Board, or such other Director who may be designated from time to time by the Chair. In the event that the Chair of the Board is absent from a meeting of the Board, the Board shall designate the chair for that meeting.

#### **4.8 Quorum**

A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. Notwithstanding vacancies at the Board, the remaining Directors may exercise all the powers of the Board as long as quorum of the Board remains in office.

#### **4.9 Voting**

Each Director is entitled to exercise one (1) vote. Unless otherwise specified herein, all business shall be decided by majority vote of the Directors in attendance. The Chair shall not have a casting vote, unless a vote is required to break a tie. Voting shall be by a show of hands except where a member requests a secret ballot.

#### **4.10 Meeting Via Telecommunication**

If all the Directors present at or participating in a meeting consent, a meeting of the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating to communicate with each other simultaneously and instantaneously. Any Director so participating shall be deemed to be present at such meeting.

## APPENDIX 8: EXAMPLES OF “ROLES AND RESPONSIBILITIES” DOCUMENTS

| <b>Role Description</b>   |   |
|---|---|
| <b>Position Title:</b> Board Chair  |   |
| <hr/>   |   |
| <b>Reporting Relationship:</b>  | Lead Physician/Executive Director – Board Chair |
| <hr/>   |   |
| <b>Position Purpose:</b>  |   |
| <p>The Board Chair will support and consult with the Executive Director and Lead Physician of the Primary Health Care Services of [ ] in meeting the needs of Family Health Teams in the Greater [ ] area. The Chair leads the board and the Executive Director manages the operational activities. Both share power in their mutual pursuit to advance the mission of the organization. This will assist in enhancing the quality and accessibility of primary health care in the area.</p>  |   |
| <hr/>   |   |
| <b>Major Responsibilities</b>   |   |
| <ol style="list-style-type: none"><li>1. Serves as the Chief Volunteer of the organization as a member of the Board</li><li>2. Is a partner with the Lead Physician/Executive Director in achieving the organization's mission</li><li>3. Provides leadership to the Board of Directors and is to whom the Lead Physician/Executive Director is accountable.</li><li>4. Chairs meetings of the Board after approving the agenda.</li><li>5. Encourages Board's role in participation in meetings, strategic planning and activities</li><li>6. Appoints the chairpersons of committees, in consultation with other Board members.</li><li>7. Serves <i>ex officio</i> as a member of committees and attends their meetings when invited.</li><li>8. Discusses issues confronting the organization with the Lead Physician/Executive Director.</li><li>9. Helps guide and mediate Board actions with respect to organizational priorities and governance concerns.</li><li>10. Reviews with the Lead Physician/Executive Director any issues of concern to the Board.</li><li>11. Monitors financial planning and financial reports in conjunction with the Treasurer.</li><li>12. Formally evaluates the performance of the Lead Physician/Executive Director and informally evaluates the effectiveness of the Board members.</li><li>13. Evaluates annually the performance of the organization in achieving its mission.</li><li>14. Orients new Board Members and committee chairpersons to the Board</li><li>15. Performs other responsibilities assigned by the Board</li></ol> |   |

### Role Description

**Position Title:** Board Chair

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### CHECKLIST FOR THE CHAIRPERSON

To make meetings creative and useful, a good chairperson is essential. The chair can make the difference between a successful, productive, stimulating meeting and a frustrating, disappointing, waste of time.

#### Before the Meeting

- Meetings are for making decisions. Be sure you understand what decisions have to be made at the meeting.
- Plan the agenda to ensure that the most important and most time-critical decisions are made first.
- Make sure that reports and information necessary to make the needed decisions are sent with the agenda in sufficient time for them to be read. (One week in advance if possible)
- Contact individuals scheduled to make a verbal report and make sure they will be present or will appoint a delegate to give the report.
- Note when someone comes unprepared to the meeting. Call them in advance of the next meeting with a reminder to read and think about the agenda items before the meeting.
- The board or committee can be severely handicapped when members are absent. Frequent absences may indicate personal problems for the member or a problem with the Board. If you have reason to think that any member is not making a serious effort to attend all meetings, call them to find out why.

