

Waterloo Co-operative Residence Incorporated

## **Executive Limitations Policy**

As approved by the Board of Directors,  
and incorporating all changes through:

**27 March 2010**

*(Note that, in this policy, the masculine shall include the  
feminine and the singular shall include the plural)*

## **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 or the bylaws of the co-op.

## **Article 2: General Organizational Policies**

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**Section 2.1:** The general manager will not act in a way such that any organizational practice which is illegal, imprudent or unethical occurs.

**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.

## **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 are being met.

## **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 tracking any asset initially valued over \$50 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 shall be reported to the board.

**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 board room and the personal information of members, staff and directors along with other Co-op assets in the office.

**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.

## **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 purchase an unbudgeted asset or engage a service where the annual contract exceeds \$25,000 without obtaining a minimum of three quotes.

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

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

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

**5.1.5.3:** 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.

**5.1.5.4:** 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 5.1.6:** The general manager shall not operate without appropriate internal controls and associated policy.

**Item 5.1.7:** 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 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 first providing notice to the Board of Directors with sufficient reporting on progressive discipline. This must be done at least one week before employee termination.

If there is an emergency case requiring immediate action, the general manager must contact the president, or if the president is unavailable, any member of the Board of Directors Executive for verbal confirmation of the termination.

**Item 6.1.2:** The general manager shall not operate without reporting on personnel issues affecting the operation 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.

**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.