

# CAPACITY PLUS

Organizational Capacity Resource Guide for  
Ontario's Community Literacy Agencies

*Vicki Trottier & Joanne Kaattari*



## **CAPACITY PLUS:**

Organizational Capacity Resource Guide for Ontario's Community Literacy Agencies

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80 Bradford Street, Suite 508, Barrie, Ontario, Canada L4N 6S7

Tel: 705-733-2312 • Fax: 705-733-6197 • Email: [clo@bellnet.ca](mailto:clo@bellnet.ca) • Web: [www.nald.ca/clo.htm](http://www.nald.ca/clo.htm)

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Research and Writing: *Vicki Trottier and Joanne Kaattari*  
Project Manager: *Joanne Kaattari*  
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Advisory Group: *Janet Campbell, Connie Morgan, Irene Wilmot*  
Copy Editor: *Tamara Kaattari*  
Desktop Publishing: *Steve Knowles, The Right Type*  
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# 1

## Introduction

CAPACITY PLUS

Community Literacy of Ontario (CLO) is a provincial literacy network of just over 100 community literacy agencies across Ontario. We are very pleased to present our newest resource: *Capacity Plus: Organizational Capacity Resource Guide for Ontario's Community Literacy Agencies*.

*Capacity Plus* is part of an innovative project sponsored by CLO called "Capacity Institute and Resource Guide." This project was funded by the Ministry of Training, Colleges and Universities, and it had three major deliverables:

### A. Organizational Capacity Institute

CLO held a highly successful two-day "Organizational Capacity Institute" for 50 community literacy agencies in November 2009 in Kingston. A variety of workshops were held, and many tools and resources were shared to help literacy agencies strengthen their organizational capacity.

### B. Organizational Capacity Research

CLO conducted research into organizational capacity needs and promising practices in the literacy community and broader non-profit sector.

Our research methods included:

- ▶ Conducting over 30 program visits with literacy agencies and networks
- ▶ Holding focus groups with literacy practitioners
- ▶ Conducting telephone interviews with literacy practitioners
- ▶ Conducting Internet and print-based research
- ▶ Receiving informed advice from the project advisory committee and the CLO board of directors
- ▶ Receiving informed advice from other Employment Ontario stakeholders and experts in non-profit management
- ▶ Gathering input at CLO's Capacity Institute

## C. Organizational Capacity Resource Guide

CLO's third goal was to research and write the *Capacity Plus* guide.

Community Literacy of Ontario wrote *Capacity Plus* in order to assist literacy agencies to further develop, strengthen and showcase their organizational capacity. Organizational capacity is about all of the good work that literacy agencies do to improve their performance. Organizational capacity has always been a key part of Ontario's literacy agencies, as they are accountable to learners, communities, and funders for running effective and efficient organizations. However, organizational capacity is now an increasingly critical issue for literacy agencies as they undergo transformation within Employment Ontario in the coming years.

*Capacity Plus: Organizational Capacity Resource Guide for Ontario's Community Literacy Agencies* contains the following chapters:

### Financial Management

Topics covered in this chapter include:

- ▶ Whose Responsibility is it?
- ▶ Legal Requirements
- ▶ Budgeting
- ▶ Operational Financial Management
- ▶ Financial Statements
- ▶ Preparing for an Audit
- ▶ Registered Charities
- ▶ MTCU Requirements
- ▶ Useful Tools and Samples
- ▶ Sample Financial Policies
- ▶ Additional Resources and Training

### Human Resources Management

Topics covered in this chapter include:

- ▶ Legal Requirements
- ▶ Hiring Practices
- ▶ Job Descriptions
- ▶ Rate of Pay
- ▶ When Problems Arise
- ▶ Safety and Security
- ▶ Performance Reviews

- ▶ When Employees Leave
- ▶ Succession Planning
- ▶ Volunteers
- ▶ Sample Policies
- ▶ Additional Resources and Training

### **Risk Management**

Topics covered in this chapter include:

- ▶ Benefits of Risk Management
- ▶ Risk Management Planning
- ▶ Financial Risk Management
- ▶ Human Resources Risk Management
- ▶ Safety and Security
- ▶ Health and Safety
- ▶ Risks to Reputation
- ▶ Cyber Risks
- ▶ Insurance
- ▶ Privacy
- ▶ Sample policies
- ▶ Additional Resources and Training

### **Customer Service Management**

Topics covered in this chapter include:

- ▶ Customer Service Management and Literacy
- ▶ Identifying Your Customers
- ▶ Assessing Customer Needs and Satisfaction
- ▶ CLO's Customer Service Quality Statements
- ▶ Tools for Change
- ▶ Customer Service in Action
- ▶ Customer Service and Employment Ontario
- ▶ Additional Resources and Training

### Other Topics

In this chapter, CLO overviews four key topics related to organizational capacity:

- ▶ Strategic planning
- ▶ Program evaluation
- ▶ Board governance
- ▶ Marketing

These topics have been combined into this “Other” chapter, as opposed to having a separate chapter about each. We did not create separate chapters for each of these topics because CLO has already prepared exemplary resources on these topics. This “Other” chapter will instead provide an overview, point you to CLO resources, and highlight several helpful new resources from other organizations related to these key topic areas.

### A Few Last Words...

We hope you find CLO’s *Capacity Plus* resource guide to be helpful to the critical work that you do in supporting the important cause of literacy. Please email CLO at [clo@bellnet.ca](mailto:clo@bellnet.ca) to let us know how you used our resource guide and what you found most helpful. And be sure to share any additional or new organizational capacity resources you discover with us.

Unless otherwise attributed, the content of *Capacity Plus* belongs to Community Literacy of Ontario. As with all CLO resources, this resource guide may be freely used and photocopied by nonprofit organizations, provided that credit is given to Community Literacy of Ontario.

This resource guide is meant to provide a general overview of organizational capacity issues. This guide is not meant to provide legal advice; we encourage you to consult a reputable professional to address any complex or legal issues that may be facing your agency.

All websites in this resource guide were current at time of publication.

We have circulated free printed copies of *Capacity Plus* to our members and a PDF version is freely available on the CLO website at [www.nald.ca/clo](http://www.nald.ca/clo) (just click under CLO Publications).

# 2

## Financial Management

CAPACITY PLUS

### Introduction

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All community-based literacy agencies in Ontario are incorporated not-for-profit organizations or are associated with such an organization (e.g., libraries, multi-service agencies, municipalities, social service agencies). When an organization is incorporated as a not-for-profit it means that no individual member gains a profit from any work or programming that is carried out. However it is perfectly acceptable, and even encouraged, for the organization to make money that can be carried forward to future years as a surplus or reserve fund. Such funds (or “profits”) must be used to carry out organizational programs and services and cannot be for the personal gain of organizational members and staff (beyond acceptable and approved remuneration of expenses and wages).

As an incorporated not-for-profit, your agency must comply with the Corporations Act. For example, you must keep proper books of accounts, keep minutes of meetings, maintain copies of letters patent and bylaws, and keep an up-to-date register of directors and members. You must also hold an annual members’ meeting and, if your agency receives more than \$100,000 in annual income, you must appoint an auditor each year. We will go into this in more detail in the “Audit” section of this chapter. For more information about not-for-profit corporations, see Community Literacy of Ontario’s *Board Governance* module on *Literacy Basics* ([www.nald.ca/literacybasics](http://www.nald.ca/literacybasics)).

Many Ontario literacy agencies are also registered charities. We will discuss charitable status and share some charity-specific resources and information further on in this chapter.

This chapter will also look at some of the key areas of financial management in Ontario’s literacy agencies, including budgeting, day-to-day operations, financial statements and financial policies. We have included a number of weblinks that you can follow for additional information throughout the chapter, and we have included

a list of additional resources at the end. We have also included useful tools such as checklists and sample policies that you can download and adapt to meet your agency's particular needs and situation.

This chapter will not cover every aspect of financial management because there are too many specific situations and variables to make that possible. This chapter is intended to be general in nature and to provide a starting point for you to explore financial management in your agency. The information included in this chapter is not intended as professional or legal advice. For advice about specific financial situations in your agency or to clarify any information in this chapter, be sure to consult reputable professionals such as accountants, lawyers, etc.

The information in this chapter was, to the best of our knowledge, accurate at the time of publication. However, laws and regulations change regularly. Always consult with the appropriate agency and/or professional for the most up-to-date information. Links to websites were accurate at the time of publication.

## Whose Responsibility Is It? (Financial Accountability)

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The financial management of a not-for-profit organization is a shared responsibility between the Board of Directors and the staff. To ensure effective and efficient management, specific responsibilities should be identified in agency policies. For example, day-to-day operational management (paying bills, record keeping, processing charitable donations, etc.) will likely be a staff responsibility whereas approving budgets and financial reports is the responsibility of the Board of Directors. Specific tasks may be carried out by designated staff members (of the literacy agency and/or of a larger host organization if applicable), an external bookkeeper, the Treasurer, the Finance Committee and/or the Board of Directors as a whole.

Exactly who does what will vary depending on the size and structure of your organization. For example, in an agency that is associated with a host organization, financial record keeping may be done in a central office with reports prepared for review on a regular basis. In a stand-alone agency, a staff member or an outside contracted bookkeeper may be responsible for day-to-day record keeping. In a small agency, a volunteer Treasurer or bookkeeper may take on this task. However, it is important to keep this type of record keeping function separate from the approval function. For example, the bookkeeper may write the cheques, but the Executive Director and the Treasurer might sign them. Keeping the administrative functions separate from the approval and monitoring functions reduces the risk of misuse of funds.

Regardless of who takes care of the operational end of financial management (record keeping, bookkeeping), it is ultimately the responsibility of the Board of Directors to ensure that proper financial policies and procedures are in place and are being followed. It is important to ensure that all financial obligations are met and that all expenses are in accordance with established organizational objectives. Failure to meet financial requirements could even result in individual liability for Directors. For example, individual members may be held liable if payroll deductions are not remitted as required. Although the actual remittance of these deductions is probably done by a staff person or contract bookkeeper, it is the Board of Director's responsibility to ensure that all financial requirements are met on a timely basis.

The Board of Directors is also responsible for meeting any financial requirements attached to funding the agency receives. For example, MTCU's Program Monitoring Report clearly lays out some of these responsibilities including:

- ▶ Activities are appropriate for LBS funding
- ▶ Financial documentation shows expenses linked to LBS activity
- ▶ Expenses are consistent with budgets and variances are explained
- ▶ Accounts are kept up to date
- ▶ Reports are submitted on time and meet MTCU requirements
- ▶ Financial reporting and data contributes to program evaluation and planning

It is imperative that anyone serving on a Board of Directors understand his or her financial obligations and responsibilities, including fully understanding the budgets and financial statements that are being monitored and approved. Although training in financial management can be helpful, Directors do not have to be accountants or bookkeepers to contribute to financial discussions.

If there are financial issues that a Director does not understand, it is his or her responsibility to gain an understanding. Board members can be held liable if they are not fulfilling their responsibilities, which include reviewing and approving budgets and financial statements, particularly if funds are being misused or even misappropriated, if government remittances are not made, if charitable receipts are issued incorrectly, etc. As a Director, it is up to you to ensure that all financial matters are carefully reviewed and that appropriate controls and procedures are in place so that you can clearly demonstrate you have done your due diligence should issues arise. It is also up to board members to question any financial issues they are unsure of or uncomfortable with. Board members should always ask for clarification, or even training, if they do not understand financial concepts or procedures.

Board members are also responsible for ensuring that they are aware of, and address, any potential conflicts of interest related to financial matters. Potential conflicts can include, but are not limited to, the awarding of contracts for services (e.g., bookkeeping, building maintenance, computer repairs or any other service), the choice of one supplier over another, rental or lease agreements, and hiring and remuneration of staff.

### **The Finance Committee and the Treasurer**

Many organizations will establish a Finance Committee that is responsible for overseeing anything to do with financial management. This does not mean, however, that only committee members are responsible for financial issues! Although the Finance Committee should carefully review all financial matters and suggest any changes to policies and procedures, it is still up to the Board of Directors as a whole to approve any actions. For example, the Finance Committee may work with staff to prepare a draft budget or recommend the implementation of a new procedure, but a formal motion must be approved and passed by the entire Board of Directors before any changes can take place.

A Finance Committee is usually made up of two or more members from the Board of Directors along with the Executive Director or other senior staff. Often, the Treasurer will chair the committee. The Treasurer is generally the person who makes motions regarding any financial matters. For example, at the Annual General Meeting, it is the Treasurer who presents the motions to accept financial statements and to appoint auditors for the coming year. The Finance Committee should have terms of reference, and the Treasurer should have a position description so that their duties and responsibilities are clear. We have included samples at the end of this chapter.

One of the Finance Committee's key responsibilities is to ensure that good financial systems are in place. Even if your agency has been operating for many years, a regular review of financial procedures could result in increased efficiency and improvement. For example, if the Board of Directors doesn't understand the financial reports, the Finance Committee could arrange training for the Board of Directors and/or it could work with staff to develop clearer reports. Sometimes an agency is part of a larger organization such as a municipality or library. In this case, the Finance Committee members may not have much, if any, input into the day-to-day financial procedures being used, but they should be able to work with staff to ensure that reports are clear and meaningful and that the Board of Directors has the information it needs to make informed decisions.

In a small organization, the Treasurer may do some or all of the day-to-day financial operations such as writing cheques, making journal entries or balancing bank accounts. In this situation, the Finance Committee should regularly review transactions to provide a measure of "check and balance" to the financial system. If a staff person or contract staff is responsible for the day-to-day operations, the Treasurer should conduct periodic reviews of the books to ensure that all procedures are being followed. During these reviews, the Treasurer or Finance Committee should verify that all required payroll deductions are being made and remitted properly and that staff is being paid approved wages and benefits. The review should also verify that all financial records are accurate and consistent; for example, does the bank account balance? Do expense and income records agree with the financial statement?

A review of the books and financial transactions should not be seen as a lack of trust in the person or people responsible. Rather, it provides an extra level of protection and accountability for staff, volunteers, Directors and the agency.

For more information about establishing a Finance Committee and choosing a Treasurer, please see these informative articles from the NonProfits Assistance Fund:

- ▶ [www.nonprofitsassistancefund.org/files/MNAF/ArticlesPublications/TreasurerFinanceCommittee06.pdf](http://www.nonprofitsassistancefund.org/files/MNAF/ArticlesPublications/TreasurerFinanceCommittee06.pdf)
- ▶ [www.nonprofitsassistancefund.org/files/MNAF/ArticlesPublications/Make\\_Good\\_Use\\_of\\_the\\_Treasurer.pdf](http://www.nonprofitsassistancefund.org/files/MNAF/ArticlesPublications/Make_Good_Use_of_the_Treasurer.pdf)

You will also find useful information in the Muttart Foundation's Board Development Workbook *Developing Job Descriptions for Board Members*. In particular, see Chapter 4 which includes a section about the Treasurer. You can find the workbook at [www.muttart.org/sites/default/files/downloads/publications/developing\\_job\\_descriptions.pdf](http://www.muttart.org/sites/default/files/downloads/publications/developing_job_descriptions.pdf)

The Disabled Women's Network Ontario created a useful Board Development Toolkit called *The Role of the Board Treasurer*. It is available at [http://dawn.thot.net/board\\_treasurer.html](http://dawn.thot.net/board_treasurer.html)

## **Staff**

At a staff level, the Executive Director is responsible for ensuring that day-to-day financial management procedures are followed. In a small organization, it may even be the Executive Director who does the bookkeeping, writes cheques, etc., but more often there is a designated staff person who does these tasks. Many literacy agencies hire contract bookkeeping staff. This ensures that a knowledgeable financial person is responsible for these tasks, and it also adds an extra layer of checks and balances to the financial management process.

For agencies that are part of a larger organization (e.g., a municipality or a library), the day-to-day bookkeeping is generally carried out by a central office. The literacy agency may be responsible for preparing its own budgets and reviewing all financial reports, expenditures, etc., but it does not carry out tasks such as writing cheques, making deposits, entering data and preparing reports.

## Legal Requirements

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As an incorporated not-for-profit, your organization is responsible to meet certain legal requirements, including having keeping financial records. Ontario corporations are also required to have an audit performed if annual revenue exceeds \$100,000. This is also a requirement of our core funder, MTCU. A good source of information on your obligations as a corporation is the *Not-for-Profit Incorporator's Handbook*, produced by the Ministry of the Attorney General. It is available at [www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/Not\\_for\\_Profit\\_Incorporators\\_Handbook\\_EN.pdf](http://www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/Not_for_Profit_Incorporators_Handbook_EN.pdf)

According to CLO's recent survey, Ontario's community literacy agencies have an average of 3.6 full-time employees. (For more information about CLO's Human Resources Survey, see the February 2010 newsletter on our website: [www.nald.ca/clo](http://www.nald.ca/clo)) As an employer, your organization has additional responsibilities and requirements. Some literacy agencies are affiliated with a larger host organization such as a multi-service agency or a library in which case the host organization may be the actual employer. Any organization with employees is required to make certain deductions on behalf of employees and remit those deductions, along with corresponding employer's contributions, to the government. These deductions include income tax, Canada Pension Plan (CPP) and Employment Insurance (EI) benefits. The organization will also be required to pay contributions for CPP and EI. The amount that you are required to deduct and remit changes each year or when the government makes a change. You can find current amounts and requirements on the Canada Revenue Agency (CRA) website at [www.cra.gc.ca](http://www.cra.gc.ca)

Your organization may also be required to pay premiums to the Workplace Safety and Insurance Board (WSIB). The amount of premiums you are required to pay is assessed annually, and you will be notified each year. You can find out more about WSIB requirements at its website: [www.wsib.ca](http://www.wsib.ca). You may also be required to provide additional liability coverage. For example, MTCU requires all agencies to carry at least \$2 million of general liability insurance. If the agency is not covered under WSIB, insurance coverage must include employer liability. As the cost of coverage varies, be sure to discuss your options with a professional insurance broker or other financial professional.

Employers in Ontario must also pay the Employer Health Tax (EHT). This tax is a percentage of total payroll, although the first \$400,000 of payroll is exempt from the tax. For more information, please see <http://www.rev.gov.on.ca/en/tax/eht>, [www.rev.gov.on.ca/en/bulletins/eh/0398.html](http://www.rev.gov.on.ca/en/bulletins/eh/0398.html) and [www.rev.gov.on.ca/en/guides/eh/2436.html#introduction](http://www.rev.gov.on.ca/en/guides/eh/2436.html#introduction)

As a not-for-profit corporation, your organization is required to complete an annual income tax return. You can find specific information related to not-for-profit income tax requirements at the CRA website at [www.cra-arc.gc.ca/tx/nnprft/menu-eng.html](http://www.cra-arc.gc.ca/tx/nnprft/menu-eng.html).

However, if your agency is a registered charity, it will be exempt from paying income tax, although you will be required to complete an annual Charities Return. You can find out more about this at the CRA website at [www.cra-arc.gc.ca/tx/chrts/menu-eng.html](http://www.cra-arc.gc.ca/tx/chrts/menu-eng.html). This link will also give you information about the annual charities training sessions hosted by the CRA. We will discuss charities in greater detail later in this chapter.

If your agency receives income from goods and services it charges for (e.g., sale of books, fee-for-service training) in excess of \$30,000 annually, it must register with CRA for a GST/HST account. HST, or Harmonized Sales Tax, comes into effect July 2010. For detailed information about the HST, please refer to the Government of Canada's website at [www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/menu-eng.html](http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/menu-eng.html). Most literacy agencies are not in this position; however, as a not-for-profit or charitable organization, you can receive a refund for some or all of the GST/HST you pay (e.g., a charitable organization can apply to receive the full GST refund on all books purchased). For more information, please refer to the CRA website at [www.cra-arc.gc.ca/tx/chrts/menu-eng.html](http://www.cra-arc.gc.ca/tx/chrts/menu-eng.html)

## Budgeting

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A budget is a document that projects future income and expenses, generally for the period of one year. Budgets are often broken down further into monthly income and expenses. Budgets can help you to plan out an agency's annual spending, or they can be used to project costs for a special project or a specific activity. A budget is a very important tool to help an agency ensure that its financial management responsibilities are being met. It is a financial plan of action as well as a way to monitor financial activities throughout the year. Comparing the budget with actual activity can very quickly help you to identify areas that need to be more closely monitored or to determine if action needs to be taken.

Budgets can be used to prepare best case/worst case scenarios based on potential funding, and they can also be used to plan financial activity for secure funding. For example, if you apply for three different grants this year in addition to your LBS core funding, you could prepare a budget that would allow for spending based only on that core funding, and you could also prepare a budget forecast based on possible income from the additional funding sources. It is important, however, to not actually spend budgeted funds until they are secure!

To prepare a budget, you will need to know your actual and potential sources of income, your fixed costs (rent, insurance, utilities, etc.) and other costs such as salaries, professional development, learning materials and so on. Budgets can be prepared for individual projects or grant applications and also for the organization as a whole.

Ontario's community literacy agencies receive core funding from MTCU. However, most agencies must also supplement this budget through a variety of other sources. In fact, a recent survey by Community Literacy of Ontario revealed that, on average, 30% of the operating budgets of Ontario's community literacy agencies comes from sources other than MTCU. Some of the most common sources are: individual donations, community fundraising initiatives, United Way, community service clubs, local business, and other government funders.

If your agency uses computer-based bookkeeping software such as QuickBooks or Simply Accounting, you can use the budget planning feature that is included. If you don't have software available, you can set up a spreadsheet using Excel or another similar program.

Budgets must be approved by the Board of Directors. Budget approval should not simply be a "rubber stamp" action. Directors should carefully consider whether the proposed budget

- ▶ reflects the organization's priorities
- ▶ follows established organizational policies
- ▶ includes actual or only possible sources of income
- ▶ exposes the organization to any potential risk and, if so, whether the organization is prepared to accept that risk and how it will cope
- ▶ is a carbon copy of the previous year's budget or allows for changes in both income and expenses based on factors such as inflation or revised organizational objectives
- ▶ meets legal obligations (payroll, taxes, etc.)
- ▶ considers possible external events and impacts that could take place over the coming year

Taking issues such as the above list into consideration can lead to strategic thinking about organizational objectives and how they are met, rather than simply focusing on the rising cost of printer cartridges. Although the budget may be drafted up by staff and/or the Finance Committee, all Directors should have input into the strategic directions and decisions that are behind the development of the budget.

The NonProfits Assistance Fund has prepared these handy tip sheets that you might find useful when working through the budgeting process:

- ▶ [www.nonprofitsassistancefund.org/pages/Resources\\_AnnualBudgetingChecklist](http://www.nonprofitsassistancefund.org/pages/Resources_AnnualBudgetingChecklist)
- ▶ [www.nonprofitsassistancefund.org/files/MNAF/ArticlesPublications/BudgetingProcess.pdf](http://www.nonprofitsassistancefund.org/files/MNAF/ArticlesPublications/BudgetingProcess.pdf)

## Planning

When creating a budget, whether for a specific project or for the organization as a whole, where do you start? While it may be tempting to simply cut and paste the budget from a previous year and update a few figures, this really isn't an effective way to plan. You need to think about your organizational or project goals and objectives for the coming year or for the length of the project.

Once you have identified the goals and objectives, you can begin to estimate the cost for each of them. This is where the financial information from previous years will be useful. For example, if you are going to continue delivering small group training, what are your costs for rent, equipment, staffing, insurance, etc.? You should already have a good idea of what those costs are, but be sure to account for any increases that are likely. If you want to expand your programming, will there be additional costs? For example, will you need to rent additional space or hire another instructor? Will you need an additional computer lab?

Of course, planning your budget will depend on income. Will your projected income allow you to meet your identified goals and objectives? If not, the Board of Directors will need to make some decisions around programming. For example, does programming need to be cut back? Will it be offered differently in the coming year? Are there other potential sources of income you could access? When identifying expenses, you will need to identify fixed expenses (rent, insurance) that cannot be changed without major changes to the organization such as relocation. You will also need to identify variable expenses such as office supplies, learning materials and so on. Depending on your situation, these are costs that can be decreased or increased. For example, if learners are using more computer-based programs than in the past, perhaps you will be spending less on textbooks or other learning materials. On the other hand, if you have been expanding your computer equipment, you may find that your budget for printer cartridges and software needs to be increased.

In the Ontario literacy field, staff remuneration could be considered either a fixed or a variable expense, depending on your staffing situation. If employees work full-time or have contractual agreements regarding hours of work, those costs are fixed. If employees are hired on an as-needed contract basis, then those costs are variable.

If your agency's activity remains fairly stable from year to year, budget planning should be relatively straightforward. However, if you are hopeful of receiving additional funds or if you are offering new programming, be sure to spend some time thinking about all of the potential costs involved so that you don't end up spending more than you bring in.

Another thing to think about is cash flow. Your agency probably won't receive all of its income on the first day of the fiscal year. You need to think about when you will receive funds and if you will be able to cover expenses accordingly. For example, if you receive 25% of your projected income in April, your expenses should not exceed 25% of the annual budgeted amount before the next income instalment. However, if there is a reason why your expenses will exceed your income for a short period of time, you could consider contacting your bank to arrange a line of credit to cover any shortfall.

On the other hand, if you do receive a large amount of income at one time (which sometimes happens with project funding), you won't need all of that money immediately. Can you consider investing it to earn some extra interest income? As a reminder, any interest income earned on MTCU funding must be returned to the Ministry. Be sure to verify any rules regarding interest earned with other funding sources.

When planning the budget, whether for a single source of income or for multiple projects, it is essential that all income and expenses are considered realistically. For example, if you will need to rent additional space for your agency, what are the rental rates in your area? You may need to do some research before you can accurately estimate some costs. The time this takes is definitely better spent than the time it will

take to raise extra funds if costs are underestimated and the agency finds itself short of funds part-way through the year.

Here are some websites that you may find useful when planning your agency's budget:

- ▶ <http://npguides.org/guide/budget.htm>
- ▶ [www.ehow.com/how\\_4927144\\_create-nonprofit-operating-budget.html](http://www.ehow.com/how_4927144_create-nonprofit-operating-budget.html)

## **Monitoring**

Just like a strategic plan, a budget shouldn't be created and then left on the shelf to gather dust. Both income and expenses need to be monitored to ensure that they are on track with plans. If there are unexpected changes or unplanned expenses that arise, the budget may need to be adjusted accordingly. Expenses that arise outside of the approved budget must be brought to the Board of Directors for discussion and approval.

All agency income and expenses should be reviewed regularly, first by agency staff and the Finance Committee (or just the Treasurer), and then by the full Board of Directors to address any issues that may arise during the year. Many agencies have developed policies about when a budget variance should be brought to the attention of the Board of Directors. For example, if the cost of staff remuneration or even office supplies goes above the budget projections by 10%, this should be addressed at the next Board of Directors' meeting.

There should be official minutes of meetings, both at the committee and board level, indicating that the budget has been reviewed along with any actions that need to be taken. This type of ongoing review and follow-up documentation not only helps ensure that spending is on track but is also a way for Directors to clearly demonstrate that they have carried out their financial responsibilities and have dealt with any issues. Auditors will ask for all meeting minutes at the time of review.

## Operational Management (Day-to-Day)

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Financial management in a not-for-profit organization is the overall responsibility of the Board of Directors, which approves and monitors the budget, reviews financial forecasts and other reports and ensures that financial policies and procedures are followed. However, agencies must also consider the ongoing, day-to-day aspect of financial management. Generally, these operational tasks are the responsibility of staff or of a contracted bookkeeper. The Executive Director should have a strong knowledge of the agency's financial position even if he or she is not involved in the actual day-to-day activity of paying invoices or balancing bank accounts.