#### At the Meeting

- Use a "Consent Agenda" to dispense quickly with routine and non-controversial agenda items.
- Rules of order are important to ensure that decisions are made fairly and that the rights of the majority and minorities are protected. Make sure that the rules you follow encourage adequate discussion and participation.
- Start meetings at the scheduled time.
- Introduce and welcome all newcomers.
- Summarize the issues to be discussed.
- Clarify the time-line for discussion.

- Keep a speakers list. Make sure that everyone who wishes to speak has done so before any speaker has a second opportunity.
- Encourage the quiet ones. Direct questions to them or go around the table so that everyone can comment.
- When discussion wanders, bring it back to the matter at hand.
- Be alert to nonverbal behaviours signifying dissent. Ask the dissenter to comment.
- When debate becomes confrontational and positions become entrenched, seek ways to identify the interests and values that underlie the positions and seek ways to negotiate resolution. Please reference *Resolution of Concerns* policy.
- Watch for signs that the debate has run its course. Then summarize the discussion and ask for a vote or expression of consensus. Keep to time line established.
- Ask the secretary to read all motions, amendments to be sure that they are clear, express the intent of the mover, and are correctly entered in the minutes.
- Before the meeting is adjourned (or before people start leaving), make sure that anyone who has been assigned a task is clear on their responsibilities and aware of the reporting date.
- Check to see if anyone has a problem with the next meeting date and time.
- End the meeting on time.
- Establish a “parking lot” for items that are not on the agenda and refer to next meeting.

#### **After the Meeting**

- Review the previous meeting to identify problems so that they can be addressed before the next meeting.
- Review the Annual Meeting Agenda to see what is coming up in the months ahead. Update the annual agenda if necessary.
- Review this checklist. Consider what you might do to make the next meeting better, and what long-term strategies might improve your meetings.
- Consider what you might do to assist new members, deal with absenteeism, or remediate poor performance.
- If you have a vice-chairperson or if there is someone in line for the chairperson’s role, include her or him in this review process.

## Role Description

**Position Title:** Board Secretary

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**Reporting Relationship:**

Board Chair – Board Secretary

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**Position Purpose:**

The Board Secretary or delegate is responsible for the timely distribution of Board meeting schedules, agendas and accurate and approved minutes of meetings for the Board of Directors of the Primary Health Care Services of \_\_\_\_\_ The Secretary or delegate is custodian of the organizations official records and Board correspondence. This will assist in enhancing the quality and accessibility of primary health care in the area.

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### Major Responsibilities

1. Is a participating voting member of the Board.
2. Ensures records of the Board are kept and effectively managed.
3. Oversees notification and schedule of Board Meetings are distributed by delegate in a timely manner.
4. The Secretary or delegate provides items for the agenda as appropriate. In the absence of the Chair and Vice Chair, the Secretary calls the meeting to order, presiding until a temporary chairperson is elected. The Secretary or delegate records meeting minutes as described above depending upon the by-laws and practices of the organization, the Secretary may perform these duties for Member meetings (e.g. Annual General Meeting and/or for an executive committee.
4. Is responsible for ensuring timely preparation and distribution by delegate of minutes of Board meetings. The Secretary signs a copy of the final, approved minutes and ensures that the delegate maintains this in the corporate records. Minutes should include at a minimum:
  - Date, time, location of meeting
  - List of those present and absent
  - List of items discussed
  - List of reports presented
  - Text of motions presented and description of their disposition
5. Ensures records of the organization are maintained by delegate as required by law and made available when required by authorized persons. This includes founding documents, e.g. articles of incorporation, letters patent, lists of directors, board and committee meeting minutes, financial reports and other official records such as members of the organization are available for reports, elections, other votes, etc.
6. Ensures the delegate maintains an up-to-date copy of the by-laws that is available at all meetings.
7. The Secretary or delegate manages the Board's general correspondence except for such correspondence assigned to others.

