

# **Executive Limitations Policy**

Waterloo Co-operative Residence Incorporated

As approved by the Board of Directors and incorporating all changes through **October 1<sup>st</sup>, 2011**.

*(Note that in this policy the singular includes the plural)*

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## Revision History

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Date	Revisionist	Summary of Changes
2011 July 17	Herman Leung	Formatting change
2011 October 1	Herman Leung	Updated 6.1

## External Cross-References

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Section(s)	Policy/Section Referenced	Referencing Policy	Section(s)
	Ends Policies	General Manager Policy	Appendix A,B

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## Article 1: Introduction

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**Section 1.1:** This policy restricts the activities of the general manager of the Waterloo Cooperative Residence Incorporated (the co-op) in the means used to fulfill the Ends Policies. It in no way supersedes the Co-operative Corporations Act of Ontario (CCA) or the Bylaws of the co-op.

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## Article 2: General Organizational Policies

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**Section 2.1:** The general manager will not engage in nor condone any illegal or reasonably imprudent or unethical organization practice.

**Section 2.2:** The general manager shall not operate with any means policies that are contradictory to the mission statement, ends policies or executive limitations policies.

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## Article 3: Vendor Relations

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**Section 3.1:** The general manager shall not operate without a Vendor Relations Policy.

**Section 3.2:** The general manager shall not choose a vendor without ensuring equal and fair opportunity to a reasonable number of vendors and without ensuring our co-op's principles and strategic plan are being met.

**Section 3.3:** The general manager shall not purchase an unbudgeted asset or engage a service where the annual contract exceeds \$25,000 without obtaining a minimum of three (3) quotes.

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## Article 4: Asset Protection

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**Section 4.1:** The general manager shall not operate without an annual reasonable and regularly updated inventory of assets<sup>1</sup> tracking any asset initially valued over \$500 and its current condition.

**Item 4.1.1:** The general manager shall not operate without a schedule for upkeep and maintenance of large assets. Any large asset falling into a state of disrepair and no longer able to fulfill its intended use or those damaged by acts of vandalism shall be reported to the board.

**Item 4.1.2:** The general manager shall not operate without reporting on depreciation of assets whose initial purchase exceeds \$1000.

**Section 4.2:** The general manager shall not operate without reasonable security measures to protect the members' and co-op's assets.

**Item 4.2.1:** The general manager shall not operate without an externally monitored security system protecting the co-op's assets in the boardroom and the personal information of members, staff, and directors along with other co-op assets in the office.

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<sup>1</sup> Defined according to the Treasury Board of Canada Secretariat:  
[http://www.tbs-sct.gc.ca/pubs\\_pol/dcgpubs/accstd/capasset1-eng.asp](http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/accstd/capasset1-eng.asp)

**Section 4.3:** The general manager shall not operate without insurance covering replacement value of all assets owned by the co-op.

**Section 4.4:** The general manager shall not operate without insurance covering commercial liability insurance and director and officer liability insurance equivalent to the student co-operative housing industry standard.

**Section 4.5:** The general manager shall not operate without umbrella insurance equivalent to the industry standard.

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## **Article 5: Financial Practices**

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### **Section 5.1: General**

**Item 5.1.1:** The general manager shall not cause less than two persons to be able to release the funds of the co-op for amounts greater than \$10,000.

**Item 5.1.2:** The general manager shall not operate with debt that is greater than the current book value of the co-op's assets.

**Item 5.1.3:** The general manager shall not allow accounts payable or accounts receivable to become unreasonably overdue.

**Item 5.1.4:** The general manager shall not operate without appropriate reserve funds and associated reserve policy.

**Item 5.1.4.1:** The general manager shall not operate without a reserve used to protect against insolvency or unplanned emergency capital expenditures.

**Item 5.1.4.2:** The general manager shall not operate without a reserve used to facilitate the redevelopment of the properties and buildings of the co-op.

**Item 5.1.4.3:** The general manager shall not operate without a reserve used to facilitate the funding of the repair, renewal or replacement of the co-op's capital assets.

**Item 5.1.4.4:** The general manager shall not operate without a negative cash flow reserve fund with a minimum of \$200,000, that reasonably protects the co-op during time periods of anticipated negative cash flow.

**Item 5.1.5:** The general manager shall not operate without appropriate internal controls and associated policy.

**Item 5.1.6:** The general manager shall not undertake the procurement of unbudgeted land and/or buildings.

### **Section 5.2: Budget**

**Item 5.2.1:** The general manager shall not operate without a current board approved budget.

**Item 5.2.2:** The general manager shall not create a budget without provisions for board and director related expenses.

### **Section 5.3: Reporting**

**Item 5.3.1:** The general manager shall not operate without reporting both month-to-date and year-to-date variances that exceed \$1000.00 and 10% of the budget, with a written explanation for each variance.

**Item 5.3.2:** The general manager shall not operate without reporting a statement of financial position including but not limited to cash flow, debts, and reserves once a term for the preceding term.

## Article 6: Staff Relations

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**Section 6.1:** The general manager shall not operate without an established policy on personnel processes.

**Item 6.1.1:** The general manager shall not terminate any employee who is past their probationary period without sufficient reporting on progressive discipline. Notification of employee termination must be provided to the board of directors no later than one week afterward.

If there is an emergency case requiring immediate action, the general manager must contact the president, or if the president is unavailable, the vice-president or the corporate secretary for verbal notification of the termination.

**Item 6.1.2:** The general manager shall not operate without reporting on significant or recurring personnel issues adversely affecting the operation or well-being of the co-op.

**Item 6.1.3:** The general manager shall not operate without an outline as to how staff will be compensated.

## Article 7: Member Relations

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**Section 7.1:** The general manager shall not operate without a policy on member relations.

**Item 7.1.1:** The general manager shall not treat any member inequitably, unfairly or disrespectfully as outlined by established codes of conduct, value and mission statements, relations policies and CCA<sup>2</sup>.

**Section 7.2:** The general manager shall not use mandatory member participation to maintain a clean environment.

**Section 7.3:** The general manager shall not allow divisions to operate with more than two mandatory meetings each term.

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<sup>2</sup> Co-operative Corporations Act:  
[http://www.e-laws.gov.on.ca/html/statutes/english/elaws\\_statutes\\_90c35\\_e.htm](http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90c35_e.htm)