For a general overview of financial management, be sure to see The Ontario Ministry of Agriculture, Food and Rural Affairs' (OMAFRA) *Guide to Bookkeeping for Non-Profit Organizations* at [www.omafra.gov.on.ca/english/rural/facts/88-010.htm](http://www.omafra.gov.on.ca/english/rural/facts/88-010.htm)

### Day-to-Day Procedures

Depending on the size of your organization and its budget, your day-to-day financial procedures could take a few hours each month or a few days. It's a good idea to set aside some time on a regular basis to take care of financial record keeping or it can pile up and become an overwhelming task. Even if your financial record keeping is done by contract staff or by your host organization, at least one staff member must know where to find receipts, cheque stubs and other records and be able to verify that all information is recorded accurately.

One suggestion to help organize invoices and receipts is to keep a folder designated for each month or for each type of expense in your filing cabinet. This will allow you to more easily input the data into your accounting system, as well as help you to find bills or receipts when needed.

When CLO asked some literacy agencies and networks how they maintained their financial records, most reported that they were using some kind of computerized program. Two of the most commonly used types of software in the Ontario literacy field are QuickBooks ([www.quickbooks.ca](http://www.quickbooks.ca)) and Simply Accounting ([www.simplyaccounting.com](http://www.simplyaccounting.com)). Both are available in a number of versions that provide basic to sophisticated features. Both allow you to download reports to Excel so they can be easily shared electronically with staff or Directors. If you are not sure which software or which version to choose, be sure to talk with your accountant or other financial professional. He or she may even be able to help you with setting up your financial records and learning how to use the software properly. For more information on choosing software, visit the Alliance for NonProfit Management at [www.allianceonline.org/content/index.php?pid=178](http://www.allianceonline.org/content/index.php?pid=178) (you will need to scroll down the page).

It is beyond the scope of this resource to provide detailed “how-to” information about recording financial transactions. How you record financial transactions will depend on the type of software or other system you are using. However, it is important that regardless of the method your organization uses for financial record keeping, you follow generally accepted accounting practices and that you have policies and procedures in place to provide internal checks and balances that can help you avoid errors and discrepancies, both intentional and unintentional.

For example, your financial policies should clearly state who is authorized to sign cheques (there should be at least two signatures required on every cheque) and who is authorized to approve expenses. There may be different levels of authorization for different levels of expense. Pre-signing of cheques is not encouraged; when cheques are pre-signed by one or both signatories, any procedures regarding the authorization or approval of purchases cannot be followed. Policies should also clearly state who is responsible for financial record keeping, where and how records will be kept and who is responsible for the ongoing monitoring of those records.

Although in a small organization it may be tempting to have one person who is responsible for all financial transactions (writing the cheques, signing the cheques, recording expenses, reconciling bank accounts, reporting on expenses), this approach does not provide a significant level of internal control. Even in a small organization, it is best to have at least two people involved. This can be done by hiring an external bookkeeper on a contract basis or by having a combination of staff and Directors (or another volunteer) in charge of financial transactions.

To learn more about establishing internal controls, be sure to read this article by Gary Moulton and Kevin Wilson ([www.charityvillage.com/cv/research/rlegal17.html](http://www.charityvillage.com/cv/research/rlegal17.html)) and this information provided by the Alliance for NonProfit Management: [www.allianceonline.org/content/index.php?pid=163](http://www.allianceonline.org/content/index.php?pid=163)

We have included some examples of financial policies in the “samples” section at the end of this chapter. For more information on day-to-day procedures, be sure to download a copy of the Certified General Accountants of Ontario’s excellent publication, *Keeping the Record Straight*, at [www.cga-ontario.org/assets/file/publication\\_keeping\\_record\\_straight.pdf](http://www.cga-ontario.org/assets/file/publication_keeping_record_straight.pdf)

Although the Alliance for NonProfit Management is an American organization, its website contains a wealth of generic information on financial management: [www.allianceonline.org/content/index.php?pid=154](http://www.allianceonline.org/content/index.php?pid=154)

## Bank Accounts and Bank Statements

There are many types of bank accounts that offer different options and advantages. Some offer low-fee or even no-fee chequing, for example. Others pay interest on deposit amounts. Some accounts are better suited for smaller organizations while

others are more in line with the needs of larger organizations. Organizations with more than one funding source often have multiple bank accounts to help them more accurately report on related income and expenses. In some situations, this may even be a requirement. For example, organizations that sell Nevada tickets, hold fundraising bingo events or conduct raffles are required to keep these funds in separate bank accounts.

Unless your agency is just getting started, you will already have at least one bank account. However, banking options have changed over the past few years, so it is worth taking a look to determine if what you are using now is still the best fit. There is no one right type of bank account; we suggest that you visit the banks in your area to find out what type of account is right for your agency. Be sure to let bank staff know that your agency is a not-for-profit (or a charity if applicable). They may be able to arrange for lower fee options or additional services at a reduced rate.

These days, most, if not all, of your banking can be done online. While this can provide a convenient option, be sure to find out if there are any fees or restrictions involved. Different banks also offer different types of online services, so be sure to discuss what is available with your bank. You might also want to take the time to visit the bank's website before making a final decision; some online banking is easier to navigate than others! If your agency does decide to do some or all of its banking online, the Finance Committee should review policies and procedures to ensure that appropriate controls are in place. For example, they might want to include policies around who has access to online banking passwords or they might choose to only approve online banking for certain activities and not others.

Balancing your bank account on a monthly basis is an important financial procedure. Not only does this activity help you verify the current bank balance, but it allows you to identify any possible errors. Your bank statement provides you with documentation of all transactions that have occurred during the month. This can be helpful in the short-term (e.g., following up if a cheque has not been cashed) as well as in the long-term (e.g., the annual audit). If there is a discrepancy in your bank statement or if you are unable to balance the bank account, it is essential that you follow up as soon as possible to correct any errors and/or to determine the reason why your records do not agree with the bank records.

It is also important to keep your bank statements and other bank records such as cancelled cheques. If you bank online, be sure to print out a hard copy for your files. This provides you with a paper trail if you need it. You will also need all of your banking records for your annual financial review or audit. Records should be kept for a minimum of seven complete fiscal years. Be sure to file previous years' records where they are accessible; you may be required to look for information if a government department requests it! For example, Canada Revenue Agency audits Employment Insurance claims on a regular basis. You may also need to confirm payroll amounts for previous employees. GST audits are also conducted regularly so

you may be called upon to produce documentation on the GST you have paid and/or collected in past years.

For more information and details about record keeping, be sure to refer to this information provided by Cowperthwaite Mehta Chartered Accountants: [www.187gerrard.com/financial/books%20and%20records.htm](http://www.187gerrard.com/financial/books%20and%20records.htm). Your agency's auditor may also be able to provide advice on how to improve your organization's record keeping and day-to-day financial procedures.

## Credit Cards

Some literacy agencies find it very helpful to have an organizational credit card. Being able to purchase items without having to worry about cash or submitting expense claims can be very convenient. There are dozens of credit cards currently on the market. Before deciding which card is best for your agency, take the time to do some research. Again, visiting bank websites can provide you with some possible options, and talking to staff at your local bank will also be very helpful. Some banks require the organization to guarantee the credit card with a GIC or another investment so that Directors will not be held personally liable for any outstanding credit card balance.

If your agency does have a credit card, it must also have financial policies about how that credit card is used. When creating this policy, you should consider:

- ▶ Who will have the authority to charge a purchase to the card
- ▶ If there will be just one card or multiple cards
- ▶ Where the card(s) will be kept
- ▶ Spending limits, i.e., can some purchases be made up to a certain amount but more expensive purchases need to be authorized ahead of time? What is the spending limit on the card?
- ▶ If the bank requires a cash guarantee for some or all of the credit limit on the card
- ▶ Where receipts for purchases made on the credit card will be kept on file so that they can be matched with the monthly statement. Purchase receipts should include the original store receipt that itemizes expenses.
- ▶ Payment. A good policy to include when it comes to company credit cards is that outstanding balances must be paid off each month to avoid paying the high interest charges that credit card issuers charge. While credit cards can be a convenient tool, they can quickly become an expensive one!

## Investing

Although it often seems that not-for-profit agencies are cash-strapped (and they often are!), there may be times when you have a large amount of money in the bank. One example is if you receive lump-sum LBS payments or if you receive project funding in

one payment. Although you will have budgeted to spend that money over a specified period of time, it may be possible to invest that money for a few weeks or months so that it earns some interest. Remember, however, that any interest earned on MTCU funding must be repaid! If investing is something you would like to consider, be sure to talk to your bank or other reputable professional financial advisor about possible options.

## Reserve Funds

Some agencies have developed a surplus or reserve fund over the years. Although literacy agencies are not-for-profit corporations or affiliated with a not-for-profit, it is acceptable to accumulate surplus funds from year to year, provided that these funds will not be used for personal gain or profit of the Directors or officers (beyond reasonable remuneration for expenses). However, before making any decisions regarding surplus funds, be sure to check any financial requirements made by your funder. For example, MTCU does not permit the carry-over of core LBS funding, and MTCU also requires that any unspent special project funding be returned.

There are no prescribed limits as to the amount of funds that can be held in reserve, but a good rule of thumb is to try to establish a reserve fund that is equal to the costs of operating the agency for six months. This is because, should the agency decide to dissolve or wind down, it would take approximately six months to do so. Having a reserve fund could also help buy out any remaining term on a lease, pay severance wages to staff and cover other expenses. If your organization is a registered charity, any surplus or other assets remaining must be transferred to another registered charity. Funds held for dissolution of the corporation may be kept in a cashable GIC to keep it separate from operational funds.

Reserve funds can also be used to supplement programming if funding or fundraising is not able to cover costs. Reserves can also be used to develop a new area of programming or to conduct a needs assessment prior to applying for funding. Some funders require organizations to contribute matching funds for a project; again, having a reserve fund available could be a benefit here. Having a reserve fund can also be useful if funding is delayed or discontinued because it can allow the agency to continue operating while it seeks out additional funding.

Creating a reserve fund can be a challenge for a not-for-profit agency. Most grants or contributions from governments and foundations include restrictions on how the money must be spent and require any surplus funds to be returned. If you conduct a fundraising campaign for a specific purpose (e.g., to buy new computers), you must use the monies raised for that purpose. So how can you go about building a reserve fund? Some agencies hold general fundraising activities that are for ongoing programming rather than for specific items. Some agencies offer services on a fee basis. These agencies don't build up a large surplus in just one year, however. It takes time to accumulate a reserve fund that can cover six months' operating costs. To help reach

their goals, some agencies have developed a policy about the amount of money they will try to add to the reserve fund each year. For example, a policy might read that the agency will try to increase the reserve fund by 5% annually. The policy might also specify where the reserve fund is maintained. For example, it should not be invested in a long-term GIC because it should be easily available if the agency needs the funds. However, a good investment strategy is to locate an investment vehicle with a good rate of return. Please see the section at the end of the chapter for sample financial policies.

## Financial Statements

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Financial statements provide an overall picture of your agency's financial health. One of the key roles of the Board of Directors is to oversee finances, and an agency's financial statements should be reviewed by the Board of Directors on a regular basis. As well, the Board of Directors needs the information that financial statements provide to make decisions about programming, new initiatives, staffing levels, fundraising and more. Many funders require you to submit the financial statements with funding requests and with project reports. If you are a registered charity, you are required to submit your financial statements with your annual return. Financial statements can be prepared in-house but generally, you will want an accountant to go one step further and perform a review or a complete audit. As mentioned earlier, an audit is a requirement for all not-for-profit organizations with over \$100,000 in revenues. We'll discuss audits later in this chapter.

Financial statements basically summarize and report on financial activity up to a specific point in time (usually the fiscal year end). The financial statements normally include at least two reports about financial operations over a specified period of time (e.g., fiscal year, quarter, period, month). In the past, these statements have been known as the Balance Sheet and the Income Statement, but with the ongoing development of accounting standards for not-for-profit organizations, they are now being referred to as the Statement of Financial Position and the Statement of Operations. Each of these documents is discussed in more detail below. Organizations with multiple funders or more complex financial resources will also have additional reports such as a Statement of Changes in Cash Position, a Statement of Cash Flows, and a Statement of Fund Balances.

### Statement of Financial Position

Previously known as the Balance Sheet, this statement provides a snapshot of the organization at a specific period in time. It shows organizational liabilities and assets, and the resulting equity.

Assets are what the organization owns or what is owed to it. Assets are a result of all financial transactions from the time of the organization's inception to the date of the Statement of Financial Position. The current bank balance is an example of an asset. Assets can also include capital assets such as buildings and vehicles, but generally literacy agencies don't have to worry about this more complex type of asset.

Liabilities are what the organization owes to someone else. This includes any accounts payable and any outstanding debts.

Equity is sometimes called net assets or fund balances. It is what is left over in the assets once the liabilities have been paid.

When Directors review the Statement of Financial Position (Balance Sheet), they should ask themselves the following questions:

- ▶ Does this statement accurately reflect our financial position?
- ▶ Are any investments the organization has (both short-term and long-term) earning a good rate of interest?
- ▶ Do we have an investment policy?
- ▶ How can we increase our assets?
- ▶ Are there any restrictions on our assets? For example, some charitable donations are designated for specific purposes. Most grants are required to be used only for specified activities.
- ▶ How much of our assets have restrictions on them and how much are we free to use for any reason we choose?
- ▶ Do we have adequate insurance to replace what we own?
- ▶ Do we have proper records of the assets we own, e.g., serial numbers, date of purchase, cost?
- ▶ Have all required deductions been made and remittances sent to the appropriate agencies (i.e., income tax, Canada Pension, Employment Insurance, Employer Health Tax, WSIB)?
- ▶ If there is a deficit, how will we take care of our liabilities?

## **Statement of Operations**

This statement is also known as the Income Statement, the Revenue and Expense Statement, the Operating Statement or the Profit and Loss Statement. A Statement of Operations can be prepared for individual sources of income or for the organization as a whole. Regardless of what it is called, this statement shows what the organization has received (income or revenue) and what it spent (expenditures or expenses) over a specified period of time. The income and expense categories that are listed in the Statement of Operations should be the same as those that are included in the budget and other financial documents. The difference between income and expenses is reported as a surplus (more income than expenses) or a deficit (more expenses than income).

When the Board of Directors is reviewing the Statement of Operations, they should be asking themselves the following questions:

- ▶ What is different from last year (or from the last reporting period)? For example, has the revenue increased or decreased significantly? Have expenses changed significantly?
- ▶ If there has been a significant change, was it planned in the budget? If yes, was the change what was expected? If no, what brought about the change and what (if anything) are we going to do about it?

- ▶ If there were unplanned changes, is this the first we have heard about it? If yes, why?
- ▶ Will this change continue (e.g., declining revenue) or is it a one-time thing? If it will continue, do we need to take action?
- ▶ Did we achieve the programming outcomes we planned for? How do we know? Can we link outcomes to our financial results? For example, with a budget of \$100,000 were we able to help 50 learners achieve their goals?
- ▶ If there are multiple funders, are expenses allocated to the appropriate funding source(s)?
- ▶ Is there a surplus or a deficit? What are the next steps based on this bottom line?
- ▶ If there is a surplus, what do we do with it? Do we have a policy or do we need to develop one? Do we have to return any of the surplus to the funder(s)?
- ▶ If there is a deficit, how will we cover the shortfall? Is this something we have to be concerned about in the coming months/year or is this a one-time occurrence?

For more information about how to read and prepare financial statements, here are some helpful links:

- ▶ Canada Revenue Agency provides sample statements for charities at [www.cra-arc.gc.ca/tx/chrts/prtnng/rtrn/smpls-fnncl-eng.html](http://www.cra-arc.gc.ca/tx/chrts/prtnng/rtrn/smpls-fnncl-eng.html)
- ▶ Some organizations make their financial statements available on their websites. Searching out samples can help you learn more about financial statements. For example, the Fort York Food Bank's financial statements can be viewed at [www.fyfb.com/docs/fyfb.2009\\_annual.pdf](http://www.fyfb.com/docs/fyfb.2009_annual.pdf), and the Town of Sioux Lookout's Non-Profit Housing's financial statements are available at [www.siuoxlookout.ca/files/2008%20NPH%20Financial%20Statement.pdf](http://www.siuoxlookout.ca/files/2008%20NPH%20Financial%20Statement.pdf)
- ▶ The Muttart Foundation has produced a series of Board Development workbooks, including *Financial Responsibilities of Non-Profit Boards*. This excellent resource includes information about, and examples of, financial statements: [www.muttart.org/sites/default/files/downloads/publications/financial\\_responsibilities.pdf](http://www.muttart.org/sites/default/files/downloads/publications/financial_responsibilities.pdf)
- ▶ *Beginner's Guide to Financial Statements* from the U.S. Securities and Exchange Commission ([www.sec.gov/investor/pubs/begfinstmtguide.htm](http://www.sec.gov/investor/pubs/begfinstmtguide.htm)). Although this American guide is written with business in mind, it includes some useful, generic information to help anyone make sense of financial statements.
- ▶ *Learning to Read Financial Statements*, by Steven Berger, is another useful article: [www.tgci.com/magazine/Learning%20to%20Read%20Financial%20Statements.pdf](http://www.tgci.com/magazine/Learning%20to%20Read%20Financial%20Statements.pdf)
- ▶ Hildy Gottlieb has written an excellent article about board members and their understanding of financial statements. You can find *The Dirty Little Secret of NonProfit Boards* at [www.help4nonprofits.com/NP\\_Bd\\_DirtyLittleSecrets\\_Art.htm](http://www.help4nonprofits.com/NP_Bd_DirtyLittleSecrets_Art.htm)
- ▶ You can also read about how to report financial information to the Board of Directors at: [www.nonprofitsassistancefund.org/files/MNAF/ArticlesPublications/ReportingBoard2005.pdf](http://www.nonprofitsassistancefund.org/files/MNAF/ArticlesPublications/ReportingBoard2005.pdf)

## Preparing for an Audit

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An audit is a professional opinion given by a chartered accountant as to whether an organization's financial statements fairly reflect that organization's financial picture at a specific period of time, usually at the end of the fiscal year. The audit also indicates whether the organization's financial statements were presented in accordance with the Canadian Institute of Chartered Accountants (CICA) Standards. These principles incorporate rules adopted by the accounting profession as guidelines for measuring, recording and reporting an organization's financial activities. The Accounting Standards Board ([www.acsbcanda.org](http://www.acsbcanda.org)) and the Public Sector Accounting Board ([www.psab-ccsp.ca](http://www.psab-ccsp.ca)) are currently developing updated standards for the not-for-profit sector.

Don't worry, you don't have to learn these standards, but your accountant should be familiar with conducting audits for not-for-profit organizations. There are differences between our sector and the private sector, so be sure to choose an auditor with relevant experience. For some helpful advice on choosing an auditor, please see this article from Charity Village: [www.charityvillage.com/cv/research/rim32.html](http://www.charityvillage.com/cv/research/rim32.html)

While anyone can create financial statements, only certain individuals and organizations can conduct an audit. In Ontario, all not-for-profit corporations with an annual income greater than \$100,000 **must** appoint an auditor each year. In Ontario, an auditor must be a Chartered Accountant (CA). For more information on audit requirements, see the *Not-for-Profit Incorporator's Handbook* from the Ministry of the Attorney General, Section 5.7: [www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/Not\\_for\\_Profit\\_Incorporators\\_Handbook\\_EN.pdf](http://www.attorneygeneral.jus.gov.on.ca/english/family/pgt/nfpinc/Not_for_Profit_Incorporators_Handbook_EN.pdf)

If your organization has income less than \$100,000, an audit may be waived if all members consent in writing. If your agency falls into this category, you may want to consider having an accountant review your financial records and statements without conducting a full audit. There are two choices — a review or a compilation engagement. For more information about these options and what they cover, please see [www.charteredaccountantontario.ca/services.html](http://www.charteredaccountantontario.ca/services.html)

During an audit, the accountant will examine and analyze journal and ledger entries, bank statements, expenditures, and other accounting and financial records, documents and systems to ensure accuracy and compliance with established accounting standards. The auditor will need to have access to all of your financial documentation and records for a period of time, so be sure that you have back-up copies available in case you need them. Specifically, he or she will need:

- ▶ The trial balance as at the fiscal year end (or at the end of whatever period of time is being audited)
- ▶ All reconciled bank statements for the fiscal year

- ▶ A list of any short-term investments that the agency holds
- ▶ A list of any accounts receivable as at the fiscal year end
- ▶ A list of any accounts payable as at the fiscal year end
- ▶ A list of any funds that are repayable to a funder (e.g., if your agency did not spend all of its core funding, those funds are repayable to MTCU)
- ▶ Payroll records
- ▶ Audit Guidelines from MTCU regarding financial statements (posted on the IMS website (<http://lbsims.edu.gov.on.ca>) each year)

Depending on your agency's financial situation, the auditor may also request other information such as contracts or other agreements with funders.

The auditor will prepare detailed reports on audit findings and make recommendations on how you can improve your organization's financial procedures. It's a good idea to implement any recommendations your auditor suggests; it can make future audits go more smoothly, both for the organization and for the auditor. There may also be suggestions that will help make your day-to-day financial procedures more effective and efficient. For an example of a completed auditor's report, see [www.charteredaccountantontario.ca/services.html](http://www.charteredaccountantontario.ca/services.html). Making changes to your financial procedures and tracking outcomes related to those changes could be a CIPMS activity your agency undertakes!

The audit may also go beyond just looking at your financial books and records. In recent years, accountants have followed CICA's directions to use a risk-based assessment approach. This means that while accountants are not specifically auditing for fraud/error, they must be aware that risk exists. Therefore, the audit will include the evaluation of internal controls to minimize the opportunity for fraud/error to occur. The risk-based approach requires the auditor to obtain written documentation regarding the various systems used in an organization. The areas that may be examined include:

- ▶ **General business environment** (e.g., business planning, appointment of auditors, authorization of expenses, authorization of journal entries, role of the Finance Committee, procedures for creating and updating internal controls, procedures for responding to deficiencies in internal controls, safe-keeping of cheques, reporting procedures, procedures for remunerating and appraising staff, identification of risk factors and control of those factors)
- ▶ **Information technology** (e.g., assessment of risk to confidential information, password security, accounting system being used, updates to accounting software, procedures regarding back-up and storage of data as well as retrieval of data)
- ▶ **Financial statement preparation** (e.g., processing of transactions, who prepares statements, who reviews statements, frequency of reviews)

- ▶ **Revenue, receivables and receipts** (e.g., how receipts are recorded and how often, who reviews receipts and how often, who prepares and reviews bank reconciliations and how often)
- ▶ **Purchases, payables and payments** (e.g., authorization of purchases, how often invoices are paid, review of payables, signing authorities, controls on access to blank cheques, process for recording void cheques)
- ▶ **Payroll** (e.g., the system used, who has access to payroll records, approval of new hires, approval of pay rates, approval of hours worked, calculation of payroll deductions, payroll remittances, reconciliation of payroll records, preparation and distribution of T4s)

While gathering this information may initially seem like a lot of work, it can save you time and money in the long run. Audits are expensive; if an auditor needs to spend additional time checking if policies are in place and contacting staff for further information, audit costs can rise. Taking the time to prepare properly will provide the auditor with all of the information he or she needs, potentially saving time and money.

In order to ensure accountability and financial transparency to the community and all stakeholders, not-for-profit organizations are required to present the audited financial statements to their members at an Annual General Meeting. Members are required to receive due notice and must have the chance to review, question and pass the audited statements each year.

## Registered Charities

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Many Ontario literacy agencies are registered charities. This allows them to provide receipts for donations which individuals can claim as a deduction on their income tax. Agencies may find that this helps them raise money. Another benefit of being a charity is that the agency will not be required to file or pay income tax and may also qualify for GST/HST exemptions.

As a charity you will also have certain obligations such as filing annual reports and issuing charitable receipts.

If your agency is thinking about registering for charitable status, you will need to apply with the Canada Revenue Agency (CRA) at [www.cra-arc.gc.ca/tx/chrts/pplyng/htply-eng.html](http://www.cra-arc.gc.ca/tx/chrts/pplyng/htply-eng.html). According to the CRA, to qualify for registration, an organization must be non-profit and have purposes (also called objects) that are charitable. These purposes include the “advancement of education” which is why literacy agencies generally qualify. However, if your organization also has political purposes, including engaging in partisan political activity, your registration will not be successful.

If your agency conducts any type of fee-for-service activity, you might think that it will not qualify as a charitable organization because you are charging for a service. However, charitable organizations may carry on related business activities that accomplish or promote their charitable purposes, provided any profits from that business are used to further the mission of the organization. A related business activity is a commercial (revenue-generating) activity that is either related to a charity’s purposes, or substantially run by volunteers. For example, if your literacy agency operates a fee-for-service activity that includes an education-related activity, you will probably still qualify. For more information about qualifying business activity, see the following CRA webpage: [www.cra-arc.gc.ca/tx/chrts/plcy/cps/cps-019-eng.html](http://www.cra-arc.gc.ca/tx/chrts/plcy/cps/cps-019-eng.html)

It is important to note that Ontario law has recently changed. The Charitable Gifts Act was repealed and changes were made to the Charities Accounting Act that may make it possible for Ontario charities to conduct non-related businesses in certain circumstances. Be sure to consult with an accountant, lawyer or other professional before making any changes in your organization.

For more information, read the article from the Ontario Nonprofit Network about Ontario amending this legislation: <http://ontariononprofitnetwork.ca/page/ontario-amends-legislation-so-charities-can-own-businesses-and-hold-property-charitable-purpose>

The BC Centre for Social Enterprise also has a number of useful resources about operating a business within a charity. For example, in January 2010, they released a paper called *The Fine Print: Vital Information for Canadian Charities Operating Social Enterprises*. You can find this paper, along with their other resources, at [www.centreforsocialenterprise.com](http://www.centreforsocialenterprise.com)

To hear more about charity law, be sure to check out Charity Village's podcast, *The A to Z of Charity Law in Canada* at [www.charityvillage.com/cv/ires/podcasts.asp](http://www.charityvillage.com/cv/ires/podcasts.asp)

Capacity Builders also offers a series of webinars about charity law. You can find more information at [www.capacitybuilders.ca/clip/clip.php](http://www.capacitybuilders.ca/clip/clip.php)

Imagine Canada offers a comprehensive website called Charity Tax Tools. This site will provide tools and resources to help ensure you are meeting the requirements of a registered charity. The site can be found at <http://charitytax.imaginecanada.ca>

## Charitable Receipts

As a registered charity, your agency is responsible for issuing official receipts for any donations that you receive. There are some very specific guidelines about how to do this; be sure to check the CRA website at [www.cra-arc.gc.ca/tx/chrts/menu-eng.html](http://www.cra-arc.gc.ca/tx/chrts/menu-eng.html) for the most current information. The CRA site includes a number of helpful checklists and other resources. It's a good idea to sign up for their e-newsletters so that you will be informed of any changes that might impact your organization.

As of January 2010, CRA guidelines ([www.cra-arc.gc.ca/tx/chrts/chcklst/rcpts-eng.html](http://www.cra-arc.gc.ca/tx/chrts/chcklst/rcpts-eng.html)) require that all charitable receipts issued for cash donations include:

- ▶ a statement that it is an official receipt for income tax purposes
- ▶ the name and address of the charity as on file with the CRA
- ▶ the charity's registration number
- ▶ the serial number of the receipt
- ▶ the place or locality where the receipt was issued
- ▶ the day or year the donation was received
- ▶ the day on which the receipt was issued if it differs from the day of donation
- ▶ the full name and address of the donor
- ▶ the amount of the gift
- ▶ (under proposed legislation) the value and description of any advantage received by the donor
- ▶ (under proposed legislation) the eligible amount of the gift
- ▶ the signature of an individual authorized by the charity to acknowledge donations
- ▶ the name and Web site address of the Canada Revenue Agency ([www.cra.gc.ca/charities](http://www.cra.gc.ca/charities))

## Annual Reporting

All registered charities are also required to file an annual report (T3010) called the Registered Charity Information Return. As a registered charity, the CRA will send this to you each year, but if for some reason you do not receive one, you can find blank forms on the CRA website at [www.cra.gc.ca/charities](http://www.cra.gc.ca/charities)). If you do not complete this form, your organization risks having its charitable status revoked. If you are not sure how to complete the annual return, the CRA provides information webinars each year. You can also ask your accountant for assistance.