### **Role Description**

**Position Title:** Board Treasurer

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**Reporting Relationship:**

Board Chair – Board Treasurer

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**Position Purpose:**

The Board Treasurer or delegate oversees finances of the organization and approves funding applications for the Board of Directors of the Primary Health Care Services of \_\_\_\_\_ This will assist in enhancing the quality and accessibility of primary health care in the area.

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### **Major Responsibilities**

1. Is a member of the Board
2. Oversees finances of the organization, ensuring that funding and expenditures within budget and detailed and presented to the Board as requested
3. Oversees annual budget to the board for members' approval
5. Oversees audit statement and financial position preparation for presentation to the Annual General Meeting
5. Oversees development and board review of financial policies and procedures

## Role Description

**Position Title:** Board Vice Chair

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**Reporting Relationship:**

Board Chair – Vice Chair

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**Position Purpose:**

The Board Vice Chair will support and consult with the Chair to support the Executive Director and Lead Physician of the Primary Health Care Services of \_\_\_\_\_ in meeting the needs of Family Health Teams in the Greater \_\_\_\_\_ area. The Vice Chair is typically successor to the Chair position. This will assist in enhancing the quality and accessibility of primary health care in the area.

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## Major Responsibilities

1. Is a member of the Board.
2. Performs Chair responsibilities when the Chair cannot be available (see Chair Role Description).
3. Reports to the Board's Chair.
4. Works closely with the Chair and Lead Physician/Executive Director and other staff as agreed by the Lead Physician/Executive Director.
5. Participates closely with the Chair to develop and implement officer transition plans.
6. Performs other responsibilities as assigned by the Board.

## APPENDIX 9: EXAMPLES OF DOCUMENTS RELATED TO THE CONDUCT OF BOARD OF DIRECTORS MEETINGS

### **Board of Directors Meetings**

#### **Order of business--[per agenda circulated in advance]**

- I. Opening of meeting (Chair)
- II. Submission of minutes of previous meeting (Secretary)
- III. Reading of reports, i.e. Treasurer's, Fund-Raising, Program Committee's and discussion
- IV. Old business to be brought forward
  - A. Unfinished business from previous meetings
  - B. Motions that were tabled from previous meetings
- V. New business--motions to be made for voting by the board
- VI. Meeting closing (on schedule)

#### **Discussion**

Only members and guests recognized by the Chair may speak.

#### **Motions and Voting**

Generally, before any item can be discussed, there should be a motion made and seconded. Once a motion has been seconded, discussion will follow. After discussion, one of four things can happen:

- There can be a vote on the motion.
- The motion can be amended (second required). Then there can be discussion on the amendment. The amendment can be voted. If the amendment passes, the motion automatically passes. If the amendment fails, the motion still stands and can be discussed until voted.
- The motion can be tabled (second required). There can be no discussion on a motion to table--a vote must be taken immediately. If the vote is to table, no further discussion can take place on the motion.
- There may be no action on the motion--therefore it becomes old business at a future meeting.

Motions must be clear and concise. A motion to "improve fund-raising" would be vague and discussions could meander. However, a motion to "sponsor a benefit golf tournament" is specific and could be effectively discussed and acted on.

#### **Committees**

Make general board meetings more productive by use of committees and rely on committee reports as a basis for action. Committees can sort through minutiae and come forward with a well-developed proposal for the whole board to consider. Committees can also be a development pool for future board members.

**Disagreements** The Chair of the meeting is responsible for maintaining order. On procedural questions, the Chair's ruling will be determinative and final.