The CRA's website includes a number of checklists that can help you prepare to file the annual return by making sure you are keeping proper books and records, meeting the annual disbursement quota, engaging in allowable activities and more.

## MTCU Requirements

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Each year, Literacy and Basic Skills agencies in Ontario receive information from our main funder, the Ministry of Training, Colleges and Universities, about audit guidelines, interest earned, reporting of GST and other financial reporting requirements. This information can always be found on the LBS Program Management website: <http://lbsims.edu.gov.on.ca>

MTCU has different requirements for organizations whose total revenue is less than \$100,000 and for those with revenues exceeding \$100,000. Sectoral, umbrella and service organizations, and regional networks also have specific requirements.

Smaller agencies are required to attach a Statement of Revenue and Expenditures, and MTCU provides a form for this. The information for this Statement can be transferred over from your Statement of Operations, Income Statement or Profit and Loss Statement. They are all different names for the same financial report. Larger organizations must submit an Audited Statement of Revenue and Expenditures along with an Auditor's Report. The Statement is NOT the same as the organization's audited financial statements, so it is important to provide this information to your auditor. These organizations must also send in an Estimate of Expenditure Report for each site and project they operate.

MTCU requires funded agencies to return any unused funds, along with any interest earned on those unused funds, to the Ministry. Agencies are required to keep any unused or excess funds in an interest-bearing account according to the 2009–2010 MTCU Audit Guidelines.

MTCU also provides instructions in the Audit Guidelines on how to report agency expenses, taking GST expenses and rebates into consideration. In future years, this information will be updated to take the new Harmonized Sales Tax into account.

If an agency finds itself in a deficit position, it must report this to MTCU to discuss arrangements regarding reporting and future funding allocations.

For further information on MTCU requirements and to stay informed of any changes, be sure to consult your field consultant and visit the LBS Program Management website regularly.

## Useful Tools and Samples

### Financial Checklist

Have you covered all of your financial bases? This extensive checklist, adapted from *Financial Responsibilities of Not-for-Profit Boards* (The Muttart Foundation [www.muttart.org/sites/default/files/downloads/publications/financial\\_responsibilities.pdf](http://www.muttart.org/sites/default/files/downloads/publications/financial_responsibilities.pdf)) can help you identify areas of strength and areas that may require further development.

Question	Yes	No	In Development
Has the board adopted a written policy stating the financial responsibilities and authorities delegated to the Executive Director (or other staff)?			
Does the board periodically review financial activity to ensure staff has not exceeded the scope of their authority?			
Does the board review financial statements and reports on a regular basis?			
Are there board and/or staff members who would benefit from further training in financial management?			
Is your organization required to file annual reports to the Canada Revenue Agency? If so, are they filed accurately and on time?			
Has the board of directors passed resolutions authorizing bank accounts and signing authorities? Have copies been provided to the bank?			
Has the board of directors established policies regarding online banking, including access to passwords, account information, etc.?			
Is the board confident that agency activities are consistent with those approved in the operating budget?			
Is the budget consistent with organizational goals and plans?			
Does the board regularly review income and expenses and compare them with budget projections?			
Does the board of directors approve the budget?			
Does the board have to approve expenses greater than those approved in the budget?			

Question	Yes	No	In Development
Does the board have a plan to deal with deficit situations?			
Were your financial systems developed by a competent bookkeeper and/or accountant?			
Are your financial systems maintained by a competent bookkeeper and/or accountant?			
If your organization is a registered charity, are donations issued according to CRA guidelines?			
If your organization is a registered charity, are all filing requirements met?			
Are separate bank accounts maintained for separate funding sources?			
Does your organization use numbered cheques with its name and address printed on them?			
Do you have written procedures covering the custody and control of unused cheques and voided cheques?			
Do you have documentation (detailed invoices or sales receipts) for all expenses?			
Do you have policies regarding the payment of expenses using cheques, cash or credit cards?			
Do cheques require two signatures?			
If your organization owns a credit card, do you have policies for its use?			
If you have petty cash, do you have policies for its use including safe storage, authorized expenditures, etc.			
Are financial statements prepared regularly enough that they provide an accurate picture of the organization's financial health?			
Is your organization audited each year?			
Are your organization's financial statements presented to the membership at a properly constituted Annual General Meeting each year?			
Are all financial requirements and reporting requirements for all funders and government agencies properly followed?			

## Sample position descriptions

Community Literacy of Ontario uses the following job description for its Treasurer:

*The Treasurer ensures that all funds and securities are properly managed, that quarterly financial statements are presented to the Board and that the annual financial statement is presented to the membership. The Treasurer also ensures that financial management and reporting obligations as set out in the Corporations Act and in legal agreements with Government or other funders are fulfilled. To support the work of the treasurer, CLO has a paid bookkeeper and auditor. The Treasurer participates in online planning meetings with the Chair, the Co-Executive Directors and whenever possible the other members of the Executive Committee prior to board meetings.*

CLO's Finance Committee is made up of the Treasurer and one or two other Directors. The Committee's responsibilities are described as follows:

- ▶ *The Finance Committee will help the Co-Executive Directors to develop the budget*
- ▶ *The Finance Committee will review and suggest revisions to the board re: CLO's financial policies*
- ▶ *The Finance Committee will review the financial statements before Board meetings*

The Disabled Women's Network Ontario's Board Development Toolkit ([http://dawn.thot.net/board\\_treasurer.html](http://dawn.thot.net/board_treasurer.html)) lists the following responsibilities for a hands-on Treasurer:

- ▶ *Carries out the responsibilities of a member of the Board of Directors*
- ▶ *Assists in the preparation of the budget*
- ▶ *Monitors the budget*
- ▶ *Ensures the Board's financial policies are being followed*
- ▶ *Reports to the Board of Directors and general membership on finances*
- ▶ *Prepares any required financial reporting forms*
- ▶ *Maintains all bank accounts*
- ▶ *Oversees all financial transactions*
- ▶ *Treasurer's signature should appear on all cheques of the organization with the second signature from any of the board's other directors or staff with signing authority*
- ▶ *Chairs the finance committee*

## Sample Financial Policies

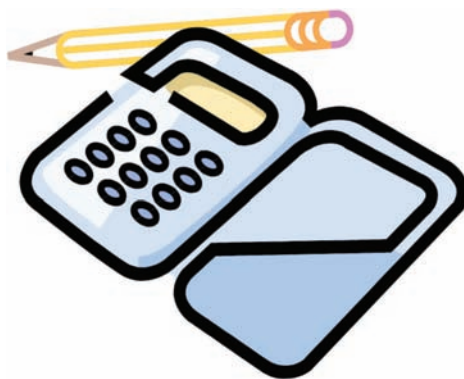
The policies shared here are samples gathered from the Ontario literacy community and the broader not-for-profit field. We hope that you will find some of them useful as you develop or revise your own organizational financial policies.

Financial policies should cover who is responsible for what, i.e., the Board of Directors, the Finance Committee, the Treasurer, staff or others and what they are responsible for, including:

- ▶ Budgeting (preparation, approval, monitoring)
- ▶ Financial statements (preparation, monitoring, auditing)
- ▶ Banking (deposits, cheque signing, spending limits, storage, etc.)
- ▶ Accounting (bookkeeping, bank account reconciliation, documentation, allocation of income and expenses, payroll and remittances, online banking, etc.)
- ▶ Finance Committee (responsibilities, composition)
- ▶ Financial controls (physical location of cash, signing authority, review of invoices, etc.)
- ▶ Investing and borrowing
- ▶ Security and controls

For more information about developing financial policies, see:

- ▶ CLO's *Guide for the Development of Policies and Procedures* (Volume 1) at [www.nald.ca/clo/policies/guide1/devpol-1.pdf](http://www.nald.ca/clo/policies/guide1/devpol-1.pdf)
- ▶ *A Collection of Policy and Procedure Templates* from Literacy Link SouthCentral at [www.nald.ca/library/learning/template/cover.htm](http://www.nald.ca/library/learning/template/cover.htm)
- ▶ Guidelines from the NonProfits Assistance Fund are at [www.nonprofitsassistancefund.org/pages/Resources\\_PolicyGuidelines](http://www.nonprofitsassistancefund.org/pages/Resources_PolicyGuidelines)

**SAMPLE POLICY: Community Literacy of Ontario****FINANCIAL POLICIES****COMMUNITY LITERACY OF ONTARIO**

80 Bradford Street, Suite 508  
Barrie, Ontario, L4N 6S7

Approved by the Board: January 1999

**Revised Policies approved: September 2000**

Revised Policies approved: October 2002

**Revised Policies approved: June 2003**

Revised Policies approved: June 2005

Revised Policies approved: May 2006

Revised Policies approved: October 2007

Revised Policies approved: December 2007

**Revised Policies by Finance Committee: Approved June 2009**

## **1 Policy — Financial Accountability — Board of Directors**

The Board of Directors is responsible for ensuring the overall financial stability of Community Literacy of Ontario.

### **Procedures**

- ▶ The Board of Directors will establish a budgeting process and financial reporting system for CLO.
- ▶ The Board of Directors will ensure that the financial policies and procedures are established and adhered to.
- ▶ The Board of Directors will approve all budgets (annual operating and projects).
- ▶ The Board of Directors will monitor and approve expenditures.
- ▶ The Board of Directors will review revenue and expenses on a regular basis and compare them with the approved budget.
- ▶ The Board of Directors is responsible for ensuring that the physical and financial assets of the organization are properly managed.
- ▶ The Board of Directors will approve salary guidelines and compensation policy for the Executive Director/Co-Executive Directors and on approved overall project budgets for other core and contract staff. Budgetary constraints will be given due consideration in this decision.
- ▶ The Board of Directors will not allow any one individual to have complete authority over a financial transaction.
- ▶ The Board of Directors will not cause or allow CLO to incur indebtedness outside of the provisions stated in the by-laws.

## **2 Policy — Financial Accountability — Treasurer**

*Community Literacy of Ontario* will appoint a Treasurer to assist the Board of Directors in their function of financial governance. A Finance Committee will assist the Treasurer.

### **Procedures**

- ▶ The Treasurer and/or Finance Committee will meet on a regular basis as specified by the Board of Directors.
- ▶ The Executive Director / Co-Executive Directors or his/her designate shall attend all meetings of the Finance Committee and/or Treasurer as a resource.
- ▶ The annual work plan of the Treasurer and/or Finance Committee will include the following:
  - review of financial policies and procedures
  - review of annual operating budget quarterly
  - review of the financial statements
  - review of financial reporting process

## **3 Policy — Financial Accountability — Executive Director / Co-Executive Directors**

The Executive Director / Co-Executive Directors is responsible for effective financial management to ensure a stable and viable organization.

### **Procedures**

- ▶ With regard to all financial dealings and the assets of CLO, the Executive Director / Co-Executive Directors will not authorize any transactions that will result in any personal liability of the Board of Directors or that will adversely affect the capital and assets of our corporation.
- ▶ The Executive Director / Co-Executive Directors will ensure that payroll, payroll withholdings; employer contributions and other debts are settled in a timely manner.

- ▶ The Executive Director / Co-Executive Directors will ensure that assets are insured for not less than replacement value (subject to available coverage limit).
- ▶ The Executive Director / Co-Executive Directors will ensure that CLO's general liability coverage does not lapse.
- ▶ The Executive Director / Co-Executive Directors will ensure that contributions or funds are used only for the purpose that was designated by the contributor or funder.
- ▶ The Executive Director / Co-Executive Directors will ensure that CLO does not accumulate a deficit.
- ▶ The Executive Director / Co-Executive Directors will initiate purchases of goods and services according to budget allocations. The Executive Director / Co-Executive Directors can exceed budget allocations without board permission up to the amount of \$500 for the life of the budget.

#### 4 Policy — Financial Controls — Internal Control

*Community Literacy of Ontario* will implement a well-designed system of internal controls.

##### *Procedures*

- ▶ The Board of Directors will ensure that appropriate safeguards are implemented to prevent fraud or theft of CLO's funds.
- ▶ Assets will be physically protected. Cheques will be kept in a secure location and will be deposited in the bank as soon after receipt as possible.
- ▶ No system of control can give full protection against loss. Insurance against a variety of hazards (i.e., fire, robbery, legal liability, and embezzlement) shall be carried to reimburse if major loss should occur. Insurance coverage

shall be reviewed annually to ensure that it meets CLO's needs.

- ▶ Accurate and complete documentation of all meetings of the Board and Finance Committees are to be maintained in the form of minutes.

#### 5 Policy — Financial Controls — Annual Budget Review

*Community Literacy of Ontario's* budgets (annual operating and projects) will be developed by the Executive Director / Co-Executive Directors, reviewed with the Treasurer and/or Finance Committee, and approved by the Board of Directors.

##### *Procedures*

- ▶ The Executive Director / Co-Executive Directors will prepare budgets based on the priorities established by the Board of Directors.
- ▶ The Executive Director / Co-Executive Directors will prepare budgets in consultation with the Treasurer and/or Finance Committee.
- ▶ The Board of Directors will approve all budgets (annual operating and projects). Approval will be noted in the meeting minutes of the Board of Directors.
- ▶ The Board of Directors will regularly review budget information quarterly ensuring that budget allocations and spending limits are adhered to.
- ▶ The Board of Directors will monitor all budgets and make adjustments if required.
- ▶ The Executive Director/Co-Executive Directors will revise CLO's operating budget as required and bring changes to the CLO Board of Directors for approval
- ▶ The Executive Director /Co-Executive Directors will revise CLO's project budgets as required and bring changes to the CLO Board of Directors for approval

## 6 Policy — Financial Controls — Annual Audit

An annual audit will be completed and presented to the members of the corporation for their approval.

### Procedures

- ▶ At the annual meeting, the Board of Directors will recommend to the membership of the corporation the name of a chartered accountant to conduct the audit for the next fiscal year. The auditor must be appointed by a formal resolution from the membership.
- ▶ The auditor will conduct an audit of CLO's financial/accounting systems and ensure that financial statements and records have been prepared in accordance with generally accepted accounting principles.
- ▶ The audit report will be presented to the Board for its approval as soon as is feasible after the end of the fiscal year.

## 7 Policy — Financial Controls — Review of Financial Statements

The Board of Directors of CLO will review the financial statements (for CLO's operating budget and for all projects) on a quarterly basis.

### Procedures

- ▶ The Finance Committee will receive and review all financial statements on a quarterly basis. When the cheques are within the approved budget, the two signatory will normally be the two Executive Directors.
- ▶ The Finance Committee will receive the monthly cheque list, balance sheet and consolidated income and expense statement prepared by the accounting computer system on a monthly basis.

- ▶ The Board of Directors will receive and review financial statements indicating CLO's current cash position in relation to the approved budgets quarterly.
- ▶ The Board of Directors will ensure that they understand the financial statements.
- ▶ The Board of Directors will pass formal motions indicating their acceptance of the financial statements.

## 8 Policy — Financial Controls — Signing Authority

*Community Literacy of Ontario* will adhere to the signing authority requirements as specified in the bylaws of our organization.

### Procedures

- ▶ The Board of Directors shall formally appoint signing officers on an annual basis.
- ▶ Signing officers may be Board members or the Executive Director / Co-Executive Directors
- ▶ CLO and the bank will maintain a formal list of names, titles and signatures of those individuals who have signing authority.
- ▶ There will be two authorized officers' signatures on all CLO financial transactions and legal agreements and will normally be the two Executive Directors.

## 9 Policy — Financial Controls — Cheques

CLO's Board will ensure that internal controls on the use of cheques are implemented. When the cheques are within the approved budget, the two signatory will normally be the two Executive Directors.

### Procedures

- ▶ There will be two authorized officers' signatures on all CLO cheques.

- ▶ All cheques will be numbered and used in numerical order.
- ▶ All cheques, including blank unused cheques, will be kept in a secure location.
- ▶ All void cheques will be maintained on file.
- ▶ Cheques will not be issued to “cash” or “the bearer.”
- ▶ Cheques will be written and attached to the supporting invoices before being given to the signing officers.
- ▶ All invoices and payroll entries will be reviewed by the signing officers and signed as “approved for payment” by one of the signing officers.
- ▶ Blank cheques should never be signed.
- ▶ The Bookkeeper will obtain the bank statements and cancelled cheques and review these on a monthly basis.

## 10 Policy — Financial Controls — Deposit of Funds

Funds received by our organization will be subject to internal controls.

### *Procedures*

- ▶ Upon receipt, all funds received will be recorded in the appropriate journal.
- ▶ All funds will be kept in a secure location.
- ▶ A receipts journal will be kept. The journal will identify the date the funds are received, the source of the funds, the amount of the funds, the cheque number, and the initials of the person who received the funds.
- ▶ All funds will be deposited in the bank on a regular basis. Bank deposits will be verified when the deposit is made to ensure that all funds are accounted for.
- ▶ Receipts will be issued where appropriate.

## 11 Policy — Financial Controls — Control of Credit Cards

Credit-card use will be strictly controlled according to the procedures established by CLO.

### *Procedures*

- ▶ CLO’s board will authorize a CLO credit card in the amount of \$1,000.
- ▶ The Board of Directors will authorize the Executive/Co-Executive Directors to have use of the credit card.
- ▶ The credit card will be secured by a GIC from CLO’s reserve fund in the amount of \$1,000. Directors will not be required to be personally liable for the credit card.
- ▶ Payment will not be made on the monthly credit card statement without individual bills for each purchase to verify the charges.
- ▶ The credit card may only be used strictly for authorized CLO business. Under no circumstances may personal items be expensed to the CLO credit card.
- ▶ Staff will bring credit card files to be reviewed by the treasurer twice per year at the face-to-face meetings.

## 12 Policy — Financial Controls — Capital Asset Inventory

*Community Literacy of Ontario* will maintain accurate capital asset inventory records for items over \$300.

### *Procedures*

- ▶ Inventory records (of items over \$300) will provide an accurate description of the item, the date purchased, and the purchase price.
- ▶ A review of the inventory will be done annually to determine the condition of capital assets.

- ▶ When an item is written off (due to its deteriorated condition) or sold, it will be recorded as such in the inventory records.
- ▶ Unwanted capital assets with an estimated residual value of less than \$250 may be sold at a reasonable cost, without a formal selling process, with the written approval of the Treasurer and Executive Director / Co-Executive Directors. The sale will be recorded in the inventory record.
- ▶ Unwanted capital assets with an estimated residual value of more than \$250 may be sold at a reasonable cost with the formal approval of the Board of Directors. The Board of Directors will determine the appropriate selling process. The sale will be recorded in the inventory record.

### 13 Policy — Financial Controls — CLO Investments

The Board of Directors will ensure that the investments held by CLO are secure investments and that they are monitored on a regular basis.

#### Procedures

- ▶ All investments will be under the control of the Board of Directors.
- ▶ The Board of Directors will approve the purchase and sale of securities.
- ▶ Investment income earned will be subject to the same financial controls as all other CLO funds.
- ▶ CLO investments should be very secure investments, short-term (for a period of one year or less), liquid, and fully ensured by the Canada Deposit Insurance Corporation.
- ▶ Two signing officers are required to set-up or redeem CLO investments.

- ▶ The Executive Director / Co-Executive Directors must review the investment prior to the renewal date and arrange for investments to be redeemed into general revenues as needed, so that CLO's operating costs may be met.
- ▶ CLO's reserve fund will be monitored according to the reserve fund policies (policy 20).

### 14 Policy — Financial Controls — Purchase of Goods and Services

Purchases of goods and services will be approved by inclusion in the appropriate budget (annual operating or project) or by approval of the Board of Directors.

#### Procedures

- ▶ All purchases made will be approved either by inclusion in the appropriate budget or by special motion approved in advance by the Board of Directors, thereby ensuring that all purchases of goods and services are authorized.
- ▶ Limits of approval authority for purchase requisitions will be as follows:  
*For all single budgeted expenditures:*
  - *If less than \$1,000 buy as required*
  - *\*If greater than \$1000, three verifiable quotes are required and information must be kept on file until the funder has approved of the final budget report.*
- ▶ The Board of Directors must approve non-budget items (over \$500).

**\* The lowest price will not necessarily determine the supplier. Information on the reasoning of recommendations should be disclosed.**

## 15 Policy — Financial Controls — Board / Staff Expenses

Approved Board and staff expenses will be reimbursed if accompanied by proper documentation and if within the limits set by the Board of Directors.

### Procedures

- ▶ All expenses must be within the limits set by the Board of Directors. Breakfast — up to \$15.00; Lunch — up to \$15.00; Dinner — up to \$30.00; and a daily maximum of \$60.00.
- ▶ Expense limits will be set and reviewed annually. They will be compared with MTCU limits.
- ▶ The mileage reimbursement rate is \$.40 per kilometre.
- ▶ All expenses must be related to approved costs for attending meetings, long distance charges associated with CLO business, and approved cost of office or meeting supplies.
- ▶ All expense reports must be submitted within one month after the expense is incurred.
- ▶ Original receipts must be included with all expense reports.

## 16 Policy — Financial Processes — Banking Services

*Community Literacy of Ontario* will enter into an agreement with a recognized chartered bank that will provide the banking services needed.

### Procedures

- ▶ CLO will ensure that the chartered bank provides the following services:
  - *Chequing services for required accounts.*
  - *Provision of cancelled cheques on a monthly basis; with a statement showing all debits and credits.*

- *Payment of interest at current rate for all surplus funds held in any special account.*
- *Consultation on the banking requirements of the organization.*

- ▶ Bank accounts will be reconciled monthly by the designated staff person.

## 17 Policy — Financial Processes — Payroll

Payroll records will be kept current and will be updated on a regular basis.

### Procedures

- ▶ Payroll information will include the following:
  - *Employee's name and address*
  - *Employee's Social Insurance Number*
  - *Employee's desired taxation code*
  - *Employee's date of birth*
- ▶ CLO core and term employees will be paid on a semi-monthly basis, on the 15<sup>th</sup> and 30<sup>th</sup> of each month. If these dates fall on a weekend, employees will be paid on the closest Friday to that date.
- ▶ Contractors and consultants will be paid as directed in their contract.

## 18 Policy — Financial Processes — Maintenance of Financial Records

CLO's financial records will be retained for the time specified by our governing legislation.

### Procedures

- ▶ A hard copy of financial records will be retained at our head office for a period of seven years.
- ▶ CLO will also retain a backup copy of the financials records created semi-monthly on a back-up device and kept off site.

## 19 Policy — Financial Processes — Contracts

- 1) The Board of Directors is responsible for all CLO contracts.
- 2) The intent of this policy is to ensure that Community Literacy of Ontario (CLO) awards professional and consulting contracts to qualified individuals and firms based on:
  - a. Adherence to the need/requirements to use such services;
  - b. An open, fair and competitive process for all contracts over \$10,000;
  - c. Competence and expertise relative to the particular requirement;
  - d. Ability to complete the task within the proposed time frame;
  - e. Experience and record of past performance with similar projects; and
  - f. Price reasonableness (2) for value of the funds expended;
  - g. Ensure that qualified individuals are firms interested in providing professional and consulting services have equal access to CLO consulting opportunities under normal circumstances, excepting occasional sole-source procurement of consultants and professional services in accordance with approved CLO policy as described under Sole Source Situations (4).

### 3) Price Reasonableness:

CLO management will make all efforts to hire a consultant based on an established reasonable rate of pay that takes into consideration the standard cost of work required for the project by consultants in the field plus weighing in the expertise and background of the individual consultant.

### 4) Sole Source Situations:

Sole Source shall mean entering into a commitment without the issuance of a Request

for Quotation (RFQ) or a Request for Proposal (RFP). This is applied only in cases where normal purchasing procedures are either not possible (i.e. emergencies, time constraints or where for economic reasons it is not possible to follow accepted procedures) or under special circumstances where consultant/s have the specialized knowledge, skills and experience required to meet project deliverables effectively and efficiently.

### Procedures

- ▶ The organization may enter into contractual agreements with individuals, literacy organizations, consulting firms, and/or registered companies for the provision of specific services and/or programs.
- ▶ All contracts are to be reviewed by the Executive Director / Co-Executive Directors for their content and format.
- ▶ All contracts must fit the terms of budgets pre-approved by the Board of Directors before they are signed.
- ▶ For contracts for service in excess of \$25,000 a tendering process will be required. The tendering process will involve contacting at least three contractors. Written bids will remain on file.
- ▶ The Co-Executive Director / Co-Executive Directors will sign all contracts.
- ▶ A copy of a signed contract will be kept in CLO's files.
- ▶ Any changes to contracts that do not fit pre-approved budgets must receive the approval of the Board of Directors
- ▶ For contracts less than \$25,000 the Executive Director / Co-Executive Directors can contract for services at their discretion within the budgets pre-approved by the Board of Directors.

## 20 Policy — Financial Processes — Reserve Fund

The Board of Directors of CLO will set up and accumulate a reserve fund from revenue earned from income sources other than CLO's core operating funds from MTCU.

### *Procedures*

- ▶ CLO's restricted reserve fund will be reviewed annually. The target amount will be an equivalent of three months of CLO's annual operating budget plus the costs of potential dissolution.
- ▶ The Bookkeeper will review and calculate the amount of restricted reserve annually.
- ▶ CLO's restricted reserve fund will be set up to cover the cost of core staff salaries & benefits and lease costs (office rent, photocopier and postage machine) in the event of cessation of funding or considerable delay in contract payments from MTCU.
- ▶ On an annual basis, the CLO Board will determine the amount to be invested in the restricted reserve fund each year (until the reserve fund reaches its maximum). All other surplus funds will be placed in the non-restricted reserve fund.
- ▶ The restricted reserve fund will be invested in GICs at CLO's regular financial institution.
- ▶ The reserve fund can only be accessed with Board approval.

## 21 Policy — Financial Processes — Administration of Projects

CLO will charge a 15% administration fee to all projects managed by our organization. In the event the granting criteria does not allow for percentage administrative fees CLO will incorporate administrative costs in a manner consistent with the funding criteria.

### *Procedures*

- ▶ The project administration fee of 15% will be allocated into CLO's "other sources of income" budget on a monthly basis based on CLO's standard fiscal year.
- ▶ This is a fee-for-service cost for project administration. CLO's use of this fee is unrestricted and it will be used within the other sources of income budget in an appropriate manner determined annually by the CLO board.
- ▶ CLO core staff costs for project management will be billed over and above the administration fee (see policy 22 for details)
- ▶ In exchange for the 15% administration fee, CLO will cover the following administration costs for each project:
  - Rent
  - Office equipment
  - Computers (hardware and software)
  - Bookkeeping services (preparation of financial statements, paying invoices, payroll)
  - Professional auditing services
  - Insurance (directors and officers liability, general liability and premises insurance)
  - Shared office supplies
  - CLO internal office expenses for telephone systems and long distance charges, fax & Internet (project staff's telephone expenses will be billed directly to the projects)
  - Professional memberships
  - Basic administrative and clerical support
  - Board support, professional development for staff, review of policies and procedures, Board professional development, technical support, strategic planning, human resource management

## 22 Policy — Financial Processes — CLO Project Management Fees

For each project CLO staff will identify the amount of time required for management and include it in the project budget accordingly.

### *Procedures*

- ▶ This charge will be billed over and above the fee for administrative costs.
  - ▶ Costs for project staff will be billed in addition to this fee.
  - ▶ The Executive Director/Co-Executive Director(s) will be paid up to a maximum of 40 hours per weeks from funds from either CLO core or project funding. Each year, the board will approve the specific allocation of hours, depending upon core funding and project funding received. Project management duties will be split equitably between the Co-Executive Directors.
- ▶ For this project management charge, CLO will provide the following services to each project:
    - Project management and planning
    - Recruiting, hiring, orienting, supporting and supervising of project staff. Preparing and monitoring job descriptions and employment contracts
    - Review and approval by CLO's Executive Director / Co-Executive Directors of project reports, research, manuals, surveys, project bulletins, and other project material
    - Participation of CLO staff in meetings and teleconferences relating to each project
    - Developing and monitoring of a detailed project work plan
    - Preparing budgets, monitoring and reviewing monthly financial statements
    - Preparing funding proposals and reviewing final project report
    - Ongoing liaison with project funder

## SAMPLE POLICY: Barrie Literacy Council

**Note:** Barrie Literacy Council's financial policies are quite extensive, so only portions of them have been reproduced here.

C.1 ACCOUNTING PROCEDURES	
Date of Original Approval:	October 1993
Date(s) of Revision:	Sept. 94, June 2000, Feb. 2003, Feb. 2006, Jan. 2008, Nov. 2009
Review Schedule:	every two years
Date of Last Review:	Nov. 2009

### POLICY

Up-to-date and accurate records of every financial transaction will be maintained according to generally accepted accounting principles in order to ensure accountability to our funders, stakeholders and to the community at large.

### Procedures:

#### Chart of Accounts

- 1 The accompanying pages list the chart of accounts for the Assets, Liabilities and Equity of the organization.
- 2 The **Revenue Accounts** are as follows:  
<list of accounts>
- 3 Operating Expenditures are accounts which may be expensed against the MTCU grant.  
<list of accounts>
- 4 **Other Expenditures** include the accounts which must be covered by revenue other than the grants.  
<list of accounts>
- 5 The expense lines of a budget for a grant received other than the MTCU grant will each have separate accounts.

### Financial Transactions

- 1 The Executive Director writes cheques for invoices within two weeks of receipt of the invoice. The account(s) to be charged and the cheque number are written on the invoice.
- 2 The cheque, attached to the invoice or supporting document, is then given to another signing officer for a second signature before it is sent out.
- 3 Another staff member who has not written the cheques will enter all amounts of cheques and deposits into the correct accounts of the General Journal of the Simply Accounting computer program. She will initial the posting on the invoice.
- 4 Invoices, receipts and supporting documents for each financial transaction (cheque or deposit) are kept in monthly folders in the "Financial" filing cabinet. Void cheques are also kept in this file.
- 5 Cheque stubs are kept in the cheque book and then filed in the bottom drawer of the financial filing cabinet.
- 6 Hard copies of all monthly financial statements for each year are kept in a binder. All financial records (statements and documentation) are kept for seven years.

<b>C.2 BANKING PROCEDURES</b>	
Date of Original Approval:	Feb. 2003
Date(s) of Revision:	
Review Schedule:	every two years
Date of Last Review:	November 2009

## **POLICY**

The Barrie Literacy Council will hold bank accounts as required at banks or trust companies governed by the Bank Act.

### **Procedures:**

- 1 The Board will hold a current account at any bank or trust company that is governed by the Bank Act and has CDIC (deposit insurance) coverage.
- 2 The Board will approve the type and number of bank accounts required, based on recommendations by the Finance Committee.
- 3 Both the bank and the office will maintain up-to-date lists of all those who are designated with signing authority.
- 4 Bank deposits will be made by the Executive Director at least once per month.
- 5 The Treasurer will reconcile the bank statements and cancelled cheques to the Simply Accounting ledger on a monthly basis.

<b>C.4 INVESTMENTS</b>	
Date of Original Approval:	June 2000
Date(s) of Revision:	
Review Schedule	every two years
Date of Last Review:	November 2009

## **POLICY**

The Council will invest surplus funds only in low-risk, short-term investments that are guaranteed.

### **Procedures:**

- 1 The Treasurer will determine how much money is needed each month to pay the bills and ensure that this money is readily available. The Treasurer may invest surplus funds in low-risk, short-term investments that are guaranteed.
- 2 The grant money received from the Ministry of Training Colleges and Universities will not be invested.
- 3 All new investments must be approved by the Board and any investments cashed in must be reported in the monthly Treasurer's report.
- 4 Investment income will be recorded in the revenue account: Bank Interest.

C.5 REVIEW OF FINANCIAL STATEMENTS	
Date of Original Approval	April 2000
Date(s) of Revision:	March 2009
Review Schedule:	every two years
Date of Last Review:	November 2009

### POLICY

The Board of Directors will review the financial statements for the operating budget and for any special projects on a regular basis.

#### Procedures:

- 1 The Treasurer will prepare and review all financial statements on a monthly basis.
- 2 The financial statements will include the Balance Sheet, the monthly Statement of Income and Expenses, the actual Income and Expenses to date compared to the annual budget and the Reconciliation Statement.
- 3 The Board of Directors will receive and review the Balance Sheet and the Income Statement (compared to budget) prior to each Board meeting.
- 4 The Board of Directors will ensure that they understand the financial statements and will pass formal motions indicating their acceptance.
- 5 At the Annual General Meeting, the membership will pass a formal motion indicating their acceptance of the year-end financial statements.
- 6 The Treasurer will send the Charitable Return to Revenue Canada on an annual basis (before the end of September). Financial statements are available to the general public on Revenue Canada's website.

C.6 FINANCIAL AUDIT / REVIEW	
Date of Original Approval:	May 1981
Date(s) of Revision:	Jan. 1993, April 2000, Nov.2009
Review Schedule:	every two years
Date of Last Review:	November 2009

### POLICY

An annual audit or informal audit review of the organization's financial records will be completed and presented to the Board of Directors for their approval.

#### Procedures:

- 1 At the Annual General Meeting, the name of an auditor to conduct the audit for the next fiscal year will be recommended to the membership of the corporation. The auditor must be appointed by a formal resolution from the membership.
- 2 If the total MTCU grant is less than \$100,000, an audit review may be conducted by three members of the Council who are familiar with general accounting procedures, or an accountant who is not a member. The Finance Committee will not take part in the audit review. An established checklist will be used to ensure that financial statements have been prepared in accordance with generally accepted accounting principles.
- 3 If the total MTCU grant is more than \$100,000, a formal audit will be conducted by a chartered accountant, according to Ministry guidelines and generally accepted accounting procedures for non-profit charitable organizations.
- 4 The audit report will be presented to the Board for their consideration as soon as possible after the end of the fiscal year.
- 5 The annual audited financial statement will be sent to the Ministry by July 31<sup>st</sup> of every year.

<b>C.8 FINANCIAL SAFEGUARDS</b>	
Date of Original Approval:	June 1982
Date(s) of Revision:	June 87, Sept. 93, Oct. 98, Feb. 03, Jan.07, Mar. 09, Nov. 09
Review Schedule:	every two years
Date of Last Review	November 2009

## **POLICY**

The Board of Directors will ensure that appropriate safeguards are implemented to prevent fraud or theft of the organization's funds.

## **Procedures:**

### *Cheques*

- 1 The cheque book will be kept in a locked filing cabinet.
- 2 Two authorized signatures will be required on all cheques. Six signing officers will be designated: the Chair, the Vice-Chair, the Secretary, the Treasurer, the Chair of Finance, and the Executive Director.
- 3 All voided cheques will be kept on file.
- 4 Cheques will not be issued to "Cash" or "The Bearer."
- 5 When the cheque is written, the account to be charged and the cheque number are written on the invoice. Cheques, attached to the invoice or supporting document, are then given to another signing officer for a second signature before being sent out.
- 6 Signing officers will review each invoice before signing the cheques.
- 7 Blank cheques should never be signed even by one of the signing officers.

### *Deposit of Funds*

- 1 All incoming funds should be put in a locked cash box marked "Books, Donations, Tickets etc..." Receipts will be issued and duplicates (the yellow copy) kept in the cash box or in the charitable receipt book. The handling of money will be limited to as few staff persons as absolutely necessary.
- 2 As cash accumulates, it should be kept within the fire safe and out of view. The cash box should be brought out only if absolutely necessary.
- 3 The Executive Director will balance the money in the cash box with the receipts at least once a month and deposit funds in the bank.
- 4 At no time should there be more than \$200 cash in the office. Cheques in amounts over \$300 should be deposited within one week of receipt. Time of deposits should be varied.
- 5 If large amounts of money (over \$300) are taken in through fundraising activities, the money should be counted by two parties and the income record initialled by both people. The money should be taken directly to the bank by two persons for deposit using a bank card. The cash must NOT be brought to the office.
- 6 The bank card will be limited to deposits only.
- 7 The duplicates of the receipts will be filed in the monthly deposit envelope.
- 8 The Executive Director will record all deposits in the appropriate journal.

### *Credit Cards*

- 1 The only credit cards allowed for Council use are those issued by office suppliers (such as Business Depot, Grand & Toy etc.)
- 2 Credit cards for office supplies will only be used for authorized Council business. Under no circumstances, may personal items be expensed to the Council credit card.
- 3 Payment will only be made on the credit card statement with individual bills for each purchase to verify the charges.

### **C.10 BUDGETING**

Date of Original Approval:	April 2000
Date(s) of Revision:	January 2008
Review Schedule:	every two years
Date of Last Review:	November 2009

### **POLICY**

The financial operation of the organization will be governed by a budget which is prepared and approved annually by the Board of Directors, and reviewed on a regular basis.

### **Procedures:**

- 1 The budget is prepared by the Finance Committee in January of each year and modified when the Ministry allocations are made in March or April.
- 2 The Finance Committee will prepare a budget based on the priorities established by the Board of Directors.
- 3 The grant request to the Ministry takes into consideration their conditions for funding.
- 4 Every attempt will be made to ensure a balanced budget.
- 5 The Board of Directors will approve all budgets (annual operating and special projects). Approval will be noted in the meeting minutes of the Board of Directors.
- 6 The Board of Directors will review the budget information monthly and make any adjustments required.
- 7 The budget once approved by the Board is presented to the membership at the Annual General Meeting for information only.

<b>C.12 STAFF/VOLUNTEER EXPENSES</b>	
Date of Original Approval:	April 1984
Date(s) of Revision:	Feb. 87, Dec. 89, June 91, April 93, April 2000, Jan.08, Nov. 09
Review; Schedule:	every two years
Date of Last Review:	November 2009

## POLICY

Board, staff and volunteer expenses incurred while doing Council business will be reimbursed if accompanied by proper documentation and if within the limits set by the Board of Directors.

### Procedures:

- Any Board or staff member who is required to travel out-of-town on Council business will be reimbursed for the following out-of-pocket expenses:
  - mileage
  - meals
  - parking
- Expenses will be reimbursed up to the following limits:  
<insert limits>  
These limits will be reviewed annually by the Finance Committee.
- In order to claim expenses, a person must submit an itemized account of expenses on an expense form to the Treasurer. All expenses for meals or parking must be accompanied by original receipts.
- All expense reports must be submitted within one month after the expense has been incurred.

<b>C.14 PAYROLL RECORDS</b>	
Date of Original Approval:	May 1987
Date(s) of Revision:	August 1998, April 2000, Jan 2008
Review Schedule:	every two years
Date of Last Review:	November 2009

## POLICY

Payroll records will be kept current and updated on a regular basis.

### Procedures:

- Payroll information will include the following:
  - employee's name and current address
  - employee's social insurance number
  - employee's birth date
  - employee's desired taxation code
- Employees are responsible for completing their own time sheets each month.
- Time sheets should be submitted to the Executive Director for an accuracy check and initialled. Time sheets are given to the Treasurer by the first business day of the month.
- Staff will be paid monthly within five days of the end of the month. Payroll stubs should accompany all cheques to explain the deductions from gross earnings.
- The Treasurer is responsible for payroll and for record-keeping. Accurate records are kept of the gross earnings, CPP, EI and income tax deductions, and the benefits paid by the Council for CPP and EI. A cheque will be issued to the Receiver General at the time the payroll cheques are made out.
- The Treasurer is responsible for issuing T4's to every employee by the end of February each year and completing the T4 summary for Revenue Canada. These figures are based on the payroll records and should balance with the Revenue Canada submissions.

- 7 If an employee terminates employment, the Treasurer will complete a Record of Employment using the payroll record and the Revenue Canada guidelines. The Record of Employment must be given to the employee within five calendar days of the date of termination.
- 8 Payroll records will be kept for a period of seven years.
- 9 The Finance Committee shall maintain and review payroll rates provided by Community Literacy of Ontario for comparison with the current pay scale of the Barrie Literacy Council staff. This will be submitted to the Board for review at the time of the budget.

C.18 FUNDRAISING	
Date of Original Approval:	June 2000
Date(s) of Revision:	Nov. 2000, June 2008
Review Schedule:	every two years
Date of Last Review:	November 2009

## POLICY

The Board of Directors will approve an annual fundraising plan which conforms to ethical fundraising and accountability guidelines

### Procedures:

- 1 The Board of Directors has adopted Imagine Canada's Ethical Fundraising and *Financial Accountability Code* as policy. Each year a short report along with financial statements will be submitted to Imagine Canada confirming commitment to the Code.
- 2 Under no circumstances will the Barrie Literacy Council share its fundraising list with any other organization.
- 3 Each Board and staff member will read the Ethical Fundraising and Financial Accountability Code during their orientation.
- 4 If any member of the public has any questions, comments or complaints about our fundraising procedures, they will be directed to e-mail or write the Executive Director. The Executive Director will immediately acknowledge the complaint and will investigate. The complainant will be advised of the status of the investigation or resolution within seven business days. Any complaint related to the Ethical Code that cannot be settled by the Barrie Literacy Council will be referred to the Imagine Canada Ethical Code Committee in accordance with the Protocol for Complaints. The number and type of complaints received must be reported each year to Imagine Canada.
- 5 Each Board member, staff person and fundraising volunteer will read the policy statement on "Confidentiality of Information" and sign the confidentiality agreement before engaging in any fundraising activities or discussion. This agreement will be kept in the volunteer's file.
- 6 Breach of confidentiality will be viewed as a serious matter requiring disciplinary action up to and including dismissal.
- 7 In January of each year, the Fundraising Committee will present to the Board an annual fundraising plan based on the amount needed in the budget. This plan will require Board approval.
- 8 All solicitations of funds must be made with the approval of the Fundraising Committee in order to prevent duplication of requests and ensure consistency in approach.

## SAMPLE POLICY: Literacy London

### PROGRAM ACCOUNTING

**Approved and established accounting procedures must be followed by the agency.**

#### WHY?

The agency has a responsibility and a commitment to ensure accountability to its funding sources and to the community at large.

#### Procedures:

- 1 All purchases, regardless of amount, will be documented and accounted for by attaching date, amount and reason for purchase, staff signature and original receipt for bookkeeping purposes.
- 2 Financial statements and budget lines are guided by and approved by the Board of Directors.

### ACCOUNTING SYSTEM

**The books of account are maintained and/or supervised by the treasurer of the Board of Directors.**

#### WHY?

It is essential that there is someone who has ultimate authority over the books of account for the agency. This person must be competent in performing this function.

#### Procedures:

- 1 Monthly financial statements of account will be available 12 times per year at each month-end and are also reviewed at each board meeting.
- 2 A budget shall be prepared, and approved by the Board of Directors, on a yearly basis.

- 3 A review of the books of account shall be conducted annually by a certified accountant who is appointed by the Board of Directors (for programs that receive less than \$100,000 in funding from MTCU) –OR– An audit of the books shall be conducted using generally acceptable accounting principles (GAAP) by a certified accountant appointed by the Board of Directors (for agencies that receive more than \$100,000 in funding from MTCU)
- 4 The certified accountant shall be appointed at the annual general meeting of the general membership of the agency.

### WAGES AND SALARY

**Every position is approved by the agency and is assigned a designated salary or hourly wage.**

#### WHY?

Each position must have fair remuneration assigned to it.

#### Procedures:

- 1 All new employees will start at the assigned salary or wage for that position.
- 2 Salary/wage assignments will be reviewed on a yearly basis and adjusted from time to time as the Board of Directors sees fit.
- 3 Pay periods will be on a monthly basis and are accounted for in the annual budget.

### TRAVEL AND EXPENSES

**Employees required to travel in the course of their duties will be reimbursed.**

**WHY?**

The agency cannot expect employees to absorb travel costs over and above the normal costs of attending work on a daily basis. There are, at times, out of town workshops and training opportunities that staff members must attend.

**Procedures:**

- 1 The Board of Directors approves the amount budgeted for professional development.
- 2 A staff member will obtain approval from the executive director prior to incurring any expenses.
- 3 Conference, training fees and associated meal expenses will be reimbursed after the approval of the executive director and the submission of original receipts for costs incurred.

**DONATIONS/BEQUESTS**

**The agency will accept donations within the following conditions:**

- ▶ that the donation be freely given
- ▶ that the donation places no obligation upon the agency, and
- ▶ that the donor does not expect any present and/or future material benefits in return for the donation

**Any donations from the agency to another party must have prior approval of the executive director.**

**WHY?**

The agency is a non-profit agency registered under the Charitable Organizations Act of Ontario and, as such, it has a Charitable Donations number. Any donations made to the agency must be managed so as to:

- ▶ provide resources required to conduct the business of the agency so as to facilitate and meet the goals and objectives of the agency as stated in the mission statement

- ▶ ensure their suitability
- ▶ ensure that the agency is not placed in a conflict of interest position and to further ensure that the ethical principles of the agency are not compromised.
- ▶ ensure and maintain the impartiality and universality of agency service
- ▶ ensure that opportunities are not lost due to the acceptance of a donation (e.g. some foundations exclude agencies from eligibility, on a time-limited basis, if they have accepted donations from that foundation.)

**Procedures:**

- 1 Any donation offered to the agency must be reported to the executive director.
- 2 The executive director will place the item on the agenda of the next board meeting, along with a recommendation to accept or reject the donation and the reasons behind the recommendation.
- 3 The Board will consider the matter and decide whether or not to accept the donation.
- 4 Once a donation is received, an official receipt will be completed with the following information:
  - a. Date of donation
  - b. Date of receipt
  - c. Name and address of the donor
  - d. Name of person issuing receipt
  - e. Donor organization
  - f. Amount of donation
  - g. Receipt number
- 5 Copies of the receipt will be distributed as follows:
  - a. Copy to the donor
  - b. Copy retained in agency's files
- 6 Any donated money will be deposited as soon as possible into the agency account.

## SAMPLE POLICY: Literacy London

This regional network uses a policy governance model and as such, their policies focus on what must not occur rather than on what does occur. Here are their policies relating to financial matters:

FINANCIAL PLANNING/BUDGETING	
Effective Date:	January 1, 1998
Reviews:	Internal — Quarterly
	External — Annually

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board's Ends priorities or risk fiscal jeopardy.

Accordingly, the Executive Director shall not allow budgeting which:

- 1 Fails to include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosures of planning assumptions.
- 2 Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
- 3 Reduces the current assets at any time to less than twice current liabilities (debt guideline).
- 4 Provides less for board prerogatives during the year than is set forth in the Cost of Governance policy.
- 5 Fail to provide the Board with information related to ALL projects in which Literacy Link South Central has a financial role.
- 6 Fail to appropriately share risks and liabilities when the organization partners with other entities.
- 7 Fail to ensure that all contracts the organization enters into are carefully reviewed by staff or, if required, by counsel.
- 8 Fail to fulfil the organization's contractual obligations. This includes contracts with employees and independent contractors as well as with funding bodies.

FINANCIAL CONDITION AND ACTIVITIES	
Effective Date:	January 1, 1998
Reviews:	Internal — Quarterly
	External — Annually

With respect to the actual, ongoing financial condition and activities, the Executive Director shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Accordingly, the Executive Director shall not:

- 1 Expend more funds than have been received in the fiscal year to date unless the debt guideline is met.
- 2 Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days.
- 3 Deplete long-term reserves below \$75,000.
- 4 Conduct inter-project fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 60 days.
- 5 Fail to settle payroll and debts in a timely manner.
- 6 Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
- 7 Acquire, encumber or dispose of real property.
- 8 Fail to aggressively pursue receivables after a reasonable grace period.
  - a. Access funds in excess of \$2,000.00 from the Long Term Reserve Account in accordance with guideline 3, without Board approval.
  - b. Access funds in excess of \$2,000.00 from the Nevada Account without Board approval.

## Additional Resources and Training

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*Basic Guide to NonProfit Financial Management.*

[www.managementhelp.org/finance/np\\_fnce/np\\_fnce.htm](http://www.managementhelp.org/finance/np_fnce/np_fnce.htm)

*Board Café* from CompassPoint NonProfit Services. ([www.compasspoint.org/boardcafe/archives.php](http://www.compasspoint.org/boardcafe/archives.php)) Scroll down to the bottom of the page to read archived articles about finance and budget.

Bourgeois, Donald J. *Charities and Not-for-Profit Administration and Governance Handbook*. In Association with the Canadian Centre for Philanthropy. Toronto (2001).

Canadian Institute of Bookkeeping. Visit their site at [www.cibcb.com](http://www.cibcb.com) for information on training and certification.

Carters Professional Corporation. *Charity Law Update* (October 2009). [www.carters.ca/pub/update/charity/09/oct09.pdf](http://www.carters.ca/pub/update/charity/09/oct09.pdf)

Centre for Voluntary Sector Studies, Ryerson University. [www.ryerson.ca/cvss](http://www.ryerson.ca/cvss). The Centre was established to conduct research and to offer education for the voluntary field, including a Certificate Program in NonProfit Management.

Charity Village — Canada's supersite for the nonprofit sector — features a number of online courses including budgeting, fundraising, charitable receipting and more. Also has an extensive library of resources. Sign up for the weekly email and stay up-to-date on trends, learn about new resources, link to informational articles and more: [www.charityvillage.com](http://www.charityvillage.com). Also see their information on post-secondary training available in not-for-profit management at [www.charityvillage.com/cv/learn/postsec.html#npomgmt](http://www.charityvillage.com/cv/learn/postsec.html#npomgmt)

Community Literacy of Ontario, *Policies and Procedures Manual, Volume 1*: [www.nald.ca/clo/policies/guide1/devpol-1.pdf](http://www.nald.ca/clo/policies/guide1/devpol-1.pdf)

DAWN: Disabled Women's Network Ontario. *The Role of the Board Treasurer* from the Board Development Toolkit: [http://dawn.thot.net/board\\_treasurer.html](http://dawn.thot.net/board_treasurer.html)

Draper, Nancy M. *Strengthening Leadership: Workbook for a Financial Policies and Procedures Manual for Human Service Organizations*. Family Space Quinte Inc. Belleville (1997).

Imagine Canada ([www.imaginecanada.ca](http://www.imaginecanada.ca)) "Looking into and out for Canada's charities and nonprofits." This is another site with a number of useful and practical resources, including the NonProfit Library Commons, the largest collection of Canadian nonprofit literature in the world: <http://nonprofitscan.imaginecanada.ca>

McNamara, Carter. *The Free Nonprofit Micro eMBA*. [http://managementhelp.org/np\\_progs/org\\_dev.htm](http://managementhelp.org/np_progs/org_dev.htm)

Not For Profits Canada. *The Ten Things You Must Do ... To stay out of trouble with Revenue Canada*. A series of free articles sent by email. <http://notforprofitscanada.com>

OntarioLearn. Check out this elearning portal that provides links to Ontario's colleges and the many courses they have available. [www.ontariolearn.com](http://www.ontariolearn.com)

The Ontario NonProfit Network. This provincial network is involved in a number of provincial initiatives, hosts an online forum, uploads informational articles to its blog and more. They also host seminars on topics of interest such as the impact of HST on charities.  
[www.ontariononprofitnetwork.ca](http://www.ontariononprofitnetwork.ca)

The Muttart Foundation. *Board Development: Financial Responsibilities of Not-for-Profit Boards*. A Self-Guided Workbook. (Edmonton) Revised 2008. [www.muttart.org/sites/default/files/downloads/publications/financial\\_responsibilities.pdf](http://www.muttart.org/sites/default/files/downloads/publications/financial_responsibilities.pdf) (An excellent, comprehensive resource!)

Voluntary Sector Initiative. *Resources for Accountability and Financial Management in the Voluntary Sector*. (2003). [www.vsi-isbc.org/eng/funding/financial\\_guide/resources\\_english.pdf](http://www.vsi-isbc.org/eng/funding/financial_guide/resources_english.pdf)

# 3

## Human Resources Management

CAPACITY PLUS

### Introduction

According to CLO's 2009 Human Resources Survey, there is an average of 3.6 employees in Ontario's community-based literacy agencies with the actual number of staff ranging from one to 28. (For full details about the survey, see the February 2010 newsletter on our website at [www.nald.ca/clo](http://www.nald.ca/clo).) Some of these agencies directly employ staff; other agencies are affiliated with a larger organization such as a library or a multi-service agency which is legally the employer. Regardless of whether employees are hired directly by the agency or by the larger organization, literacy agencies are responsible for many areas of human resources management, including day-to-day management of staff and volunteers, providing safe work environments and more.

In this chapter, we will look at the legal requirements of hiring employees, hiring practices, job descriptions, safe work environments, performance appraisals and succession planning. At the end of the chapter, we have included a number of sample policies and tools that you may find helpful. Throughout the chapter, we have provided links to web-based resources that you may find useful; we have also included a list of other resources at the end of the chapter.

This chapter is meant to provide a general overview of human resources management. We have provided many links and resources for more specific how-to information and to more detailed information. There may be specific situations in your agency that are not covered here; we encourage you to consult a reputable professional to address any complex or legal issues that may arise.

**NOTE:**

All weblinks were accurate at the time of publication.

Before you start the chapter, however, be sure to take the HR Council's online, confidential diagnostic check-up at <http://checkup.hrcouncil.ca>. This handy tool can help you evaluate your agency's current performance in a number of human resources areas. At the end of the process, the site provides you with a personalized "prescription" that includes links to a number of tools and resources to help you fill in any gaps and improve your HR health!

## Legal Requirements

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As an employer, your agency (or your host organization) has a number of legal responsibilities when it comes to hiring, managing and releasing staff. Even if your agency has only one paid employee (you!), it is still responsible for a number of specific legal requirements that are common to all employers.

Larger agencies will have additional responsibilities; for example, workplaces with 20 or more employees are required to establish a Health and Safety Committee. However, because most community-based literacy agencies are small organizations, we will not go into detail about Health and Safety Committees. If you are looking for information about these committees, please see the Workplace Safety and Insurance Board fact sheet at [www.wsib.on.ca/wsib/wsibsite.nsf/LookupFiles/ReferencePreventionJointHealth/\\$File/jhscandreprs.pdf](http://www.wsib.on.ca/wsib/wsibsite.nsf/LookupFiles/ReferencePreventionJointHealth/$File/jhscandreprs.pdf)

If your literacy agency is affiliated with a large organization, your actual employer might be responsible for a large number of employees, which means that any rules and regulations pertaining to large employers will also affect your agency. If your workplace is unionized, your agency may also have additional responsibilities according to union contracts.

As an employer, you must be aware of your legal responsibilities and stay up-to-date with changing laws and regulations. For example, payroll deduction limits change annually and sometimes more often. New laws can be introduced regularly; for example, in June 2010 Ontario employers with five or more employees will be required to establish a violence and harassment policy (please see the section on Safety and Security for more details). Agencies that use volunteers should ensure that volunteers are also covered in this policy because from a legal perspective, there is no difference between protecting employees and protecting volunteers. Canada Business provides a good overview of an employer's current legal obligations at [www.canadabusiness.ca/eng/guide/1610/](http://www.canadabusiness.ca/eng/guide/1610/)

It is beyond the scope of this manual to fully explore all of the legal requirements associated with being an employer in Ontario. In this section, we will look at Employment Standards, Pay Equity, payroll deductions and hours of work. We will provide information about other requirements such as severance pay and health and safety in the appropriate sections.

### Employment Standards

The basic guideline for all Ontario workplaces is the *Employment Standards Act* (ESA). The Act provides **minimum** requirements for employers. You can find the Employment Standards Guide at the Ontario Ministry of Labour's website: [www.labour.gov.on.ca/english/es/pubs/guide](http://www.labour.gov.on.ca/english/es/pubs/guide). The Guide provides information

about hours of work, minimum wage, benefit plans, public holidays, vacation time, leaves of absence, termination, severance and more.