## **Board of Directors Minutes**

**06/12/2007**

**1:00 PM**

**150 KING STREET - BOARDROOM**

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**Facilitator:**

**Minute taker:**

**Attendees:**

**Regrets:**

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**1. Meeting called to order**

\_\_\_\_\_ called the meeting to order at 1:00 PM

**2. Constitution of Meeting and Quorum**

Notice of the meeting having been properly given to each Board member and a quorum of Board members being present at the meeting, \_\_\_\_\_ declared the meeting duly constituted for the transaction of business.

**3. Declaration of Conflicts of Interest**

\_\_\_\_\_ requested that those in attendance declare any conflicts of interest. No conflicts were declared.

1

**4. Approval of Minutes**

**MOTION:** It was moved by \_\_\_\_\_ to support the minutes as circulated

**SECONDED:** By \_\_\_\_\_

**MOTION CARRIED:** All in favour

**5. Approval of Agenda**

The agenda was accepted as circulated.

**6. Executive Director Report**

\_\_\_\_\_ discussed the previously circulated briefing notes:

- 

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- 

7. **Other Business**

**Motion of Adjournment**

**MOTION:** Made by \_\_\_\_\_ that the meeting be ajourned

**SECONDED:**

**MOTION CARRIED:** All in favour

The Chair, \_\_\_\_\_ declared the meeting adjourned at 1:40 PM

As evening clinics, committees for members have changed, the next meeting date in September TBD as the Board will look to revising meeting dates to year end based on the best availability for everyone.

\_\_\_\_\_  
Minute Taker

\_\_\_\_\_  
on behalf of the Secretary of the Board

## APPENDIX 10: PRIMARY HEALTHCARE MODELS IN ONTARIO

|                                 | Date program announced | How Drs. Join   | How Patients join   | Types of Providers  | Services provided  | How Drs. are paid  | Hours available   | Other features   |
|---------------------------------|------------------------|---|---------------------|---|--|--|---|--|
| <b>Family Health Team (FHT)</b> | December 2004          | Must participate in an eligible (non-FFS) PHC model incl. FHT Blended Salary that is part of one of the 150 FHTs announced across Ontario | Sign enrolment form | <p>Interdisciplinary providers which include Physicians, and depending on need, may include Nurses, NPs, dietitians, pharmacists, social/mental health workers and other providers</p> <p>Options for FHTs to include physician specialists, lab services, x-rays, ultrasound and minor day surgery are dependent on community size and need.</p> | <p>Comprehensive primary health care</p> <p>Preventive Care Management</p> | <p>Through one of the existing Non-FFS models (e.g. FHN, RNPGA)</p> <p>FHT will also provide opportunities for operational overhead and transition support, including one-time funding to support space renovation/infrastructure for allied health professionals, support for information technology.</p> | <p>Regular Office Hours plus: After hours care will be provided</p> | <p>FHTs build on existing non-FFS PHC models to provide enhanced comprehensive primary health care, incl. (THAS), chronic disease management and prevention programs, through interdisciplinary health care teams.</p> |

|                                  | Date program announced | How Drs. Join  | How Patients join   | Types of Providers | Services provided   | How Drs. are paid               | Hours available  | Other features |
|----------------------------------|------------------------|----------------|---------------------|--------------------|---|---------------------------------|--|----------------|
| <b>Family Health Group (FHG)</b> | July 1, 2003           | Sign agreement | Sign enrolment form | Physicians         | Comprehensive primary health care<br><br>Preventive Care Management | Fee-for-Service plus incentives | Regular Office Hours plus:<br>3 hour sessions in evening (Mon-Thurs),<br>1 on weekend = 1 session per physician per week up to 5 sessions.<br>Extra sessions can be added as required by the volume and needs of the patients. | THAS           |