Under the ESA, employers are required to display the most recent version of the Ministry of Labour's poster, "What You Should Know About The Ontario Employment Standards Act," in at least one conspicuous location in the workplace. The poster outlines employees' rights and employers' responsibilities at work. It is available online for free ([www.labour.gov.on.ca/english/es/pubs/poster.php](http://www.labour.gov.on.ca/english/es/pubs/poster.php)) and can be printed on legal-size paper for posting in the workplace. Although similar posters are available from other organizations, they do not necessarily comply with regulations. Only the Ministry's poster should be used.

When writing your Human Resources Policies, the ESA can be referenced as a starting point, and then your policy can outline any areas where your agency goes beyond the minimum standards. For example, bereavement leave is not required under the ESA, but most employers provide paid time off when an employee's family member dies. The ESA allows for a minimum of two weeks' vacation pay after each 12 months of work but many employers provide more than two weeks and offer increasing amounts of vacation time based on years of service.

We have included sample personnel policies in the "samples" section of this chapter.

## Payroll Deductions

All employers are required to make deductions from an employee's gross pay and remit those deductions to the Canada Revenue Agency (CRA), usually on a monthly basis. Employers with large total payrolls may need to remit more frequently; CRA will advise them if this is the case. Employers must also submit an annual report on all deductions made and remitted throughout the year. This report accompanies the filing of T4s at the end of December. There are significant monetary penalties for not remitting these deductions. (Note: Although income tax is deducted for both the federal and Ontario governments, the total amount is remitted to the CRA. No payroll deduction remittances are made to the Ontario government.)

Remittances are made up of the employee's contributions along with an employer's contribution. Currently, the employer's contribution is an equal amount for all CPP deductions and 1.4 times the amount of all EI deductions. The federal government determines the employer's portion on a regular basis.

Amounts for CPP, EI and both federal and provincial income tax are deducted during each pay period. CPP is calculated as a percentage on an employee's annual salary minus an initial exemption. There is a maximum amount that can be deducted each year. In 2010, the amount of CPP deducted from an employee's earnings was 4.95% with a maximum deduction of \$2,163.15. If an employee is under the age of 18 or over the age of 65, CPP is not deducted. EI deductions are calculated at 1.73% with a

maximum annual deduction of \$747.00. Except for some very specific situations, all employee earnings are subject to EI deductions regardless of the employee's age.

Income tax is deducted based on a percentage of annual earnings minus some deductions. Income tax is deducted both federally and provincially; each amount is calculated differently. Each employee must complete a federal TD1 form to indicate the deductions he/she is eligible for; until a TD1 form is completed, the employer must deduct the maximum rate of income tax. If the employee is claiming more than the basic personal exemption, then he/she must also complete the provincial TD1 form. If an employee's situation changes, he/she must submit an updated TD1 form or forms. You can find TD1 forms at the CRA website; they are updated annually so be sure you have the most current one. The 2010 federal form is available at [www.cra-arc.gc.ca/E/pbg/tf/td1/README.html](http://www.cra-arc.gc.ca/E/pbg/tf/td1/README.html). The Ontario TD1 is available at [www.cra-arc.gc.ca/E/pbg/tf/td1on/README.html](http://www.cra-arc.gc.ca/E/pbg/tf/td1on/README.html).

Fortunately, the employer doesn't have to make all of these complicated calculations. If your agency uses payroll software (such as QuickBooks or Simply Accounting), the software should be updated regularly so that all deductions are made using current regulations. If your agency calculates payroll manually, you can use the CRA's online deduction calculator at [www.cra-arc.gc.ca/pdoc](http://www.cra-arc.gc.ca/pdoc). You can also find print-based deduction tables for CPP, EI and income tax at [www.cra-arc.gc.ca/E/pub/tg/t4032on/t4032-on-10b.pdf](http://www.cra-arc.gc.ca/E/pub/tg/t4032on/t4032-on-10b.pdf). Generally, payroll deduction amounts remain the same throughout the calendar year, but sometimes the government will make changes to tax laws during the year. In this event, they will issue revised tax tables, often in July. It is the employer's responsibility to deduct the correct amounts.

Depending on your workplace, there may also be additional, optional deductions for medical benefits, insurance, pension plan contributions or other benefit programs that are offered. The employee must sign an authorization before any of these deductions are made. The form should include the employee's name, address and SIN and a statement that indicates that the employee authorizes the organization to deduct a specified percentage a fixed amount from each pay for a specific purpose. For example, "I authorize ABC Literacy Agency to deduct \$25.00 from my earnings on a weekly basis for the Group Pension Plan." For an example, please see this form from the Alberta Health Services: [www.calgaryhealthregion.ca/supp/hr/benefits/forms/group\\_savings\\_plan\\_004691\\_email\\_version.pdf](http://www.calgaryhealthregion.ca/supp/hr/benefits/forms/group_savings_plan_004691_email_version.pdf) or this form from Concordia University: [http://hr.concordia.ca/benefits/forms/RRSP\\_Deduction\\_Eng.pdf](http://hr.concordia.ca/benefits/forms/RRSP_Deduction_Eng.pdf)

In a unionized workplace, the employer is required to deduct union dues from wages. An employer may also be required, by court order, to make deductions from an employee's earnings if money is owing to the government, or if there is unpaid child support. This is known as a garnishee.

Employers may also have to pay Employer Health Tax (EHT) to the Ontario government, but this is completely the employer's cost, i.e., there are no employee

deductions required. For more information about EHT, see their Ontario Ministry of Revenue's website at [www.rev.gov.on.ca/en/tax/ehf](http://www.rev.gov.on.ca/en/tax/ehf)

The employer may also have to pay WSIB premiums. For more information about WSIB coverage premiums, contact your local WSIB office. You can find contact information on the website at [www.wsib.on.ca](http://www.wsib.on.ca)

For more information about payroll issues, be sure to visit the following web pages:

- [www.hrsdc.gc.ca/eng/labour/employment\\_standards/federal/wages/index.shtml](http://www.hrsdc.gc.ca/eng/labour/employment_standards/federal/wages/index.shtml)
- [www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/menu-eng.html](http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/menu-eng.html)

## Hours of Work and Overtime

The ESA limits the number of hours most employees can be required to work each workday to eight and the maximum number of hours that can be worked each week to 48. This can only be changed by written agreement with the employee and with approval from the Director of Employment Standards ([www.labour.gov.on.ca/english/es/forms/hours.php](http://www.labour.gov.on.ca/english/es/forms/hours.php)). In both cases, the employer must also give the employee the Information Sheet available at [www.labour.gov.on.ca/english/es/pubs/hours/infosheet.php](http://www.labour.gov.on.ca/english/es/pubs/hours/infosheet.php)

Agencies should include provisions regarding overtime in their personnel policies. For example, many literacy agencies conduct fundraising events that might require employees to work on weekends. These agencies often develop a policy that allows employees to take time off in lieu of those extra hours worked. Alternately, overtime may be paid at a different rate than regular hours worked. Most personnel policies do require that any overtime worked be approved by the Executive Director or other supervisory personnel. Policies should state a maximum number of hours that can be accumulated, and there should also be policies around how long lieu time can be banked before it is taken. For example, policies could state that each employee can accumulate a maximum of 50 hours of overtime and that an equivalent amount of lieu time must be taken within six months of the overtime being worked.

Employers are also required to provide meal breaks for employees. The ESA requires that:

- Employees cannot work more than five hours in a row without getting a 30-minute eating period free from work.
- If both the employee and employer agree (verbally or in writing), this 30-minute period can be split into two breaks that total at least 30 minutes, but the full 30 minutes must be taken within the five hour timeframe.
- Employers are not required to pay for meal breaks, but if they do pay for the time included in meal breaks, the employee must still remain free from work.

- Meal breaks are NOT considered work hours and do not count towards overtime, even if they are paid breaks.

Employers are not required to give breaks other than those described above. However, if an employer does provide “coffee breaks” or other breaks and requires the employee to remain on the premises during those times, then that break time must be paid.

For more information about permissible working hours, please see [www.labour.gov.on.ca/english/es/pubs/guide/hours.php](http://www.labour.gov.on.ca/english/es/pubs/guide/hours.php)

## Pay Equity

The ESA includes a section regarding equal pay for equal work which means that men and women receive the same pay for doing essentially the same work. This is not the same, however, as the Pay Equity Act which requires that men and women be paid equally for different jobs that are of the same value. All public sector employers are bound by the Act as are all private sector employers with 10 or more employees.

When it was established, the Pay Equity Act required employers to establish and carry out pay equity plans by a certain point in time. The employer’s responsibility didn’t end there, however. Employers must continue to ensure that pay equity is maintained and any organization that became an employer after the Act was passed also has to ensure pay equity. In a unionized environment, the union and the employer negotiate pay equity. The Pay Equity Commission has created guidelines to help employers understand what they need to do to be in compliance. These guidelines are available at [www.payequity.gov.on.ca/peo/english/guidelines/ge\\_1.html](http://www.payequity.gov.on.ca/peo/english/guidelines/ge_1.html)

The Commission also provides training seminars and other information about pay equity. You can sign up for email alerts and find out about their educational programs at their website: [www.payequity.gov.on.ca/peo/english/about\\_us.html](http://www.payequity.gov.on.ca/peo/english/about_us.html)

For more information about pay equity, please see The Equal Pay Coalition at [www.equalpaycoalition.org/understanding.php](http://www.equalpaycoalition.org/understanding.php)

## Hiring Practices

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As an employer, at some point in time you will have to hire employees. Whether you are hiring a new Executive Director or a short-term summer student, your agency should have a standard set of procedures for advertising positions, interviewing and orienting new employees. In this section, we will take a closer look at the steps in hiring employees.

### Preparing to Hire New Employees

Your agency's personnel policies should include information about hiring practices. For example, all hiring should be made on the basis of qualifications and experience. The Ontario Human Rights code prohibits discrimination in employment based on race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, sex, sexual orientation, age, record of offences, marital status, family status and disability.

Your agency's policies could also describe how postings for new jobs will be made, i.e., internally first, followed by external postings in the newspaper or on employment sites such as the Job Bank ([www.jobbank.gc.ca](http://www.jobbank.gc.ca)) or Charity Village's Career Centre. ([www.charityvillage.com/cvnet/career\\_centre.aspx](http://www.charityvillage.com/cvnet/career_centre.aspx))

Job postings should include a brief description of the position along with any required qualifications and experience. According to the Human Rights Code, advertising cannot directly or indirectly request discriminatory information (as per the list in the first paragraph above). However, any requirements or duties for employment listed in a job posting should be reasonable, genuine and directly related to the performance of the job. For example, it is reasonable, genuine and job-related to require a receptionist to speak clear, intelligible English, but it is not acceptable to require "unaccented English." Or, if it is essential that the person must drive for the job, the advertisement may state that a valid driver's license (with the required class) is required.

Job postings should also include a deadline for receipt of all applications. Applications received after the cut-off time should not be considered. The job posting should also state how applications are to be sent in, e.g., by email, by fax, by mail, in person or any combination.

Applications for a job posting should be reviewed carefully and result in a short list of applicants to be interviewed. Interview selections should be made by comparing the skills and qualifications you asked for in the job posting with the skills and qualifications identified by candidates in their applications. It can be helpful to set up a matrix or checklist to help you with this process. For example, you can create a chart that includes a column for each key element of the available job — previous experience, education, specific skills, etc. You can even weight the different columns to reflect whether a skill or qualification is essential or just desired. You can make the matrix as simple or as complex as you need. While it might seem like extra work

to create this type of tool, it can be very helpful in making objective choices for interviewing candidates. Please see the samples section for an example of a matrix that could be used to short-list applicants.

If your agency requires applicants to complete an application form, the Ontario Human Rights Code states that the form cannot ask questions:

- ▶ About or relating to physical characteristics such as colour of eyes, hair, skin, height, weight, or requests for photographs.
- ▶ About mother tongue, where language skills were obtained and whether one speaks English or French fluently, unless fluency in English or French is a reasonable and genuine requirement for the position.
- ▶ About or relating to religious affiliation/membership, religious institutions attended, frequency of attendance, religious holidays, customs observed, willingness to work on a specific day which may conflict with requirements of a particular faith (e.g., Saturday or Sunday Sabbath days).
- ▶ About or relating to birthplace, nationality of ancestors, spouse and other relatives, Canadian citizenship, landed immigrant status, permanent residency, naturalization, requests for proof of Canadian citizenship or Social Insurance Number (a S.I.N. may contain information about an applicant's place of origin or citizenship status. A S.I.N. may be requested following a conditional offer of employment). However, you CAN ask if the applicant is legally entitled to work in Canada.
- ▶ About or relating to "Canadian" experience for a particular job.
- ▶ About the name and location of schools attended.
- ▶ Regarding the applicant's sexual orientation.
- ▶ Regarding the applicant's marital status or the spouse's employment status.
- ▶ About or relating to whether an applicant has ever been arrested, has ever been convicted of any offence (this question invites information on pardoned offences), has ever spent time in jail, has ever been convicted under a provincial statute (e.g., Highway Traffic Act), has a criminal record, or has been convicted of an offence for which a pardon has been granted. However, you CAN ask if an applicant has been convicted of a criminal offence for which a pardon has not been granted. If the position requires the employee to be bondable, you CAN ask if the applicant is eligible.
- ▶ About or relating to age, date of birth or requests for birth certificates or baptismal records, or other documents such as driver's licence which indicate age.
- ▶ About or relating to health, disabilities, illnesses, mental disorders, physical or intellectual limitations, developmental disabilities or intellectual impairment, medical history, learning disability, injuries or Workplace Safety and Insurance claims, medication, membership in medical or patient associations (e.g., Alcoholics Anonymous). An employer may not ask for a listing of disabilities, limitations or health problems.

- ▶ About whether the applicant drinks or uses drugs, whether they have ever received psychiatric care or if they have ever been hospitalized for emotional problems.
- ▶ About or relating to whether accommodation of disability related needs is required, and as to the nature of such accommodation.

You can find a sample application form at the Human Rights website as part of their publication called *Hiring? A Human Rights Guide* available at [www.ohrc.on.ca/en/resources/Guides/hiring](http://www.ohrc.on.ca/en/resources/Guides/hiring). Be sure to check their site for other useful publications.

Depending on the position you are interviewing for, you may want to set up an interview committee. For example, if your agency is hiring a senior staff member such as a new Executive Director, you may want to have more than one person review the applications and select candidates to interview. More than one person should also be present during interviews for other senior staff positions.

Good candidates for any job will prepare ahead for their interview. Interviewers should also be prepared. For example, if you are conducting interviews, you should be able to answer the candidates' questions about the job itself as well as any questions about the agency. The interviewer should have a set of questions ready, and all candidates should be asked the same questions. Again, a matrix or chart can be very useful in choosing potential candidates. Anyone who has interviewed a number of people knows that it is all too easy to forget which candidate had a certain qualification or skill. Creating a chart that lists each interviewee and rates their responses to each question, their skills, education and experience can help you compare the candidates' suitability for the position.

During the interview, you should ask questions that go beyond the information the applicants have already provided. For example, you can ask them to expand on how their education would make them a good candidate for the position. Many interviewers like to ask scenario-type questions such as, "If a learner was struggling with reading comprehension, what steps would you take to help?" or "How would you handle a situation where staff members had a personality conflict?"

As an interviewer, you want to find out some factual information about the candidates, but you should also try to get a sense of how candidates might react to situations that arise in your agency and if they will be a good fit in your organization. If you're looking for some new and not-so-traditional questions to ask during an interview, here are some resources you might find helpful:

- ▶ Brian Libby, writing for bnet, provides a list of seven thought-provoking questions at [www.bnet.com/2403-13056\\_23-52952.html](http://www.bnet.com/2403-13056_23-52952.html) including ideas for establishing rapport, getting a sense of past performance and achievements, and more.
- ▶ About.com offers a number of tips and suggestions for interviewing at [http://humanresources.about.com/od/interviewing/a/one\\_stop.htm](http://humanresources.about.com/od/interviewing/a/one_stop.htm).

This article includes links to questions focusing on teamwork/team building, communication skills, interpersonal skills and more.

- ▶ Maritza Manresa provides five interesting and thought-provoking questions at <http://factoidz.com/the-best-five-questions-you-will-ever-ask-a-potential-employee/>

When deciding which questions to ask during the interview, remember to keep the Ontario Human Rights Code in mind. According to the Code, the following are permissible and prohibited questions during an interview:

#### *Permissible*

- ▶ Questions about or relating to a service organization working with a particular community as to membership in the group served, if such membership can be justified as required to do the particular job.
- ▶ Questions by a denominational school as to religious membership, if the job involves communicating religious values to students.
- ▶ Questions about or relating to citizenship, if required by law for a particular job.
- ▶ Questions about or relating to citizenship or permanent resident status, where cultural, educational, trade union or athletic activities can be restricted to Canadian citizens and permanent residents.
- ▶ Questions about or relating to citizenship or place of residence with intention to obtain citizenship, when an organization requires that a senior executive position be held by a Canadian citizen or a person living in Canada with the intention to obtain citizenship.
- ▶ Questions about or relating to gender, if it is a reasonable and genuine requirement for a particular job, such as employment in a shelter for women escaping violence.
- ▶ Questions to determine whether the applicant has been convicted of a criminal offence for which a pardon has not been granted. Questions to determine if an applicant is bondable, if being bondable is a reasonable and genuine qualification of the job.
- ▶ Questions to determine if an applicant has a record of convictions under the *Highway Traffic Act*, if driving is an essential job duty (e.g., bus driver).
- ▶ Questions directly related to the applicant's ability to perform the essential duties of the job.
- ▶ Questions about or relating to age if the employer serves a particular age group and/or if age requirements are reasonable and genuine to qualify for employment.
- ▶ Questions about or relating to marital status if the employer serves a particular group identified by marital status (e.g., single women) and/or if marital status is a reasonable and genuine requirement for employment.
- ▶ Questions about or relating to family status if family status is a reasonable and genuine requirement for employment.

***Prohibited:***

- ▶ All of the questions that are prohibited on the application form
- ▶ Questions which do not fall into the “Special Interest Organizations” exemptions. (see [www.ohrc.on.ca/en/resources/Guides/hiring?page=hire-Exception.html#Heading222](http://www.ohrc.on.ca/en/resources/Guides/hiring?page=hire-Exception.html#Heading222) for more information)
- ▶ All other questions not included in the permissible list concerning:
  - the applicant’s sex, including questions regarding pregnancy or child-bearing plans
  - records of offenses except those with respect to unpardoned *Criminal Code* convictions
  - disability
  - age
  - marital status
  - family status

The Human Rights Code ([www.ohrc.on.ca/en/resources/Guides/hiring?page=hire-Employment.html#Heading173](http://www.ohrc.on.ca/en/resources/Guides/hiring?page=hire-Employment.html#Heading173)) requires employers to offer candidates with disabilities an accommodation of their needs if required for any part of the interview or test screening process.

If the applicant’s disability becomes an issue at the interview, e.g., where the applicant chooses to talk about his/her disability, an employer may make inquiries about the applicant’s accommodation needs. Inquiries should be limited to the applicant’s ability to perform the essential duties of the job. Questions should not be unnecessary, such as, “How did you end up in a wheelchair?” or, “Have you been blind all your life?”

Any questions beyond this scope may lead to a complaint on the ground of disability should the applicant not be successful. Additionally, if an employer fails to canvass possible accommodation measures where disability has become an issue at an interview, this could potentially lead to a human rights claim on the ground of disability should the applicant not be successful.

Any other disability issues should not be raised until a conditional offer of employment is made.

For more information about your responsibilities as an employer and how to avoid discrimination during the interview and hiring process, please see the Ontario Human Rights Guide at [www.ohrc.on.ca/en/resources/Guides/hiring?page=hire-Contents.html](http://www.ohrc.on.ca/en/resources/Guides/hiring?page=hire-Contents.html)

Once the decision has been made about which candidate to hire, the final step before officially offering the position to that candidate is to check references. Even if the candidate has an exceptional resume and impressed you tremendously during

the interview, you should always check references. It is better to find out about any potential problems before you hire someone. Some agencies may also require job candidates to have a criminal reference check before hiring. Questions to ask about during reference checks include:

- ▶ Quality of applicant's work — probe for examples, hurdles, and results (ask open-ended questions)
- ▶ Applicant's ability to work independently and/or as a member of a team — ask for examples
- ▶ Character-based evaluations — such as honesty, motivation and attitude
- ▶ Reason the applicant left the company — this may be a sensitive situation, so tread carefully
- ▶ Whether the employer would consider the applicant for rehire in a similar position — inquire about reasoning

Before conducting reference checks, the candidate should agree in writing that you can contact a previous employer or other reference. You can create a simple authorization form stating that your agency is authorized “to complete a thorough investigation of past employment and education” and that the candidate understands that the offer of employment is conditional upon your agency's satisfaction with the information gathered during the reference check. The form should also state that the candidate releases from liability all persons and companies providing this information. The form should be signed and dated by the candidate.

For further information, including a helpful checklist, about conducting reference checks, please see this section of the excellent toolkit produced by MaRS:

[www.marsdd.com/entrepreneurs-toolkit/articles/Reference-Checks.html](http://www.marsdd.com/entrepreneurs-toolkit/articles/Reference-Checks.html)

## Hiring New Employees

Once a hiring decision has been made and the prospective employee has accepted the position, a formal offer of employment should be written that outlines the terms of employment including the employee's start date, rate of pay, hours of work, name of the immediate supervisor, probationary period, vacation period, employee benefits and any other information specific to your agency. For example, new employees might need to obtain a parking pass. If the employee is being hired on a contract basis, the letter (or contract) should state the date that the contract expires.

The offer of employment or contract should be provided in duplicate with a section where the employee will indicate that he/she has reviewed and agreed to the terms of employment. Both the agency and the employee should keep a signed copy of this offer or contract.

For more information about creating and making an offer of employment, see this section from the MaRS Entrepreneur's Toolkit:

[www.marsdd.com/entrepreneurs-toolkit/articles/Offer-of-Employment](http://www.marsdd.com/entrepreneurs-toolkit/articles/Offer-of-Employment)

For a sample employment contract, please see the samples section at the end of this chapter.

For more information about employment contracts, see the *Charity Law Bulletin* at [www.carters.ca/pub/bulletin/charity/2009/chylb159.htm](http://www.carters.ca/pub/bulletin/charity/2009/chylb159.htm)

## After Hiring New Employees

Once a person has been hired, the agency can request information beyond what was provided in the job application such as a driver's license number and social insurance number. If your agency offers direct deposit for payroll, new employees will need to provide their banking information. If your agency offers health benefits, you may require new employees to have medical examinations or provide certain health-related information. If the new employee is not a Canadian citizen, you might require them to provide proof that they are able to work in Canada. Requests for any of this type of information can only be made if it is related to employment. For more information, please see the Ontario Human Rights Commission information at

[www.ohrc.on.ca/en/resources/Guides/hiring?page=hire-Contents.html](http://www.ohrc.on.ca/en/resources/Guides/hiring?page=hire-Contents.html)

All new employees should be provided with a copy of the agency's personnel policies or employee handbook. They should be asked to review the policies and confirm in writing that they have done so. This confirmation could be included on the hiring letter or contract, or it could be a separate document. You can find samples of personnel policies at the end of this chapter.

The Employment Standards Act requires employers to maintain accurate and complete employee files for everyone who is hired. These files must be kept confidential. They should include:

- ▶ Personal data including the employee's name, social insurance number, address, telephone number, email address, date of birth, and emergency contact information
- ▶ Documentation regarding the employee's start date, hours of work and rate of pay, including a copy of the offer of employment or contract and the signed oath of confidentiality. Documentation regarding employment and criminal reference checks should be included.
- ▶ A TD1(Can) and TD1(ON) form for payroll purposes along with any other documentation needed by the person or department responsible for payroll
- ▶ A copy of the employee's resume or application form should be kept along with a current job description
- ▶ Forms needed for health, insurance or other benefits plans

- ▶ Additional documentation such as copies of performance appraisals and any training certificates or other achievement
- ▶ Documentation related to any changes in pay, hours of work or job responsibilities
- ▶ Documentation related to vacation and sick pay
- ▶ Documentation related to any disciplinary action

All information should be updated as needed. Employees should be made aware that it is their responsibility to provide any changes related to their personal information.

For more information about employee records, please see this section of the MaRS toolkit: [www.marsdd.com/entrepreneurs-toolkit/articles/Employee-Records](http://www.marsdd.com/entrepreneurs-toolkit/articles/Employee-Records)

## Job Descriptions

Your agency should have a job description prepared for every staff position. The job description should include not only the key job tasks of the position, but it should also outline specific knowledge and skill requirements. Job descriptions should be prepared when a position is created, but they should also be regularly reviewed and updated.

Ideally, the job description should be written when the position is created. Over the years, some staff roles change in not-for-profit organizations and what an employee was originally hired to do is no longer what he or she is doing. In this situation, it is important to write (or revise) the job description so that it accurately reflects what the position is and the skills it requires, rather than describing the person who is currently in the situation. The job description should provide a balance between providing too many details and being too general.

Job descriptions should clearly outline the key tasks and responsibilities for each position. The most important tasks should be listed first. Be sure to use action verbs and include any outcomes related to the activities. Describe WHAT the employee will be doing as well as HOW he or she will do it. WHY the tasks are being performed can also be included.

Here are two possible sample statements:

- ▶ The Tutor Coordinator is responsible for maintaining accurate, up-to-date records for all agency volunteers and students. He/she will enter all information in the IMS on a regular basis and also ensure that hard copy records are maintained and updated. The Tutor Coordinator will also ensure that the information management system password is updated regularly and only made available to approved personnel. Hard copy records will be kept in a locked filing cabinet to protect both volunteer and student privacy and confidentiality.

- The Executive Director is responsible for researching potential new funding sources. The Executive Director will inform the Board of Directors about at least two funding opportunities annually, and he/she will prepare and submit appropriate grant applications and other documentation as required. This will help ensure the ongoing financial strength of the agency and its ability to deliver relevant programming based on its organizational mission.

Job descriptions should also state who the employee reports to and who the employee is responsible for supervising. Job descriptions should not include any terms or references that could be considered discriminatory. Remember to use clear language and avoid any overly technical terms or jargon. Job descriptions should be approved by the Executive Director, or by the Board of Directors in the case of the ED's job description.

Job descriptions can also include the minimum skills and qualifications needed for the position. This should be the same description that is included when the position is advertised.

David Hartley from Imagine Canada suggests that agencies also create and use boundary forms for every volunteer and staff position. Job descriptions list what someone is supposed to do; boundary forms list what they are not supposed to do. Boundary forms should be written as a cooperative process between management and staff. This helps create buy-in but also ensures that all potential problem situations are covered in the form.

Boundary forms should be about a page long and include the position title along with a paragraph thanking the person for their contribution to the organization. The form should then explain that, for the good of the organization and for the protection of staff, volunteers and clients, some actions ("red lights") should not take place under any circumstances. The form should clearly state that participating in any of the actions listed will result in termination. The form should also include "yellow light" actions, i.e., those actions that are highly discouraged. Consequences for carrying out "yellow light" actions should be listed. Volunteers and staff should sign off on boundary forms each year.

We have included some examples of current job descriptions from the literacy field in the samples section at the end of this chapter.

For more information about how to develop job descriptions, please see this step-by-step guide from the University of Alberta: [www.hrs.ualberta.ca/index.aspx?Page=187](http://www.hrs.ualberta.ca/index.aspx?Page=187)

The University of British Columbia also provides some good guidelines as well as a sample template: [http://hr.ubc.ca/adv\\_srv/recruitment/writing\\_job\\_description.html](http://hr.ubc.ca/adv_srv/recruitment/writing_job_description.html)

The University of Western Ontario has produced this comprehensive booklet on how to write job descriptions: [www.uwo.ca/humanresources/docandform/docs/leadermanger/workdesign/uwosahowtowritejobdesc.pdf](http://www.uwo.ca/humanresources/docandform/docs/leadermanger/workdesign/uwosahowtowritejobdesc.pdf)

For more information about boundary forms, please see this description written by David Hartley: [http://nonprofitrisk.imaginecanada.ca/files/insuranceinfo/en/publications/april\\_2009\\_newsletter\\_article-boundary\\_form.pdf](http://nonprofitrisk.imaginecanada.ca/files/insuranceinfo/en/publications/april_2009_newsletter_article-boundary_form.pdf) and this newsletter from Host Ontario: [www.hostontario.org/files/HOSTnewsletterSPRING2009en.pdf](http://www.hostontario.org/files/HOSTnewsletterSPRING2009en.pdf)

## Rate of Pay

One of the most common questions that CLO gets asked is about rates of pay for community-based literacy practitioners. While there are no provincial standards or regulations governing wage rates in the literacy field, thanks to CLO's Human Resources survey conducted in December 2009, we can share the following information gathered from agencies across Ontario.