|                                    | Date program announced | How Drs. Join                     | How Patients join   | Types of Providers                      | Services provided   | How Drs. are paid   | Hours available  | Other features |
|------------------------------------|------------------------|-----------------------------------|---------------------|---|---|---|--|----------------|
| <b>Family Health Network (FHN)</b> | November 2001          | Sign governance and FHN agreement | Sign enrolment form | Physicians, NPs, Office Practice Nurses | Comprehensive primary health care<br><br>Preventive Care Management | Capitation based on a basket of primary care office-based procedures and services provided to Enrolled Patients based on age/sex of each patient. Fee-for-service paid for other services. Bonuses and incentives are paid for services such as preventive care, prenatal care and home visits for enrolled patients and for hospital visits obstetrical care and palliative care for all patients. | Regular Office Hours plus:<br>3 hour sessions in evening (Mon-Thurs),<br>1 on weekend = 1 session per physician per week up to 5 sessions.<br>Extra sessions can be added as required by the volume and needs of the patients. | THAS           |

|  | <b>Date program announced</b>                               | <b>How Drs. Join</b> | <b>How Patients join</b> | <b>Types of Providers</b>   | <b>Services provided</b>          | <b>How Drs. are paid</b>                             | <b>Hours available</b>  | <b>Other features</b>   |
|--|---|----------------------|--------------------------|---|-----------------------------------|--|---|---|
| <b>Rural and Northern Physician Group Agreement (RNPGA) Group 1 - formerly Northern Group Funding Plans (NGFP)</b> | April 1999<br>Effective April 2004 (signed in January 2005) | Sign group agreement | Sign enrolment form      | Physicians, Office Practice Nurses<br><br>Through FHTs grants for other allied health professionals (Registered Nurses Dietitians, Chiropodists, Social Workers, Mental Health Workers) | Comprehensive primary health care | Complement based salary, plus bonuses and incentives | 40 hrs per week plus on call/ ED coverage/or 24-hour emergency on call coverage | THAS<br>Joined with CSC for new RNPGA agreement<br><br>Communities whose population supports 3-7 physicians   |
| <b>RNPGA Group 2 formerly Community Sponsored Contracts (CSC)</b>  | 1996<br>Effective April 2004 (started signing in May 2005)  | Sign group agreement | Sign enrolment form      | Physicians, Office Practice Nurses  | Comprehensive primary health care | Complement based salary, plus incentives             | 40 hrs per week plus ED or on-call coverage.                                    | THAS<br>Joined with NGFP for new RNPGA agreement<br><br>Communities whose population supports 1-2 physicians. |

|   | Date program announced  | How Drs. Join                     | How Patients join   | Types of Providers  | Services provided   | How Drs. are paid  | Hours available  | Other features           |
|---|---|-----------------------------------|---|---|---|--|--|--------------------------|
| <b>Community Health Centre (CHC)</b>    | Mid- 1970's   | Physicians are salaried employees | Patients may enrol to CHC (group) with assigned physician | Physicians, NPs<br>Nurses,<br>Counselors,<br>Dietitians,<br>Chiropodists,<br>Health Promoters<br>and others   | Comprehensive primary healthcare<br>Community Health Outreach<br>Community development<br>Preventive Care<br>Management | Complement based salary, plus incentives   | Regular Office Hours plus:<br>After hours care will be provided based on minimum of 3hr/FTE physician up to 15hr/wk  | 24/7 on-call requirement |
| <b>Family Health Organization (FHO)</b> | New Harmonized HSO and PCN model (Implemented November 1, 2006) | Sign agreement                    | Sign enrolment form                                       | Physicians, NPs,<br>Office Practice Nurses<br><br>Through ISP grants: Nurses,<br>Dietitians,<br>Chiropodists,<br>Social Workers,<br>Mental Health Workers | Comprehensive primary health care   | Capitation based on a defined basket of primary care services provided to enrolled patients, with bonuses and premiums similar to FHN. | Same as FHN - Regular Office Hours plus:<br>Mon-Thurs (5:00pm-8:00pm)<br>3 hours on weekend                          | THAS                     |
| <b>Comprehensive Care Model (CCM)</b>   | July 2005 with implementation in October 2005                   | Sign agreement                    | Sign enrolment form                                       | Physicians  | Comprehensive primary health care<br>Preventive Care<br>Management  | Fee-for-Service plus incentives  | Regular Office Hours plus:<br>One 3 hour session in evening (Mon-Thurs)<br>or 1 session on weekend - solo physicians |                          |