According to CLO's survey, as of December 2009 average rates of pay for staff positions for all responding community-based literacy agencies were:

Position	Average Hourly Rate of Pay (\$/hr)	Salary Range (\$/hr)	# Respondents
Executive Director or Other Management	26.05	17.00 – 44.00	41
Program Coordinator or Student/Tutor Coordinator	20.26	13.00 – 32.25	37
Administrative Assistant	15.06	11.40 – 20.00	33
Paid Instructor	18.70	13.00 – 39.63	47

Complete survey results are available in the February 2010 newsletter available on CLO's website. The above information is presented for informational purposes only and is not intended to provide definitive or prescriptive wage rates. CLO conducts Human Resources surveys on a regular basis. For current information, be sure to visit the website at [www.nald.ca/clo](http://www.nald.ca/clo)

Each agency should establish a fair and equitable practice for determining starting wage rates and pay raises. Although providing wage increases can be a challenge in the not-for-profit sector in general, and in literacy agencies where core funding is low, agencies recognize that their employees are highly skilled and should strive to provide remuneration that reflects the skill levels and qualifications of their employees.

In a unionized workplace, the collective agreement will provide wage rates, increases at regular intervals and other information regarding employee remuneration. Some agencies have found it helpful to establish parameters around wages by establishing a wage scale or salary grid for their agency. Creating a scale or salary grid requires some research into comparable wage rates (the information in this section and in CLO's February 2010 newsletter should be helpful) along with analyzing your agency's job

descriptions for the tasks being performed and the skills required to perform those tasks. Budget limitations also have to be taken into consideration.

Salary grids or scales should clearly state if increases are based on cost of living, on performance and/or on other factors such as successful completion of training courses. A basic grid based on an annual increase of 1.5% following a satisfactory performance review could look like this:

Position	At hiring (\$/hr)	At end of probationary period (\$/hr)	Year 2 (\$/hr)	Year 3 (\$/hr)	Year 4 (\$/hr)
Executive Director	\$18.00	\$18.50	\$18.78	\$19.06	\$19.35
Admin Assistant	\$12.50	\$12.75	\$12.94	\$13.13	\$13.33
Instructor	\$14.50	\$14.75	\$14.97	\$15.19	\$15.42

For more information on how to begin the process of creating a wage scale, see this blog from Compensation Today at <http://blogs.payscale.com/compensation/2009/05/creating-a-salary-benchmarking-plan.html>

For an interesting discussion about employee compensation in the not-for-profit sector, please see “The Compensation Question” at [www.charityvillage.com/cv/archive/acov/acov10/acov1014.asp](http://www.charityvillage.com/cv/archive/acov/acov10/acov1014.asp)

## Employee Benefits

Most not-for-profit agencies work hard to treat their employees fairly and to offer decent wages and benefits packages in return for the hard work and dedication of their employees. When funding levels remain unchanged over the years, it can be difficult for organizations to offer wage increases or other wage-related benefits. In fact, CLO’s 2009 Human Resources Survey found that 37% of agencies do not offer any health, dental or pension benefits to their employees. However, the survey also reveals that many community-based literacy agencies are offering a variety of benefits to their employees:

- ▶ 50% of agencies provide health and dental benefits
- ▶ 48% of agencies provide WSIB or other employer liability insurance
- ▶ 40% of agencies provide long-term disability
- ▶ 34% of agencies provide life insurance
- ▶ 27% of agencies provide short-term disability

- ▶ 24% of agencies provide pension plans
- ▶ 19% of agencies provide employer RRSP contributions
- ▶ 12% of agencies provide other benefits
- ▶ 3% of agencies provide a percentage of salary “in lieu of benefits”

In addition to these wage-related benefits, agencies may also offer benefits such as time off over the Christmas holiday period. They may also allow employees to work flexible hours to accommodate family needs. Some agencies pay for professional development opportunities for their employees or offer time off for employees to pursue training. Some agencies offer more than the minimum two weeks of annual vacation time, particularly after many years of employment. Some agencies also provide paid sick time for personal illness or for family illness.

## When Problems Arise

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The agency's personnel policies provide a good starting point for managing staff. These policies should outline both the agency's responsibilities as an employer as well as the employees' responsibilities. The boundary forms mentioned in the "job descriptions" section earlier in this chapter are also a good tool for identifying actions that are not permissible.

Along with policies, some agencies have developed a "code of conduct" for their employees. While a formal code isn't necessary, you might want to include some of the following items in your policies, your boundary forms or your employee handbook. Even if you have never experienced working with an employee who has required disciplinary action, establishing rules and procedures now could help avoid a future problem. Actions that could require disciplinary measures include:

- ▶ Physical or verbal abuse of co-workers, volunteers and/or learners
- ▶ Neglect, wilful abuse, destruction or unauthorized use of agency property (including inappropriate use of computers)
- ▶ Reporting for work under the influence of alcohol, non-prescription medication or illegal substances
- ▶ Possession of a weapon on agency premises
- ▶ Falsification of personal information or of any agency records
- ▶ Unauthorized release or misuse of confidential information
- ▶ Insubordination
- ▶ Failure to report accidents or injuries
- ▶ Theft or other illegal activity
- ▶ Chronic absenteeism or tardiness

Should any of these issues arise, it is important to deal with them immediately. All matters related to employee discipline should be carefully documented, including reports of employee misconduct, verbal warnings, dates and time of interviews or meetings, and actions that are taken. Hopefully, the situation can be resolved, but if it becomes necessary to terminate an employee, the documentation will be essential. All employees should be given the opportunity to discuss any complaints made against them and to improve their performance. When interviewing an employee for a disciplinary reason, it is a good idea to have another person present during the interview who can verify what was said and what course of action was determined.

Your organizational policies and/or employee handbook should include a process for employee discipline. For example, an employee could be issued a verbal warning, followed by a written reprimand if the situation isn't resolved. Employees could be suspended from work and then eventually terminated. The process that is followed

will in part depend on the seriousness of the situation. In the case of proven gross misconduct such as theft or abuse, the employee will probably be suspended, or even terminated, immediately.

The workplace should not be a one-way street, however. Sometimes employees feel that they are not being treated fairly or have concerns about their work environment. Your organization should also have procedures in place so that employees can express and discuss their concerns in a fair and equitable fashion. Any issues raised by employees should also be fully documented. For example, verbal complaints should be presented to the immediate supervisor. If there is no resolution to the situation within a reasonable amount of time, then a written complaint should be submitted to the employee's supervisor, and steps to resolve the situation should be taken and documented.

For more information on managing employees, be sure to visit this website from Service Canada: [www.hrmanagement.gc.ca/gol/hrmanagement/site.nsf/eng/hr05196.html](http://www.hrmanagement.gc.ca/gol/hrmanagement/site.nsf/eng/hr05196.html)

Canada Business provides links to a number of resources that are helpful for anyone who manages employees: [www.canadabusiness.ca/eng/85/180](http://www.canadabusiness.ca/eng/85/180)

## Safety and Security

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All employees and volunteers in not-for-profit agencies should be able to safely work in an environment that is free from risk, harm and harassment. As an employer, your agency is responsible to make sure this happens. Although accidents can happen, it is the employer's responsibility to ensure that all reasonable efforts are made to protect employees from physical risk, health risk, violence and harassment. The following section provides some basic workplace safety and security information; we will also discuss this topic in the *Risk Management* chapter of this resource.

The agency is responsible for providing a safe workplace, and employees are responsible for following safe work procedures. A good illustration of this mutual relationship can be found during the response to H1N1 in 2009 where most workplaces provided health and safety guidelines, made hand sanitizers available and updated their policies regarding absenteeism and illness. Employees, for their part, were responsible for not coming to work if they were ill and for following established procedures and using sanitizing products.

Policies and procedures around workplace safety should be in place in every agency. Each agency should assess the level of risk and develop policies accordingly. For example, are hallways free from clutter that can cause trip hazards? Is furniture maintained and broken items such as chairs replaced? Is office furniture ergonomically correct to avoid injury? Is a First Aid kit kept stocked and available?

A good place to find out more about health and safety in the workplace is by visiting the Ontario Ministry of Labour's website at [www.labour.gov.on.ca/english/hs/sawo/index.php](http://www.labour.gov.on.ca/english/hs/sawo/index.php). Here you will find the latest news, fact sheets, information about regulations and more. We will also go into more detail about health and safety in the *Risk Management* chapter.

Workplace safety is about being safe in the workplace in many ways, and along with protection from our physical environment, employees should also know they are safe from harm from other people. For example, in Ontario, Bill 168 requires all employers in Ontario with five or more employees to have a violence and harassment policy in place by June 15, 2010. Please see the samples section at the end of this chapter for a sample policy.

Under Bill 168, **workplace violence** is defined as:

- ▶ The exercise of physical force by a person against a worker in a workplace that causes or could cause physical injury to a worker
- ▶ An attempt to exercise physical force against a worker in a workplace that could cause physical injury to a worker

- ▶ A statement or behaviour that is reasonable for a worker to interpret as a threat to exercise physical force against the worker, in a workplace, that could cause physical injury to the worker

Under Bill 168, **workplace harassment** is defined as:

- ▶ A course of vexatious comment or conduct against a worker in a workplace that is known, or ought reasonably to be known, to be unwelcome

The Industrial Accident Prevention Association provides more information about Bill 168 at [www.iapa.ca/main/Articles/2009\\_workplace\\_violence.aspx#overview](http://www.iapa.ca/main/Articles/2009_workplace_violence.aspx#overview)

For useful and practical resources, visit the Ontario Ministry of Labour at [www.labour.gov.on.ca/english/hs/pubs/publications.php](http://www.labour.gov.on.ca/english/hs/pubs/publications.php). Scroll down to the section called “Guides” to locate two resources. The first one is called “What Employers Need to Know,” and the second is called “Toolbox.” These resources were developed by the Occupational Health and Safety Council of Ontario. The toolbox includes a number of assessments for specific risk situations as well as sample policies.

The Ontario Service Safety Alliance also provides some excellent information, including workplace checklists, about Bill 168 at [www.ossa.com/content/resources/bill168-workplaceviolence.cfm](http://www.ossa.com/content/resources/bill168-workplaceviolence.cfm)

The Canadian Centre for Occupational Health and Safety has a very informative website and has posted information about violence in the workplace, including a resource about Bill 168 at [www.ccohs.ca/keytopics/wplace\\_violence.html](http://www.ccohs.ca/keytopics/wplace_violence.html). In addition, they offer an informative manual for \$12 which can be purchased at [www.ccohs.ca/products/publications/violence.html](http://www.ccohs.ca/products/publications/violence.html)

The newly formed Health and Safety Association for Government Services (an amalgamation of the former Education Safety Association of Ontario, the Municipal Health and Safety Association, and the Ontario Safety Association for Community and Health Care) provides detailed information and links to field representatives at [www.esao.on.ca/home\\_pg\\_images/violence\\_amdmts.pdf](http://www.esao.on.ca/home_pg_images/violence_amdmts.pdf). Be sure to visit the rest of their site for information about workplace safety-related training.

For those interested in seeing Bill 168, it is available in its entirety at [www.ontla.on.ca/web/bills/bills\\_detail.do?locale=en&BillID=2181](http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&BillID=2181)

## Health and Wellness

Along with physical safety, not-for-profit agencies need to provide workplaces that are free from health hazards and that take the health and wellness of their employees seriously. A good example of this is the response to the concern about a possible H1N1 outbreak during the flu season of 2009/2010. For example, MTCU required

all funded organizations to have a pandemic policy in place. Please see the Samples section of the Risk Management chapter for CLO's sample pandemic policy.

You can also learn more about pandemic planning by referring to the Ministry of Health's workbook at [www.health.gov.on.ca/en/public/programs/emu/pub/pan\\_flu/panflu\\_ops\\_workbook.pdf](http://www.health.gov.on.ca/en/public/programs/emu/pub/pan_flu/panflu_ops_workbook.pdf) and by reviewing the checklists provided by the Centre for Infectious Diseases at [www.pandemicbusinessstoolkit.ca/dchecklist](http://www.pandemicbusinessstoolkit.ca/dchecklist). Your local health unit is also a good source of information.

## Performance Reviews

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Performance review is an area of human resources management that many of us say is our least favourite part of being both a manager and an employee. However, performance reviews don't have to be onerous or negative experiences. In fact, a performance review can often be a time for a manager and an employee to discuss future plans and personal growth. More often than not, performance reviews should provide an opportunity to talk about the good work that an employee is doing rather than equating the experience to waiting for a report card.

New employees may be hired on a probationary basis with the agreement that their employment will be finalized after a 3 or 6 month period, based on a positive performance review. Performance reviews for current employees should be conducted on a regular basis. Some organizations hold performance reviews annually but others find that every other year is enough, particularly in a small organization with a long-term staff.

All employees should have a performance review. Generally, the HR Committee should conduct the performance review of the Executive Director, and the ED should conduct the performance review of other staff. In a large organization, department managers or other senior staff will probably conduct some performance reviews as well.

While performance reviews may identify areas of weakness in an employee's performance or skill set, they should focus on areas of strength, plan for improvements and identify future training needs. Performance reviews should be conducted as a joint exercise between the employee and the supervisor, who should work together to decide the best way for an employee to be the best he or she can be.

Reviews should be more than a simple checklist of what an employee is doing right or wrong; they should plan for professional development opportunities or for changes in job roles so that employees can enhance their skills and grow with the organization. Using this kind of approach can help both the supervisor and the employee approach performance reviews as a shared planning activity. The performance review should identify areas where the supervisor feels that the employee could improve, but it should also identify any concerns that the employee may have.

All activity related to the performance review process should be documented and kept in the employee's file. Each year, the previous year's documentation can be reviewed to identify if agreed-upon goals were met. In the event of a disciplinary issue, the performance review could also provide important information and documentation of any identified problems or concerns. Both the supervisor and the employee should sign off on the final performance review.

For an excellent overview about reviewing employee performance, be sure to visit the HR Council for the Nonprofit Sector's online HR Toolkit at [www.hrcouncil.ca/hr-toolkit/keeping-people-performance-management.cfm](http://www.hrcouncil.ca/hr-toolkit/keeping-people-performance-management.cfm)

Berkley University in California also has an informative guide about how to conduct performance appraisals at <http://hrweb.berkeley.edu/manage/appraisal.htm>

Garber Consulting offers a number of useful articles and other information about a variety of human resources issues including performance appraisals ([www.garberconsulting.com/360\\_degree\\_questionnaire.pdf](http://www.garberconsulting.com/360_degree_questionnaire.pdf)) and dealing with a poorly performing Executive Director ([www.garberconsulting.com/poorly\\_performing\\_executive\\_director.htm](http://www.garberconsulting.com/poorly_performing_executive_director.htm)).

The Minnesota Council of Nonprofits provides both information and sample templates at [www.mncn.org/info/template\\_hr.htm#hrtemplattessampleform](http://www.mncn.org/info/template_hr.htm#hrtemplattessampleform)

## When Employees Leave

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Employees seldom spend all of their working lives with one organization. People move, change jobs, change careers, retire or just decide to quit. When employees leave an organization, they should provide reasonable notice so that a replacement can be found. However, this isn't always possible, and the agency might find itself short-staffed for a time.

Sometimes an employee needs to be terminated. This is never a pleasant situation for either the Executive Director or the employee. However, if an employee is breaking the law or contravening organizational policies and procedures, he or she will have to be terminated. In this situation, the employee will likely be asked to leave immediately. Sometimes, an organization and an employee cannot resolve issues, and they come to an agreement that the employee will resign. Before terminating an employee, it is a good idea to seek legal advice to make sure that the agency is within its rights to terminate and that all proper procedures are followed (including any severance pay if applicable).

Unfortunately, sometimes an agency has to make difficult budget decisions, and employees must be laid off. If a laid-off employee has worked for five years or more, the organization will likely have to provide some kind of severance pay that recognizes the employee's past service and compensates for the job loss. Determining the amount of severance to pay is done by multiplying the employee's regular wages for a regular work week by the number of completed years of employment along with the number of completed months of employment divided by 12 for a year that is not completed. The Employment Standards Act states that the maximum number of weeks that is required to be paid is 26. There are situations where an organization is exempt from paying severance, but the rules are complex. For more information about when to pay severance and how to calculate the amount to pay, please refer to the Ministry of Labour's website: [www.labour.gov.on.ca/english/es/pubs/guide/severance.php](http://www.labour.gov.on.ca/english/es/pubs/guide/severance.php). If your agency is required to pay severance, it is a good idea to first check with a qualified professional such as an accountant or a lawyer to ensure that all legal requirements are met.

Whether an employee resigns, is laid off or is terminated, the organization is required to issue a Record of Employment (ROE). ROEs can be completed as paper forms, or they can be submitted electronically using Service Canada's ROE on the Web service. For more information about filing ROEs electronically, see [www.servicecanada.gc.ca/eng/ei/employers/roe\\_web.shtml](http://www.servicecanada.gc.ca/eng/ei/employers/roe_web.shtml). Paper forms are available for Ontario corporations by calling 1-800-263-8364. Paper ROEs must be submitted within five calendar days after the employee leaves. Electronic ROEs must be submitted within five days of the end of the employee's final pay period. For more information about ROEs and how to complete them, see the Service Canada information page at [www.servicecanada.gc.ca/eng/ei/employers/roe\\_guide.shtml](http://www.servicecanada.gc.ca/eng/ei/employers/roe_guide.shtml)

Employees who leave the organization should be given the opportunity to participate in an exit interview or to complete an exit survey. This could be similar to the Learner Satisfaction Survey we use with exiting learners. Gathering information from previous employees can form part of an agency's ongoing evaluation and can be used as part of the agency's continuous improvement performance management. For example, departing employees could be asked general questions about what they did and did not like about working for your agency. The exit interview could ask more specific questions about the work environment including the physical workspace (is there a good layout of furniture, is there proper lighting, etc.). The interview could also ask about job duties and job satisfaction and ask the departing employee for any recommendations for change.

For more information about exit interviews, be sure to read this brief article from Capacity Builders: [www.capacitybuilders.ca/pdf/KeepingInnovativePeople.pdf](http://www.capacitybuilders.ca/pdf/KeepingInnovativePeople.pdf)

## Succession Planning

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When CLO was conducting research to write this resource guide, one of the key areas of concern we heard from agencies across the province was the issue of succession planning. The need for further information and resources about this important subject was further recognized in CLO's December 2009 Human Resources survey. CLO asked agencies if they had experienced problems (or if they anticipated problems in the near future) with staff retention. A significant 67% of agencies that responded to this question answered "yes."

Succession planning is about identifying, developing and retaining personnel with the key skills your agency needs to reach its stated goals. Agencies should not wait until the Executive Director has tendered his or her resignation to begin succession planning. Even if your agency has experienced little or no staff turnover for many years, it is never too early or too late to start planning for the future. Having a plan in place can help not only in the event of a key employee resigning from the organization, but also if an employee becomes ill or takes a leave of absence. Succession planning is also important in planning for the future growth and development of your organization.

Many large corporations have had succession plans for a number of years, but the issue is becoming an increasing concern in the not-for-profit sector. Succession planning is important for all organizations, not just large ones. In fact, it might be even more important for small organizations. If your agency has five people on staff (and in fact, the average community-based literacy agency has 3.6 full-time equivalents) and one leaves or becomes ill, how will you fill that gap? Are you prepared?

Developing a succession plan can mean that your agency is prepared when a key employee leaves, for whatever reason. Having a plan in place and being able to implement it is much better than having to go into crisis management mode which could result in a long-term skills gap for your agency. To get started on succession planning, the first steps are to:

- ▶ Identify the key positions in your agency
- ▶ Identify the key skill sets for each position that are required now (as per the relevant job description) and that will be required in the future based on your agency's mission, goals and objectives
- ▶ Identify if there is currently an employee who could fill any of these key positions. If an employee is considering retirement, don't wait for that to happen. Encourage and develop a mentorship and training relationship with a potential successor.
- ▶ Identify people outside of your organization who might be able to fill any of these key positions

Succession planning isn't just about filling a vacant position, however. Every employee has a significant amount of knowledge about the organization — about its history, its

policies, its clients, its partners and more. When an employee leaves an organization, either permanently or temporarily, it is important to ensure that their knowledge doesn't leave with them. For example, a new Executive Director should be able to have all the documentation he or she needs to step into the job and not spend an inordinate amount of time learning "how things work" at an agency. Procedural handbooks and other documentation are essential in any organization. CLO heard from a number of literacy agencies that had developed, or were in the process of developing, written manuals as part of their succession planning. For example, the Windsor Public Library has created a Coordinator's Guidebook that addresses the following subjects and many more:

- ▶ Agency History
- ▶ Agency Mission
- ▶ Reporting Structure
- ▶ Policies and Procedures
- ▶ Agency Services
- ▶ Tutor Training
- ▶ Fundraising
- ▶ Funding
- ▶ Core Quality Standards
- ▶ Program Monitoring

For an excellent toolkit on succession planning, including templates (e.g., needs assessment, risk assessment, critical knowledge, gap analysis), sample policies and sample checklists to help you develop your agency's plan, be sure to visit Literacy Link South Central at [www.llsc.on.ca/resources.html](http://www.llsc.on.ca/resources.html). The toolkit downloads as a zip file so that you can modify the documents to suit your agency's particular needs.

Also be sure to visit the HR Council for the Nonprofit Sector. Their HR Toolkit features an informative section on succession planning that looks at what it is, why it is important, and who is responsible. ([www.hrcouncil.ca/hr-toolkit/planning-succession.cfm](http://www.hrcouncil.ca/hr-toolkit/planning-succession.cfm)) They also offer some excellent tips and include information about transitioning to a new Executive Director. ([www.hrcouncil.ca/hr-toolkit/right-people-hiring.cfm#\\_secA3](http://www.hrcouncil.ca/hr-toolkit/right-people-hiring.cfm#_secA3))

The MidNorth Network for the Coordination and Development of Adult Training has published a *Beginner's Guide for Program Coordinators of Smaller Literacy Agencies*: [www.nald.ca/library/learning/midnorth/beginninguide/beginninguide.pdf](http://www.nald.ca/library/learning/midnorth/beginninguide/beginninguide.pdf). This helpful resource includes information about LSPs, regional networks, common assessment, intake, learner satisfaction surveys, program management, Schedule Bs, the IMS, Employment Ontario and more.

The Treasury Board of Canada Secretariat provides an informative online resource about succession planning at [www.tbs-sct.gc.ca/gui/sure-eng.asp](http://www.tbs-sct.gc.ca/gui/sure-eng.asp). This guide outlines a five-step process for succession planning that includes identifying key positions, identifying key capabilities, identifying employees, developing and implementing a plan, and evaluating that plan. The guide also includes sample templates.

The Australian Institute of Community Practice and Governance offers an informative help sheet at [www.ourcommunity.com.au/management/view\\_help\\_sheet.do?articleid=740](http://www.ourcommunity.com.au/management/view_help_sheet.do?articleid=740). This fact sheet is designed for not-for-profit agencies and addresses succession planning for the staff, board and volunteers.

The Canada School of Public Service has created a guidebook about retaining knowledge in an organization called Lost & Found: A Smart Practice Guide to Managing Organizational Memory. You can download it at [www.csps-efpc.gc.ca/pbp/pub/pdfs/P137\\_e.pdf](http://www.csps-efpc.gc.ca/pbp/pub/pdfs/P137_e.pdf). This document talks about organizational memory or knowledge, why it is important and how to maintain it.

## Volunteers

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Although they are not paid employees, volunteers are part of an agency's human resources! In fact, according to CLO's research, Ontario's community-based literacy agencies work with an average of 48 volunteers each.

Although this chapter focuses on paid personnel, CLO is also pleased to provide you with a number of excellent resources related to volunteer management. You can find many more by doing an online search. Over the years, CLO has done significant work in the area of volunteer management. This topic requires an entire manual to cover fully, and it is beyond the scope of this resource to do that. However, we are pleased to provide you with a number of useful sources for in-depth information about this important area of human resources management.

A good place to start is at CLO's Volunteer Management online training module on Literacy Basics at [www.nald.ca/literacybasics](http://www.nald.ca/literacybasics). Here you will find links to resources, fact sheets and websites with a wealth of information about volunteer management.

CLO's *Literacy Basics* online training includes a module about volunteer management: [www.nald.ca/literacybasics/volunt/profile/01.htm](http://www.nald.ca/literacybasics/volunt/profile/01.htm). This useful resource features information about volunteer recruitment, screening, retention, recognition and more.

Volunteer Canada, the national site for information and resources about volunteerism, is at [www.volunteer.ca](http://www.volunteer.ca). This site also links to a number of useful tools and resources about a variety of volunteer-related topics, including volunteer screening, insurance, research, trends and more.

Charity Village has many links and resources on their site about volunteerism: [www.charityvillage.com/cv/guides/guide1.asp](http://www.charityvillage.com/cv/guides/guide1.asp). They also offer online training on volunteer management: [www.charityvillage.com/cv/learn/cvcvol.html](http://www.charityvillage.com/cv/learn/cvcvol.html)

The Free Management Library features a section on volunteer management at <http://managementhelp.org/staffing/outsrcng/volnteer/volnteer.htm>

Energize! Inc is another good source for information about volunteer management: [www.energizeinc.com/](http://www.energizeinc.com/)

## Sample Documents and Policies

### Sample Employment Contract

The following is an example of a contract that can be drawn up between an agency and an employee hired for a specific project or period of time.

#### **EMPLOYMENT CONTRACT** between XXX and ABC Literacy

*XXX agrees to carry out the position of XXX on behalf of ABC Literacy as per the following terms outlined below:*

- ▶ Position title:
- ▶ XXX will be responsible for conducting the duties as outlined below.
- ▶ XXX will be paid as a term employee of CLO. CLO will pay the employer's share of EI, CPP and WSIB.
- ▶ The rate of pay for this position is **\$XX** per hour.
- ▶ The work week hours amount to **XX** hours per week.
- ▶ Vacation pay will be included on each pay cheque in the amount of **4%**.
- ▶ The length of this contract runs from **XXX** to **XXX**.
- ▶ XXX will be paid by cheque according to ABC Literacy's standard bi-weekly pay period.
- ▶ Hours can be worked in an overall flexible manner but XXX must be available consistently during standard business hours of operation for meetings, consultations and project work.
- ▶ ABC Literacy will pay for any travel expenses for necessary project travel. Travel expenses shall not exceed the project's budget and must be within ABC Literacy's guidelines for meals, travel and accommodation.
- ▶ ABC Literacy will cover the following operating costs: the project's share of internet access, long distance charges, photocopying, postage, courier, production and distribution, resource and office supplies relating to the project.
- ▶ Receipts are required for all expenses. All operating costs must not exceed the project's budget. However, XXX has discretionary authority to purchase needed office supplies within budget. Expense claims will be submitted and paid monthly.
- ▶ XXX will provide, at her own expense, access to office space, office and computer equipment.
- ▶ All materials produced will be the property of ABC Literacy.
- ▶ XXX will report to **ZZZ**.
- ▶ XXX will provide a written monthly report on activities accomplished and hours worked.

**Responsibilities:**

- Specific to the project

The terms and conditions of employment as detailed in this contract shall be binding. Any changes to the contract must be in writing with the following signatories:

XXX: \_\_\_\_\_ Date: \_\_\_\_\_

In agreement with the above, on behalf on the Board of Directors of ABC Literacy:

Executive Director: \_\_\_\_\_ Date: \_\_\_\_\_

## Sample Job Description — Executive Director

Prepared by: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

### Position Summary

The Executive Director is responsible for general management. He/She has general supervision over and direction of all operations and staff. His/Her performance shall be synonymous with overall program performance.