## **APPENDIX 11: EXAMPLE OF A RESOLUTION IDENTIFYING FIRST DIRECTORS**

“ Resolution of Directors”

### **Resolution of the Board of Directors**

Be it resolved that:

#### A. Appointment of Officers

the following persons are hereby appointed officers of the corporation:

President:

Chair:

Treasurer:

Secretary:

The undersigned being all of the Directors of the Corporation, hereby sign the foregoing resolution the 27<sup>th</sup> day of November, 2006.

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## 6. REFERENCES AND LINKS

### References

*Dictionary.com Unabridged (v 1.1)*. Random House, Inc. 16 Aug. 2007. <Dictionary.com  
<http://dictionary.reference.com/browse/resolution>>

Harris, Douglas A. *et al*, *Cases, Materials and Notes on Partnerships and Canadian Business Corporations* 4<sup>th</sup> ed. (Toronto: Thomson, 2004).

### MOHLTC Guides

*The MOHLTC Guide to FHT Governance & Accountability*

[http://www.health.gov.on.ca/transformation/fht/guides/fht\\_governance2.pdf](http://www.health.gov.on.ca/transformation/fht/guides/fht_governance2.pdf).

*The MOHLTC Guide to FHT Strategic and Program Planning*

[http://www.health.gov.on.ca/transformation/fht/guides/fht\\_strategic.pdf](http://www.health.gov.on.ca/transformation/fht/guides/fht_strategic.pdf).

### Private Associations or Firms

*College of Family Physicians of Canada Governance Resource Guide*: <http://ResourceGuide.cfpc.ca/en/governance/index.php>

Cassels Brock LLP Checklist: <http://www.casselsbrock.com/publicationdetail.asp?aid=877>

Osborne Group: <http://www.osborne-group.com/home.htm>

Med-Emerg: <http://www.med-emerg.com/overview-press.html>

### Other Government Links

Corporations Canada guide to incorporating under *Canada Corporations Act*

[http://strategis.ic.gc.ca/epic/site/cd-dgc.nsf/vwapj/13-2E\\_23-04-07.pdf/\\$file/13-2E\\_23-04-07.pdf](http://strategis.ic.gc.ca/epic/site/cd-dgc.nsf/vwapj/13-2E_23-04-07.pdf/$file/13-2E_23-04-07.pdf).

Corporations Canada *Primer for Directors of not-for-profit corporations (Rights, Duties and Practices)*

[http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h\\_cs03937.html](http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h_cs03937.html).

Ontario Ministry of Government Services <http://www.mgs.gov.on.ca/en/Home/index.htm>

## **Legislation**

*Canada Corporations Act*

<http://lois.justice.gc.ca/en/ShowFullDoc/cs/C-1.8///en>

*Ontario Corporations Act*

[http://www.e-laws.gov.on.ca/html/statutes/english/elaws\\_statutes\\_90c38\\_e.htm](http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90c38_e.htm)

*Ontario Limited Partnerships Act*

[http://www.e-laws.gov.on.ca/html/statutes/english/elaws\\_statutes\\_90l16\\_e.htm](http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90l16_e.htm)

*Ontario Partnerships Act*

[http://www.e-laws.gov.on.ca/html/statutes/english/elaws\\_statutes\\_90p05\\_e.htm](http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90p05_e.htm)

*Ontario Business Corporations Act*

[http://www.e-laws.gov.on.ca/html/statutes/english/elaws\\_statutes\\_90b16\\_e.htm](http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90b16_e.htm)