The Executive Director will carry out duties and responsibilities associated with the Literacy and Basics Skills programming functions funded by the Ministry of Training, Colleges and Universities (MTCU) as well as the roles and responsibilities associated with non-profit and volunteer management. He/She will report directly to the Board of Directors.

### Working Conditions

The Executive Director will work a set number of hours as determined by the Board of Directors. He/She shall be paid on an hourly basis and shall receive benefits as determined by the Personnel Policy. The Executive Director's wages will be reviewed on an annual basis. He/She shall receive increased remuneration based on exceptional performance, successful completion of relevant educational and professional development opportunities, increased responsibilities, or as otherwise determined by the Board of Directors.

The Executive Director will be assured of a safe and comfortable work environment and the reasonable support of the Board of Directors.

### MTCU Functions

#### Information and Referral

The Executive Director is responsible for ensuring that learners receive the information they need about the program in a timely manner. The information requested will be provided in clear language in person, by telephone or in writing as appropriate.

The Executive Director will also ensure that volunteers, other individuals, referring agencies, community partners, business and other organizations receive appropriate information.

The Executive Director will ensure that any person or organization requesting information is referred to other programs or agencies as appropriate.

#### Assessment

The Executive Director will ensure that all prospective learners receive a complete and thorough initial assessment of their skills and abilities. Assessments will be conducted in a non-threatening manner, respecting the learners goals, comfort level and need for confidentiality.

The Executive Director will analyze the results of all assessments and make decisions regarding placement in the program or referral of another agency.

The Executive Director will transfer the results of assessment to the training plan and discuss training options with the appropriate staff member or volunteer tutor.

The Executive Director will also ensure that ongoing and final assessments (where possible) are carried out and that the results are analyzed with a view to learner progress and recorded on the training plan.

### **Training**

The Executive Director will ensure that all literacy training is carried out with respect for the individual and that this training is goal-directed and reflective of the outcomes identified in the learner's training plan.

### **Training Plan Development**

The Executive Director will be an active participant in the development of all training plans. He/She will be responsible for gathering and preparing initial assessment information. He/She will ensure that the learner is an active participant in the process.

The Executive Director will ensure that all training plans are revised and updated on a regular basis.

### **Follow-up**

The Executive Director will ensure that reasonable attempts are made to contact all past learners three months and six months after they leave the program. He/She will review and analyze follow up information with a view to the evaluation of program outcomes and continuous program improvement.

### **Other Duties and Responsibilities**

#### **Board of Directors**

The Executive Director shall act as a direct liaison between the Board of Directors and program staff. He/She shall provide Board members with the information they need to make timely decisions. He/She shall implement those decisions as directed by the Board. The Executive Director

shall be present at all regular Board meetings and at the Annual General Meeting.

### **Financial**

The Executive Director will ensure that all financial policies are followed. He/she has authority to spend within the budget limits set annually. He/she shall work with the Treasurer to ensure that all financial reports are submitted to the Board of Directors, MTCU, other funders and auditors as required.

### **Fundraising**

The Executive Director shall be responsible for overseeing all fundraising activities and ensuring that they are carried out according to program policies. The Executive Director shall ensure that all fundraising activities include a promotional component and that all such activities are conducted in an appropriate and ethical manner.

### **Information Management System**

The Executive Director ensures the accurate and timely collection and reporting of statistical information using the IMS. He/She further ensures that the IMS is kept up-to-date and that program staff are appropriately trained. The Executive Director also uses the full functionality of the IMS to analyze program activity and take appropriate action to respond to changing ideas.

### **Literacy Community Planning**

The Executive Director will represent the Literacy Council in all matters pertaining to literacy community planning. He/she will ensure that Literacy Services Plans and Business Plans are submitted according to MTCU instructions. He/she will co-operate with the Executive Director and staff at the regional network in all areas of literacy community planning.

**Program Administration**

The Executive Director is responsible for ensuring the smooth and efficient overall operation and management of the Literacy Council. He/She shall ensure the timely and accurate submission of all reports, documents and other information required by funders and government ministries. He/She shall ensure that accurate records are maintained for all matters relating to the program administration.

**Program Evaluation**

The Executive Director will work with the Board of Directors to carry out program evaluations as required.

**Program Planning**

The Executive Director will work with the Board of Directors to strategically plan future directions. He/she will also work with the Board to ensure that plans are carried out.

**Staff**

The Executive Director shall be responsible for the hiring, supervision, discipline and termination of all program staff. He/She shall ensure that all program staff receive appropriate orientation and ongoing professional development. He/She will ensure that performance evaluations are conducted at regular intervals. He/She will make recommendations regarding promotions and wage increases to the Board of Directors.

**Volunteer Management**

The Executive Director will ensure that fair and equitable volunteer management practices are in place and that all policies relating to volunteer management are followed. Further, the Executive Director will ensure that all learners and staff are aware of the value that volunteers bring to the organization.

**Other**

The Executive Director will be responsible for other duties as required by the Board of Directors, provided such duties fall within the reasonable parameters of the position and within program policies.

## Sample Job Description — Program Assistant

### Position Summary

The Program Assistant is responsible for all clerical duties. She/he will help coordinate volunteers, learners and the curriculum in such a manner as to provide the most satisfying and efficient work environment for all persons involved. She/he will also enhance public awareness in the community regarding the benefits of adult literacy. She/he must be self-motivated and be able to work with minimal supervision.

### Requirements

- ▶ A patient, open-minded, flexible attitude
- ▶ An understanding of the student-centred approach to teaching and learning
- ▶ A respect for confidentiality
- ▶ Basic computer skills

### Reporting Relationship

The Program Assistant shall report to the Executive Director.

### Responsibilities

#### Clerical

- ▶ Maintain office filing system
- ▶ Type reports, manuscripts, newsletters, etc. as required
- ▶ Catalogue and update resource library and listings
- ▶ Assist with maintenance of accurate records of volunteer and learner contact hours
- ▶ Assist with completion of other forms, records, etc. as required
- ▶ Photocopy and collate reports, learner assignments, etc.

### Reception

- ▶ Answer telephone and take messages as appropriate
- ▶ Greet visitors and direct them appropriately

### Fundraising

- ▶ Assist with fundraising and public awareness activities as required
- ▶ Assist with clerical functions (receipts, thank-you cards, etc.) as required

### Community Awareness

- ▶ Ensure good public relations image is maintained
- ▶ Maintain a good working relationship with other service/community groups and endeavour to achieve the support of the community as a whole
- ▶ Prepare and/or deliver presentations to publicize the program

### Student Activities

- ▶ Set goals and plan a learning program with the learner and ensure the learner is an active participant in the process
- ▶ Find and prepare teaching materials that suits the student's ability, goals and interests
- ▶ Tutor students and discuss their progress
- ▶ Mark student assignments

### Other

- ▶ Ensure the accurate and timely collection and reporting of statistical information using the IMS. She/he further ensures that the IMS is kept up-to-date.

- ▶ Ensure that reasonable attempts are made to contact all past learners three months and six months after they leave the program. She/he will review and analyze follow up information with a view to the evaluation of program outcomes and continuous program improvement.
- ▶ Assure continuing self-development through active participation in appropriate training programs and other means of self-improvement.
- ▶ Keep abreast of developments within other similar services and changes in the educational system which may affect the program or its learners.
- ▶ Other activities as requested by the Executive Director provided such duties fall within the reasonable parameters of the position.

### **Working Conditions**

All employees are assured a working environment that is safe and free from bias, harassment and discrimination. All paid employees are governed by the current Personnel Policy as approved by the Board of Directors.

## Sample HR Policy #1

Below, we provide you with an example of one agency's HR policies. You can find additional literacy-related examples and information in CLO's Policies and Procedures Manuals available on our website at [www.nald.ca/clo](http://www.nald.ca/clo). You can also find examples for virtually every area of HR management in the HR Toolkit prepared by the HR Council for the Nonprofit Sector Management at [www.hrcouncil.ca/hr-toolkit/policies-sample-policies.cfm](http://www.hrcouncil.ca/hr-toolkit/policies-sample-policies.cfm)

*Thanks to the Literacy Council of South Temiskaming for sharing their policies.*

Every full-time and part-time staff member will be given, at the time of hiring, an employment agreement and a copy of the Personnel Policy. Any matter not specifically set out in the Personnel Policy shall be governed by the Employment Standards Act of Ontario.

The Personnel Policy will be reviewed annually by the Policy and Procedure Committee of the Board of Directors and is subject to amendment as required on the committee's recommendation.

### Hiring Procedures

All vacancies will be advertised internally and externally. All applications must be received no later than the advertised deadline. A maximum of six applicants meeting the qualifications will be interviewed.

The Executive Director and an appointed board member will be responsible for interviewing applicants for all staff positions and making recommendations to the Board of Directors.

The successful applicant will be notified in writing and by telephone. Unsuccessful applicants having completed the interview phase will be notified by mail immediately after the final selection is made.

The successful candidate will receive an offer of employment from the Board of Directors stating the terms of employment. Acceptance of the offer of employment must be provided in writing within 5 days.

All new employees will sign a statement of confidentiality.

### Hours of Work

The Executive Director shall work a minimum of 30 hours per week. For all other positions, part-time employees are those employees who work less than 30 hours a week.

Employees will work hours as outlined in the offer of employment.

### Overtime

Hours worked over and above paid hours will be compensated for by straight (hour to hour) time off, if such time is previously approved by the Executive Director. Overtime will be paid at the discretion of the Board on the basis of straight time.

Overtime for staff is defined as Board/Committee meetings, community meetings, public speaking engagements, learner/tutor consultations, professional development, fundraising and/or other activities pre-approved by the employee's supervisor.

All compensatory time off must not exceed one week of regularly scheduled hours.

Each staff member is responsible for recording his/her own hours of work which will be submitted to the Executive Director bi-weekly.

The Executive Director will maintain an ongoing record of overtime hours and corresponding time off.

## Probation

The first three (3) months of employment shall be considered a probation period.

At the end of the probation period, the Executive Director shall review the employee's performance with respect to continued employment.

The Executive Director will bring his/her recommendation for continued employment to the Personnel Committee of the Board for a final hiring decision.

A probationary employee may be discharged at any time during the probation period.

The Executive Director may recommend to the Personnel Committee that the probation period for an employee be extended for an additional three month period.

## Resolution of Disputes

Those affiliated with the agency — Board members, other volunteers and staff -are expected to support the agency's commitment to personal and professional accountability. Anyone involved in a conflict and its resolution is expected to demonstrate good faith and make every effort to keep the conflict from having a negative impact on the agency, its clients, its services and/or their job performance.

Individuals involved in a conflict are expected to make sincere efforts to resolve the conflict together before calling upon the formal conflict resolution policy and process.

If such attempts are unsuccessful or if anyone involved in a conflict is unable to address it with the other individuals involved, the formal conflict resolution procedure shall be followed.

If informal conflict resolution attempts are unsuccessful or if anyone involved in a conflict is unable to address it with the other individual involved, the following process shall be used:

- ▶ The person who has identified the conflict and is seeking resolution shall speak to the Executive Director
- ▶ The Executive Director shall meet with each of the parties separately to discuss the situation and gather information
- ▶ Following the first series of meetings, wherever it is possible, the Executive Director shall meet with the involved parties together to mediate the conflict and develop an action plan that is acceptable to all parties

This formal grievance procedure shall be activated when attempts at informal resolution have proven unsuccessful or inappropriate:

- ▶ The party or parties shall submit a written notice of the grievance to the Personnel Committee within fifteen (15) business days of the incident or decision. The notice must contain at least:
  - A brief summary of what is being grieved
  - A list of all parties involved in the grievance
  - The name of the contact person
  - Relevant background information

If the grievance involves the Personnel Committee, the employee(s) may submit it to the Board of Directors.

## Dismissal Procedure

A verbal warning concerning unsatisfactory job performance will be issued to an employee, and documented in that employee's personnel file, as the first step of the dismissal procedure. If the unsatisfactory performance continues, the Personnel Committee or Executive Director will issue a written warning with a stated time frame.

If improvement of performance is not noted within the stated time frame, the third step will be dismissal.

*Depending on the severity of the employee's performance deficiency, the employer will strive to honor the requirement of two (2) weeks' notice for each employee.*

Gross misconduct will result in immediate suspension without pay until the charge has been investigated. Immediate suspension requires Board approval. If a charge of gross misconduct is determined to be unfounded, through Board investigation, the employee will be reinstated with pay retroactive to the date of suspension.

### Appeals

A written appeal must be submitted to the Executive Director and Personnel Committee within seven (7) days of dismissal.

If an appeal is not resolved at this level, it will be brought to the full Board of Directors for resolution within fourteen (14) days.

### Salaries

All employees will be paid an hourly rate approved by the Board of Directors and within budget parameters.

Increase in salary above cost of living allowance must be based on improved performance and/or increased responsibilities and must be approved by the Board of Directors.

All employees will be paid by cheque on a bi-weekly basis.

No salary advances will be extended to any employee under any circumstances.

### Statutory Holidays

The following shall be considered paid holidays as long as the employee has worked his/her scheduled shifts preceding and following the holiday. New Year's Day, Family Day, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic

Holiday, Labour Day, Thanksgiving, Remembrance Day, Christmas Day, Boxing Day.

If a statutory holiday falls on a weekend or during scheduled vacation time, a compensating day off will be granted. Paid holidays will be prorated based on an average working day as calculated over the previous month for part-time (less than 30 hours per week) employees.

### Vacation

Vacation shall be given to all employees on the following basis:

- ▶ After one (1) year of service, full-time and part-time employees shall be entitled to two (2) work weeks of vacation.
- ▶ After three years of service, all full-time and part-time employees shall be entitled to three (3) work weeks of vacation.

Thereafter, all permanent employees shall be entitled to vacation as follows:

AFTER	VACATION
6 years	3 work weeks plus 1 day
7 years	3 work weeks plus 2 day
8 years	3 work weeks plus 3 day
9 years	3 work weeks plus 4 day
10 years	4 work weeks
15 years	4 work weeks plus 1 day
16 years	4 work weeks plus 2 day
17 years	4 work weeks plus 3 day
18 years	4 work weeks plus 4 day
19 years	5 work weeks

Full-time or part-time employees with less than one year's service shall be entitled to vacation pay instead of vacation time, calculated at the rate of (4%) of gross salary earned.

All vacation time will be taken during the year of entitlement, unless written approval for other arrangements is obtained from the Board of Directors.

The Executive Director will approve the vacation schedule.

All contract positions of less than one year will receive 4% vacation pay of gross salary earned.

### **Leave Without Pay**

If a staff member requires leave without pay, a written request must be submitted to the Personnel Committee who will in turn forward the request to the Board for consideration.

This request must include reason for leave, length of leave and be submitted in advance where possible.

When a leave is to be more than one week, a temporary employee may be hired if the Personnel committee deems it appropriate.

### **Bereavement/Compassionate Care Leave**

Bereavement/compassionate leave is leave with pay because of death or serious illness of an immediate family member. Family members are defined as partner, parent, child, sibling, or grandparent.

There will be up to three (3) days allowed for bereavement/compassionate leave. If a longer leave is required, a request for leave without pay can be granted at the discretion of the supervisor.

### **Maternity, Paternity, Adoption Leave**

Maternity/paternity/adoption leave will be granted in accordance with the Employment Standards Act.

### **Sick Leave**

Paid sick leave will be earned at the rate of one (1) day per month for full-time employees to a

maximum of twelve days (12). Paid sick leave for part-time employees will be pro-rated providing that the employee has worked a minimum of ten days per month.

Sick leave for contract employees will be specified in each individual contract.

If an employee is absent for a period of time longer than three (3) days, a doctor's certificate or note stating the employee's inability to perform his/her job duties due to illness must be submitted to the Executive Director for inclusion in the employee's personnel file.

### **Jury Duty/Quarantine**

Employees will be granted a leave of absence, without loss of seniority or wages when required to be absent because of jury duty, subpoena or quarantine. The Council shall pay the employee the difference between his/her normal earnings and the payment she/he receives for jury duty or court witness. The employee will present proof of service.

### **Inclement Weather**

When the Literacy Council is closed because of dangerous or severely inclement weather, employees will be paid the equivalent of one regular working day for each day that the center is closed provided they are scheduled to work that day.

### **Performance Evaluations**

Performance evaluations will be performed by the Executive Director at the end of the probation period and annually thereafter. Evaluations may also be performed at any time at the discretion of the Executive Director.

To promote fair evaluations, the employee will have access to his/her evaluation and opportunity to comment.

## Personnel File

A confidential personnel file shall be maintained for each employee, and shall contain the following:

- ▶ Date of commencement of employment
- ▶ Application for employment and resume
- ▶ Confirmation of references, educations and/or qualifications
- ▶ Pertinent correspondence including letters of reprimand or discipline
- ▶ Performance reviews
- ▶ Record of salary adjustments
- ▶ Job description for current job

Individual personnel files shall be kept secured by the Executive Director, but an employee may access his/her file by request to the Executive Director, and shall be entitled to review the file in the presence of authorized personnel.

Information contained in the personnel file shall only pertain to the individual's personal records. No authorization shall be given to personnel to release any information that may violate the Freedom of Information Act.

## Confidentiality

All information regarding learners, staff members, Boards members, tutors, and the program shall be considered confidential and shall not be released to the general public or news media without prior written approval from the person involved and the Board of Directors.

## Training and Development

The program shall endeavour to provide employees with the opportunity to work, learn, develop, and advance within the program

Employees are encouraged to participate in courses, seminars, conferences or workshops which are of benefit to the program and assist in the employee's professional development and performance, provided it is within the program's mandate and budget parameters. Tuition and material costs will be paid upfront by LCST, with funds to be recovered in full from the employee on a bi-weekly basis by course end. Upon successful completion of the approved course and submission of relevant receipts to the board, the employee will be reimbursed.

The Executive Director, Board of Directors or staff members may be authorized to take membership in professional or community organizations which are of benefit to the program. If such membership is authorized, the program may pay some or all of the costs involved.

## Expenses

The following expenses will be paid as outlined below where not covered by other sources:

- ▶ **Travel:** Mileage will be reimbursed at the rate approved by the Board of Directors
- ▶ **Meals:** Meals will be reimbursed to a maximum of \$51.00 per diem for required out-of-district travel with receipts required.
- ▶ **Accommodation:** Request must be made to the Board for compensation of hotel/motel rooms for required out-of-district travel.
- ▶ **Transportation:** As per Board approval.

## Sample HR Policy #2

We have also included CLO's HR policies that could be adapted for use in your agency.

### PREAMBLE

Community Literacy of Ontario recognizes the importance of its personnel in the achievement of its objectives, and accepts its responsibility to develop and maintain working conditions that reflect respect for the individuality and dignity of its employees.

### 1 Purpose and Applicability

This Policy is established for the purpose of defining and coordinating the personnel administration of Community Literacy of Ontario. The Personnel Policy is intended to help employees understand their working conditions, rights and responsibilities as employees of CLO.

CLO distinguishes between core staff, term employees and consultants. Core staff is considered permanent employees of CLO, with the understanding that CLO is funded on an annual basis and cannot guarantee employment for subsequent years until its funding for that year has been assured. Term employees and consultants are those individuals who may be hired by CLO to carry out time-limited projects, or to provide short-term assistance. All items in this policy apply to core staff and term employees, except where specified otherwise.

The Personnel Policy shall serve as a basis for decision-making by setting guidelines for the personnel administration of CLO.

Additional terms and conditions of employment may be specified in a contract or letter of agreement signed between the Board of Directors and the employee.

### 2 Definitions of Core Staff, Term Employee, and Consultant

#### Core Staff:

- **DEFINITION:** Core staff is permanent employees of CLO whose work is integral to the core operations of CLO as defined in the annual business plan. Core staff are involved in the regular, ongoing, overall operations of CLO.
- Core staff are considered permanent employees of CLO. However, because CLO receives its funding annually, each core position will be reviewed for financial sustainability each year.
- Core staff are eligible for UI, CCP, vacation pay, and any other mandatory benefits
- Core staff also receive an additional 3% in lieu of benefits.
- The creation of all core staff positions must be approved by the board

#### Term Employees:

- **DEFINITION:** Term Employees staff are those individuals who may be hired by CLO to carry out time-limited projects, or to provide assistance that is needed for a limited time basis or to provide consulting services.
- Term Employees may be paid as employees or as independent contractors, depending upon the individual circumstances. They are eligible for EI, CPP and vacation pay (as legislated under the Employment Standards Act).
- If a term employee chooses to be paid as an independent contractor, they must clearly meet the definition and requirements of an independent contractor as formally described by Revenue Canada.
- Term employees are not considered permanent employees of CLO.

- ▶ Term employees do not receive additional benefits (other than mandatory UI, CCP & vacation pay)
- ▶ Term employees are hired by the Co-Executive Directors, within the parameters of CLO's financial and personnel policies and within the wage rates, job descriptions, and timeframes described in the funding proposal and budgets for each project.

#### Consultants:

- ▶ **DEFINITION:** Consultants will be defined according to the current definition provided by Revenue Canada. Consultants must abide by all policies and standards as developed by Revenue Canada.

### 3 Administration of the Personnel Policy

The direct administration of this Policy and supervision of staff is the responsibility of the Personnel Committee, who will consult with the full Board of Directors as necessary.

#### 3.1 Interpretation of the Personnel Policy

All matters pertaining to the interpretation of the Personnel Policy are referred to the Personnel Committee.

#### 3.2 Review of the Personnel Policy

This Personnel Policy shall be reviewed annually by the Personnel Committee; however, policy may be changed from time to time to comply with changes in provincial or federal laws, and/or by decision of the Board of Directors. Any amendments proposed by the Personnel Committee will be submitted to the board of Directors for ratification.

#### 3.3 Conflict Resolution / Grievance Procedure

In the event that an issue or concern between staff cannot be resolved, staff members are encouraged to approach the Executive/Co- Director(s) as quickly as possible with a verbal complaint.

If the conflict is not resolved to the satisfaction of the employee, a written notice shall be forwarded to the E.D(s). The Executive Director(s) shall reply in writing to the employee within 7 days. Any discussion of the grievance at this level will be documented and reported to the Board of Directors for their information, and a written report placed in the employee's personnel file.

In the event the grievance is still not resolved, the employee and the E.D. will meet with the Personnel Committee to work on a satisfactory solution. The meeting will be documented. If the complaint is resolved at this point the matter will go no further.

If a satisfactory solution cannot be reached, the grievance will be fully documented and taken to the entire Board by any or all persons concerned. The outcome of a grievance will be determined by a majority vote of the Board of Directors. After considering all sides of the issue, the Board will deliver its decision within one month of the receipt of the written grievance.

### 4 Employment Statement

There will be no discrimination against persons seeking employment with CLO on the basis of race, colour, sex, marital status, age, sexual orientation, political affiliation, national origin, disability or religious belief.

### 5 Sexual Harassment

Every employee has a right to be free from sexual harassment and from any reprisal or threat of reprisal for the rejection of such behaviour.

## 6 Hiring

The appointment of the Executive/Co-Executive Directors is the responsibility of the Board of Directors.

All other appointments are the responsibility of the Executive Director/Co-Executive Director(s) within the parameters of project proposals and budgets approved by the Board of Directors (see definitions Policy #2) except for the selection of term employees and project consultants who will be chosen by the selection process as outlined in policy #6.2.

### 6.1 Hiring of Executive Director/Co-Executive Directors

An ad hoc hiring committee comprised of at least five Board members, including one representative from each of the Personnel Committee and the Executive Committee will be formed to hire an Executive Director or Co-Executive Directors. In the event that one Co-Executive Director should terminate their employment then the position would revert to a single executive director model. The Board of Directors will determine the composition of a hiring committee for the Executive Director/Co-Executive Directors. The Board would then conduct a review of the administrative staff positions.

### 6.2 Term Employee or Consultant Selection

Selection of term employees and consultants will be based on relevant skills and experience required for the position and will adhere to the following process:

- ▶ All project positions, except for those filled by the Executive Director(s) or Administrative Staff, would be openly posted in the literacy field;
- ▶ Positions might be either Term employees or Project consultant positions depending on the needs of the project and the responses received from the field.

- ▶ A Hiring Committee would be formed consisting of 3 persons, at least one of which would be an E.D. (Co-E.D.), Board member, advisory/reference group member or other stakeholder.
- ▶ E.D. (Co-E.D.'s) is responsible to review tenders and resumes using appropriate matrix and select applicants to be interviewed. At staff discretion, any stakeholder could be included to assist in the process.
- ▶ Hiring Committee conducts the interviews and makes hiring decision.
- ▶ Any changes to this process needs to be approved by the Personnel Committee

### 6.3 Policy for the Selection and Hiring of Professional Consulting Services

**(1) The intent of this policy is to ensure that Community Literacy of Ontario (CLO) awards professional and consulting contacts to qualified individuals and firms based on:**

- a** Adherence to the need/requirement to use such services;
- b** An open, fair and competitive process for all contracts over \$10,000;
- c** Competence and expertise relative to the particular requirement;
- d** Ability to complete the task within the proposed time frame;
- e** Experience and record of past performance with similar projects; and
- f** Price reasonableness (2) for value of the funds expended;
- g** Ensure that qualified individuals are firms interested in providing professional and consulting services have equal access to CLO consulting opportunities under normal circumstances, excepting occasional

sole-source procurement of consultants and professional services in accordance with approved CLO policy as described under Sole Source Situations (3).

**(2) Price Reasonableness:**

CLO management will make all efforts to hire a consultant based on an established reasonable rate of pay that takes into consideration the standard cost of work required for the project by consultants in the field plus weighing in the expertise and background of the individual consultant.

**(3) Sole Source Situations:**

Sole Source shall mean entering into a commitment without the issuance of a Request for Quotation (RFQ) or a Request for Proposal (RFP). This is applied only in cases where normal purchasing procedures are either not possible (i.e. emergencies, time constraints or where for economic reasons it is not possible to follow accepted procedures) or under special circumstances where consultant/s have the specialized knowledge, skills and experience required to meet project deliverables effectively and efficiently.

## 6.4 GENERAL HIRING

- (1)** References will be checked prior to confirmation of any appointment. All appointments of core staff are subject to final approval by the Board of Directors.
- (2)** Appointments will be made in writing, indicating salary and conditions of employment. Letters of appointment will specify whether a position is a permanent core staff position or a limited term employment position. Appointments to term employee or consultant positions will also state the expected start and finish dates of the limited term contract.

- (3)** A copy of the Personnel Policy and a job description will be given to each new employee.

## 7 Probation

The probation period for all employees will be three months. A decision to end employment may be made by the Personnel Committee, with the approval of the Board of Directors, at any time within the probationary period. Written notification of the termination of employment will be given to the employee.

### 7.1 Probationary Evaluation

A performance review will be done for each new employee prior to the end of his/her probationary period. The performance review of the Executive Director/Co-Executive Directors will be done by the Personnel Committee, and approved by the Board of Directors. The Executive Director/Co-Executive Directors will do the performance review of all other staff. A written summary of the evaluation will be given to the employee and copies filed with his/her personnel documentation.

## 8 Job Descriptions

The job description of the Executive Director/Co-Executive Directors will be approved by the Board of Directors and reviewed annually or as necessary by the Personnel Committee in consultation with the staff to which the descriptions apply. The job descriptions for all other staff will be developed by the Executive Director/Co-Executive Director(s) within the parameters of project proposals and budgets approved by the Board of Directors.

## 9 Salary Levels and Increments

Salaries and benefits will be reviewed in January by the Personnel Committee, who will bring forward a recommendation for approval by the Board of Directors before the budget for the next year's funding is prepared. The recommendation(s) will be based on the previous year's annual performance evaluation and CLO salary grid. Upon reaching the top of the grid, a cost-of-living increase of 2% will be recommended each year. Any proposed change or increase is subject to the actual funding received.

### 9.1 Benefits: Statutory

Staff is eligible to be paid for statutory holidays according to the current terms and conditions of the Employment Standards Act plus one day of personal observance.

### 9.2 Benefits: Non-Statutory

Core staff will receive an additional 3% in lieu of benefits.

The CLO office will be closed during business days that fall between December 24, and January 1. Staff shall be paid for these days. Part-time staff positions are pro-rated accordingly.

## 10 Hours of Work and Lieu Time

CLO defines a full-time workweek as 35 hours. Part-time positions are pro-rated accordingly. An up-to-date staffing plan, record of time worked, including lieu time, holidays, and other leaves, will be kept by all full-time and part-time employees. The Executive Director(s) will present a record of time worked at each board meeting. Other core staff and term employees will present a monthly record of time worked to the Executive Director who supervises them. As new funding is received staffing plans will be amended by the Executive Director(s) and approved by the Board of Directors. When a quick turn around time is

required electronic approvals will be an acceptable means of approval.

There will be no paid overtime. Overtime will be reimbursed by equal time off in lieu to be taken within the calendar year. Lieu time accumulated beyond the equivalent of one workweek will not be reimbursed with lieu time except in special circumstances and with prior approval of the Personnel Committee.

There will be no compensatory payment for accumulated lieu time upon termination of employment.

## 11 Vacation

Employees who have worked for CLO for less than two years will be granted vacation of ten working days per year (two work weeks), pro rated for part-time staff. After two years of employment, employees will be granted fifteen working days (three work weeks), and after five years of employment twenty working days (four weeks). This will be the maximum vacation allowed. Vacation time for the Executive Director / Co-Executive Director will be scheduled in consultation with the Personnel Committee. Other core staff and term employees will schedule their vacation time with the Executive Director who supervises them.

Vacation days begin to accumulate when the employee begins working, but cannot be taken until the completion of the probationary period. Vacation days will be recorded on a monthly basis. They are to be taken during the twelve-month period (from the date of hiring) in which they are earned; except in special circumstances, no more than one week may be carried over.

Upon termination of employment, employees will be compensated at their regular rate of pay for any unused vacation days.

The eligibility of term employees for vacation and/or statutory holidays will be determined by Employment Standards Act and specified in the employee's contract.

## 12 Statutory Holidays

Staff is eligible to be paid for statutory holidays according to the current terms and conditions of the Employment Standards Act.

Staff will be paid for eleven statutory holidays plus one day of personal observance, if applicable as above. Statutory holidays are paid only for core staff and term staff in accordance with the Employment Standards Act. The paid holidays are:

New Year's Day, Ontario's Family Day, Good Friday, *Easter Monday*, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Monday, Christmas Day and Boxing Day.

When a statutory holiday falls on a weekend or during a vacation period, equal time off shall be given in its stead.

Part-time staff will receive compensation by means of money or time for statutory holidays pro-rated to the regular number of hours worked per week at the discretion of supervising executive staff.

## 13 Christmas Hours

The office of CLO shall be closed during the business days that fall between December 24 and January 1. Staff shall be paid for these days. Part-time staff positions are pro-rated accordingly.

## 14 Leave

The following provisions for leave apply to core staff. In the case of term employment, eligibility will be determined by the Personnel Committee and specified in the employee's contract.

### 14.1 Sick Leave

Full-time employees will accumulate sick leave at one (1) day per month to a maximum of 12 days per year. Sick leave is pro-rated for part-time employees. Unused sick leave credits may be carried over only so long as the maximum number of sick leave days in any twelve-month period is 12 days.

There will be no payout for unused sick leave days upon termination of employment. For special leave circumstances, please refer to the special leave category.

### 14.2 Short-Term Disability Leave

After sick leave credits have been used, the employee may apply to EI for short-term disability benefits. In order to maintain the leave status the employee may be asked to submit a doctor's certificate to CLO after the sick leave credits are used and monthly during the short-term disability leave.

A review of employment status by the Personnel Committee will occur after three (3) months of disability leave.

### 14.3 Maternity, Paternity And Adoption Leave

Maternity, paternity and adoption leave will follow the regulations outlined in the Employment Standards Act.

### 14.4 Bereavement Leave

An employee is entitled to paid leave of up to 3 days in the event of the death of members of his/her immediate family (defined as partner/spouse, children, parents, grandparents, and siblings) or the death of members of the immediate family of the employee's personal partner.

### 14.5 Special Leave

Paid leave for the equivalent of up to one work week, for any reason other than those already

specified elsewhere in this policy, may be granted at the discretion of the Personnel Committee, with the approval of the Board of Directors, as necessary. Paid special leave days will not accumulate from year to year.

Unpaid leave may be granted at the discretion of the Personnel and/or Board of Directors.

#### 14.6 Jury Duty

- (1) Jury/witness duty is a statutory requirement and a civic duty. Accordingly, any CLO employee who is required to perform jury/witness duty on a regular working day will be released to serve.
- (2) Core or term staff called to jury or witness duty after completing one year of service are eligible for paid jury/witness duty leave. Employees with less than a year of service, short-term contract staff and consultants are not eligible for paid jury/witness duty leave.
- (3) The employee shall be reinstated to his or her position upon his or her return at not less than his/ her wages at the time the leave began and without loss of seniority or benefits.
- (4) The employee will be required to furnish proof of jury/witness duty service and Jury Pay received.
- (5) The employee will be paid their regular pay less any jury or witness pay received for a period of up to 3 weeks. An employee is eligible for jury pay only once in any 36-month period. Any time served by the employee beyond these limits is normally without pay.
- (6) An employee's term of service is not affected by the leave nor is vacation entitlement.
- (7) It is the responsibility of the employee to keep their supervisor informed of status of the jury/witness duty.

- (8) For witness duty, paid time off will be granted only for the time that it takes to present testimony and not to act merely as an observer to legal proceedings. No allowance of pay will be made if an employee is summoned to court as a result of their personal involvement as a litigant.

#### 15 Professional Development

CLO believes that its staff should be encouraged to develop knowledge and skills relevant to their present or future positions within CLO. CLO will, within the constraints of its budget and operational requirements, support opportunities for core staff to develop knowledge and skills through participation in various learning activities. The identification of needs, the implementation of activities, and the evaluation of activities is the responsibility of both employees and CLO.

#### 16 Health and Safety

CLO will endeavour to ensure safe and healthy working conditions for its employees, as set out in the Health and Safety Act.

#### 17 Annual Evaluation

Annual performance evaluations, and interim evaluation, if and when required, will be in writing. Evaluation of the Executive Director/Co-Executive Directors will be conducted by the Personnel Committee and approved by the Board of Directors. The Executive Director/Co-Executive Directors will inform the Personnel Committee of the results will conduct evaluation of other staff and will inform the Personnel Committee of results. Staff input is an integral part of the evaluation process.

All performance evaluations are to be completed by the end of the calendar year.

The employee will receive a written report of the evaluation and a copy of that report will be placed in the employee's personnel file.

## 18 Termination

Employment may be terminated at any time during the probationary period. If termination occurs during the probationary period, the employee will be given one week's notice in writing. After the three-month probationary period, the employee will be given written notice as required by law.

## 19 Dismissals

Any difficulty, which might lead to the termination of an employee, will be brought to the attention of the Personnel Committee. The committee will ensure that due process, as described below, has been followed before a termination is made. The employee will be informed in writing of the problem, the potential consequences, and the Committee's recommendations.

- 1 Willful misconduct, willful disobedience, or willful neglect of duty will result in immediate termination without notice.
- 2 The employee is told clearly in writing if there is a problem with his/her work other than those mentioned in #1.
- 3 The employee is told clearly in writing what must be changed.
- 4 The employee is offered a reasonable amount of help in making the required change (for example, training or coaching), and is given a reasonable amount of time to make the change.
- 5 The employee is told clearly in writing what will happen if there is no change.
- 6 The Personnel Committee may recommend to the Board of Directors that the employee be terminated for cause if the required change is not made within the time determined in step #4.

## 20 Restructuring and Layoffs

The Board of Directors reserves the right to reorganize and/or restructure responsibilities in response to a change in its financial circumstances or program priorities. When restructuring is required, the Board is committed to exploring alternatives before opting for staff layoffs.

The Board of Directors and the Finance Committee will consult to determine CLO priorities. Staff input on priorities will be solicited and considered.

## 21 Resignation

It is expected in all cases that the employee will provide sufficient notice to ensure uninterrupted delivery of services. Notice of resignation must be acknowledged immediately in writing, by the Personnel Committee.

## 22 Confidentiality

The original copy of the Executive Director's/Co-Executive Director's personnel documentation (contract, performance evaluation, and any other relevant information) will be kept in the office of CLO. An assigned Chair/Co-chair will keep a copy of these documents. All documents will be returned to the office of CLO at the end of the co-chair's term. All staff documentation other than that of the Executive Director/Co-Executive Director will be kept in the office of CLO and can be accessed with the written permission of the employee. No documentation may be removed for the office of CLO without the knowledge and consent of the employee and the Personnel Committee.

The employee's personnel documentation is available to the Personnel Committee in the performance of its duties. Requests for information pertaining to any employee shall be directed to the Personnel Committee.

No personnel information about an employee will be released to outside agencies or individuals without the written consent of the employee.

### 22.1 Contents of Personnel File

The contents of the personnel documentation file will be:

- ▶ Job description
- ▶ Attendance records
- ▶ Employment agreement
- ▶ Employee resume
- ▶ Overtime, vacation and leave of absence records
- ▶ Performance evaluation reports
- ▶ Tax exemption claim forms
- ▶ Payroll information
- ▶ Dates of employment
- ▶ Termination and other notices

## Sample Hiring Matrix

When hiring new employees, a simple matrix or chart can be very helpful to short-list candidates and provide an objective overview of interview results. Below is a simple example of a matrix that could be used to choose which candidates to interview. It can be very helpful to list applicants by a number or other code to avoid possible preferential ratings in the situation where

applicants may be known to current staff and/or board members.

A similar matrix could be designed to rate responses provided during the actual interview.

The weighting you choose to give to each requirement or interview response will depend on the job and the skills required for it.

<b>Resume</b>	<b>Education (15 pts) <i>College or University required</i></b>	<b>Literacy Exp (30 pts) <i>3+ years preferred</i></b>	<b>Other Exp (30 pts) <i>Working with adults preferred</i></b>	<b>Comm'n Skills (15 pts) <i>Oral and written English req's</i></b>	<b>Driver's License (10 pts) <i>Req'd</i></b>	<b>Total Points</b>	<b>Selected for interview? (yes/no)</b>
<b>A</b>	University: Science degree Numerous literacy training workshops <b>15 Points</b>	4 years as staff at school board program; knowledge of LBS levels, learning outcomes, etc. <b>30 Points</b>	10 years teaching high school <b>20 Points</b>	Oral and written English <b>15 Points</b>	Yes <b>10 Points</b>	<b>90</b>	<b>Yes</b>
<b>B</b>	University; Arts degree Conflict resolution training <b>10 Points</b>	No direct teaching or training exp <b>5 Points</b>	6 years social work <b>25 Points</b>	Oral and written English Oral German <b>15 Points</b>	Yes <b>10 Points</b>	<b>65</b>	<b>No</b>
<b>C</b>	College; Teachers of Adults <b>15 Points</b>	6 years as volunteer tutor; knowledge of LBS levels, learning outcomes, etc. <b>30 Points</b>	Intake worker WSIB <b>25 Points</b>	Oral and written English Oral and written French <b>15 Points</b>	No, but willing to get it <b>5 Points</b>	<b>90</b>	<b>Yes</b>

## Sample Workplace Violence Prevention Policy (Bill 168)

The Government of Ontario passed Bill 168, the *Occupational Health and Safety Amendment Act (Violence and Harassment in the Workplace)* on Dec. 15, 2009. This Bill comes into force on **June 15, 2010**. It requires employers with five or more employees to:

- ▶ assess the risk for workplace violence and harassment
- ▶ develop and implement appropriate policies to protect employees
- ▶ create a process for reporting and responding to incidents of violence and harassment.

Accordingly, to meet the requirements of Bill 168, to protect our staff and volunteers, and to provide a sample for our member agencies, Community Literacy of Ontario has created this **draft** “*Preventing Workplace Violence and Harassment*” policy.

- 1** Community Literacy of Ontario (CLO) promotes a violence and harassment-free workplace where people respect one another and work cooperatively to achieve common goals. Acts of violence and harassment destroy individual dignity, lower morale, engender fear, and break down work cohesiveness. Abuse in any form erodes the mutual trust and confidence that are essential to CLO’s operational effectiveness. CLO is committed to providing a work environment that is free from violence, threats, harassment or bullying to:
  - Paid staff
  - Volunteers
  - Clients who use our services
- 2** CLO views violence and harassment in the workplace as unacceptable from anyone. No staff member, volunteer or any other individual associated with CLO shall subject any other person to workplace violence, harassment,

bullying, abuse of power, or allow or create conditions that support workplace violence. All CLO staff and volunteers are encouraged to raise any concerns about workplace violence and harassment and to report any incidents or threats of violence or harassment. We will work together to prevent workplace violence.

- 3** CLO will conduct an assessment of potential risks for workplace violence and harassment in consultation with staff and board members in order to reduce the risk of violence and harassment.
- 4** Based on this assessment, CLO will then develop appropriate procedures to ensure that safety measures and violence prevention procedures are put in place to reduce any identified risks and lessen the likelihood of workplace violence and harassment.
- 5** CLO will offer information and training to its staff and volunteers on violence and harassment prevention
- 6** CLO will establish a process for staff and volunteers who are subjected to acts of workplace violence, harassment or bullying to report and pursue a complaint.
- 7** CLO commits to investigating and dealing with all incidents and complaints of workplace violence and harassment in a fair and timely manner, respecting the privacy of all concerned as much as possible.
- 8** CLO considers violence and harassment to be serious offenses. A staff member or volunteer who subjects another staff member, volunteer, or client of CLO to workplace violence, harassment, bullying or abuse of power may be subject to disciplinary action, up to and including dismissal, depending upon the nature of the incident

## 9 RESPONSIBILITY

All CLO staff, board members and volunteers are responsible for:

- ▶ Acting respectfully towards other individuals while at work and participating in any agency-related activity.
- ▶ Ensuring their own immediate physical safety in the event of workplace violence.
- ▶ Informing the police, Co-Executive Directors, or Chair of the CLO Board as appropriate, of any violence, potential risk of violence, or unacceptable behaviour they may experience or witness. This includes issues in the staff member's or volunteer's non-work life that may impact on safety in the workplace.
- ▶ Attending any training or information sessions provided by CLO to reduce violence or risks of violence.
- ▶ Reporting to the Co-Executive Directors, or Chair of the CLO Board as appropriate any incidents of violence or harassment.
- ▶ Reporting any criminal behaviour to appropriate police or labour board.
- ▶ Cooperating with the police, the Co-Executive Directors, Chair of the CLO Board or other authorities as required during any investigation related to workplace violence.

In addition to the above, CLO's Co-Executive Directors and the CLO Board of Directors are also responsible for:

- ▶ Assessing the risk of violence and harassment that could affect the dignity, psychological and physical well-being of staff, volunteers and clients in their various activities, and minimizing those risks where necessary.
- ▶ Ensuring that all CLO staff and volunteers are aware of this policy.
- ▶ Ensuring staff and volunteers are trained in procedures and policies developed to minimize the risk of violence and harassment.

- ▶ Ensuring appropriate medical care is provided for anyone involved in an incident and for securing the safety of staff and volunteers.
- ▶ Investigating and responding to close calls, incidents and complaints of workplace violence, harassment and bullying.
- ▶ Tracking and reporting incidents of violence and harassment.

**10** All CLO staff, volunteers and clients must comply with this policy and conform to CLO's non-violence principles and standards

**11** All CLO staff and volunteers are to be informed of this policy when they begin their involvement with CLO and on an annual basis after that.

**12** This policy is to be posted in the workplace in a prominent location.

**13** This policy is to be reviewed at least annually.

## CLO's Definitions

For the purposes of this policy:

- ▶ **Workplace** refers to any CLO premises or other locations where CLO staff and volunteers are engaging in CLO business, activities, or social events.
- ▶ **Violence** is the exercise of physical force by a person against staff or volunteers that causes or could cause physical injury. It also includes attempts to exercise physical force against staff or volunteers that could cause physical injury and statements or behaviour that staff or volunteers could reasonably interpret as a threat to exercise physical force that could cause physical injury. Acts of violence may occur as a single event or may involve a continuing series of incidents.

Examples of Workplace Violence include but are not limited to:

- Threatening behaviour such as shaking fists, destroying property or throwing objects
- Verbal or written threats that express an intent to inflict harm
- Physical attacks
- Any other act that would arouse fear in a reasonable person in the circumstances
- Partner violence that may occur on our property

► **Harassment** is engaging in a course of vexatious (causing someone to feel annoyed, irritated or embarrassed) comment or conduct against staff or volunteers in the workplace that is known or ought reasonably to be known to be unwelcome.

Examples of harassment include, but are not limited to:

- Threats made or perceived, that are malicious, vexatious or based on any of the prohibited grounds under Human Rights legislation
- Derogatory written or verbal communication or gestures (e.g. name-calling, slurs, taunting pictures or posters, bullying, graffiti), that are malicious, vexatious or that relate to any of the prohibited grounds under Human Rights legislation
- Use of stereotypes or generalizations based on any of the prohibited grounds under the legislation
- Conduct or comments intended to create, or having the effect of, creating an intimidating, hostile or offensive environment

► **Sexual harassment** means any unwelcome conduct, comment, gesture or contact of a sexual nature, whether on a one-time basis or in a continuous series of incidents that:

- Might reasonably be expected to cause offence, embarrassment or humiliation
- Might reasonably be expected to be perceived as placing a condition of a sexual nature on employment, services, or on any opportunity for training or advancement.

Examples of sexual harassment include, but are not limited to:

- Remarks, jokes, innuendoes or other comments regarding someone's body, appearance, physical or sexual characteristics or clothing
- Displaying of sexually offensive or derogatory pictures, cartoons or other material
- Persistent unwelcome or uninvited invitations or requests
- Unwelcome questions or sharing of information regarding a person's sexuality, sexual activity or sexual orientation

► **Bullying** is offensive, cruel, intimidating, insulting or humiliating behaviour, which includes physical violence or the threat of physical violence. It can be physical or verbal, direct or indirect such as gossip. Bullying is considered harassment in general, unless there is physical contact or a threat of violence, where it is considered violence.

► **Abuse of power** happens whenever a staff/volunteer abuses or misuses his/her power and discretion for personal benefit, or in benefit of another person.

## Additional Resources and Training

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*Board Café* from CompassPoint NonProfit Services. ([www.compasspoint.org/boardcafe/archives.php](http://www.compasspoint.org/boardcafe/archives.php))  
Scroll down to read archived articles about HR issues in the section called “Executive Directors.”

Canada One: Canada’s Small Business Information Source. Includes useful links and tools including an HR guide. [www.canadaone.com](http://www.canadaone.com)

Canadian Centre for Occupational Health and Safety. Be sure to visit this website for links to up-to-date information about health and safety-related legislation, along with useful free resources. Be sure to subscribe to their newsletter. <http://www.ccohs.ca>

Centre for Voluntary Sector Studies, Ryerson University. [www.ryerson.ca/cvss](http://www.ryerson.ca/cvss). The Centre was established to conduct research and to offer education to the voluntary field, including a Certificate Program in NonProfit Management.

Charity Village — Canada’s supersite for the nonprofit sector. Sign up for the weekly email and stay up-to-date on trends, learn about new resources, link to informational articles and more: [www.charityvillage.com](http://www.charityvillage.com). Also see their information on post-secondary training available in not-for-profit management at [www.charityvillage.com/cv/learn/postsec.html#npomgmt](http://www.charityvillage.com/cv/learn/postsec.html#npomgmt)

Community Literacy of Ontario. [www.nald.ca/clo](http://www.nald.ca/clo)

Community Literacy of Ontario. *Policies and Procedures Manual, Volume 1*. [www.nald.ca/clo/policies/guide1/devpol-1.pdf](http://www.nald.ca/clo/policies/guide1/devpol-1.pdf)

Community Literacy of Ontario. *Policies and Procedures Manual, Volume 2*. <http://www.nald.ca/litweb/province/on/CLO/policies/guide2/guide2.pdf>

Cook-Ritchie, Robyn. *Succession Planning for Literacy Community Planning: Tool Kit*. Literacy Link South Central (2009). [www.llsc.on.ca](http://www.llsc.on.ca)

Cultural Human Resources Council. *Human Resources Management: Coaching, Mentoring and Succession Planning*. [www.culturalhrc.ca/hrtools/pdfs/E\\_Coaching.pdf](http://www.culturalhrc.ca/hrtools/pdfs/E_Coaching.pdf)

Draper, Nancy M. *Strengthening Leadership: Manual Workbook for Human Resources Policies and Procedures for Human Service Organizations* (1997). Family Space Quinte Inc., Belleville.

East Central Ontario Training Board. *The Human Resources Management Guide for Small Business* (2006). The full report is not available online ([www.focusontraining.com/new/english/reports.cfm](http://www.focusontraining.com/new/english/reports.cfm)) but interested parties can contact them for a copy.

HR Council for the Nonprofit Sector. An extremely comprehensive website covering all aspects of human resources management. The site features an excellent HR toolkit as well as links to HR-related resources and training. [www.hrcouncil.ca](http://www.hrcouncil.ca)

Imagine Canada ([www.imaginecanada.ca](http://www.imaginecanada.ca)) “Looking into and out for Canada’s charities and nonprofits.”

This is another site with a number of useful and practical resources, including the NonProfit Library Commons, the largest collection of Canadian nonprofit literature in the world:

<http://nonprofitscan.imaginecanada.ca>

Muttart Foundation. *Hiring and Performance Appraisal of the Executive Director*. [www.muttart.org/sites/default/files/downloads/publications/hiring\\_performance.pdf](http://www.muttart.org/sites/default/files/downloads/publications/hiring_performance.pdf)

OntarioLearn. Check out this elearning portal that provides links to Ontario’s colleges and the many courses they have available. [www.ontariolearn.com](http://www.ontariolearn.com)

The Ontario NonProfit Network. This provincial network is involved in a number of provincial initiatives, hosts an online forum, uploads informational articles to its blog and more.  
[www.ontariononprofitnetwork.ca](http://www.ontariononprofitnetwork.ca)

Ontario Ministry of Labour: [www.labour.gov.on.ca](http://www.labour.gov.on.ca)

Voluntary Sector Knowledge Network: [www.vskn.ca/index.php?/page/home](http://www.vskn.ca/index.php?/page/home)



# 4

## Risk Management

CAPACITY PLUS

### Introduction

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Risk management is a growing area of concern in the not-for-profit sector. Whether this is because organizations are at more risk than they ever were, or because our society is more aware of risk, or for some other reason is not clear. Whatever the reason, the reality is that not-for-profit agencies must take reasonable and realistic steps to ensure that their people and their property are protected to the best of their ability.

Some agencies will already have a number of risk management policies and procedures in place. For those that do, this chapter can help provide you with some additional resources to update and fine-tune your risk management plan, and it may also highlight some areas of risk management that you hadn't previously considered.

Other agencies will have a fair amount of work to do to ensure that their staff, volunteers and learners, as well as the agency's physical property, are protected. If you are just getting started with risk management, you will find the five-step process for creating a risk management plan overviewed in this chapter to be both practical and helpful.

Along with describing how to go about planning for risk management, this chapter includes sections about specific areas of risk management, including financial, human resources, health and safety, risk to reputation and more. At the end of the chapter, we have included some sample policies. We have also included a number of links to additional resources throughout the chapter and at the end.

This chapter is not meant to be a complete guide to risk management. Rather, it is an introduction to help you get started and provide you with some helpful tools and resources. The chapter provides generic information and is not specific to any one agency's situation. For detailed support and advice pertaining to your agency, be sure to consult the appropriate professional such as a lawyer, an insurance agent or an accountant. All weblinks were accurate at the time of publication.

For further information and training about risk management, CLO recommends that you visit Imagine Canada’s helpful and informative site at [www.nonprofitzzz.ca](http://www.nonprofitzzz.ca) and, if possible, sign up for one of their excellent training sessions or webinars. For a “sneak peak” at this training, be sure to check out this YouTube video: [www.youtube.com/imaginecanada#p/u/11/0VvpPc16mFM](https://www.youtube.com/imaginecanada#p/u/11/0VvpPc16mFM)

## The Benefits of Risk Management

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David Hartley, Director of Imagine Canada's Insurance and Liability Resource Centre for NonProfits ([www.nonprofitzzz.ca](http://www.nonprofitzzz.ca)), suggests the following benefits of risk management. Hartley points out that while we can never entirely eliminate risk, we can effectively manage it, to:

- ▶ prevent or reduce harm to people and/or damage to property
- ▶ prevent or reduce damage to the organization's reputation and public image
- ▶ help attract and maintain the confidence of stakeholders (board members, staff, volunteers, learners, funders, partners, donors, the community)
- ▶ increase peace of mind
- ▶ keep regulating bodies happy (for example, Canada Revenue Agency)
- ▶ reduce the chance of a lawsuit
- ▶ help obtain/maintain insurance coverage at a competitive price
- ▶ help to clearly define insurance needs
- ▶ protect and save resources
- ▶ reduce the chance of disruptions from investigations by police, insurers, lawyers, the media or others
- ▶ inform decision-making
- ▶ reduce uncertainty
- ▶ provide a valid defence in case of a lawsuit

Hartley also points out that risk management should not be an onerous process of creating policies and procedures. Rather, it should be about helping organizations and the people who work there stay out of trouble while they are trying to achieve the agency's mission. Risk management should not get in the way of the agency's ability to achieve its mission. In fact, when it is done well, risk management simply looks like good program management.

## Legal Considerations

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As we mentioned earlier, this chapter is not meant to provide legal advice or to cover all aspects related to risk management. It is always important to check with a professional for specific advice.

David Hartley from Imagine Canada identifies three important legal concepts to keep in mind when thinking about risk management.

- ▶ **Liability and Negligence.** Liability means responsibility or obligation. If someone or something (an organization) is liable, it means they are legally responsible for the consequences of their actions. Liability can occur when a law is broken, when a contract is breached or violated, or when an act or a failure to act (intentionally or unintentionally) caused injury or damage to another person. Negligence means not doing what a reasonable or prudent organization or person would do.
- ▶ **Vicarious liability** is when one person is held responsible for the conduct of someone else. This is important for organizations to consider because the concept of vicarious liability can be brought into question if it is considered that the organization can be held responsible for the actions of someone associated with it, e.g., a staff member or volunteer. For more information about vicarious liability, read *Vicarious Liability in the Non-Profit Sector* by the legal firm of Cassels Brock & Blackwell available at [www.ic.gc.ca/eic/site/cilp-pdci.nsf/eng/h\\_cl00424.html](http://www.ic.gc.ca/eic/site/cilp-pdci.nsf/eng/h_cl00424.html)
- ▶ **Joint and Several Liability** refers to a situation in which two or more people or organizations are found to be jointly at fault or negligent. In that situation, those people are “jointly and severally liable” to the person who suffered loss or damage. What this can mean is that even if you are only 5% responsible for harm, if you have money and the other defendants do not, you may have to pay all or most of any costs assessed. For more information, please see the January 1994 newsletter from the Frank Cowan company at [www.frankcowan.com](http://www.frankcowan.com) and [www.the-injury-lawyer-directory.com/jointseveral.html](http://www.the-injury-lawyer-directory.com/jointseveral.html)

## Risk Management Planning

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Risk is anything that interferes with your organization's ability to fulfill its mandate. Risk can involve organizational assets such as equipment, premises, information, finances and even the organization's reputation. Risk can also involve people and other organizations including clients, staff, volunteers, stakeholders and funders. This type of risk can include health and safety, workplace violence and staffing issues. Risk can take many forms. For example, it can include theft, physical harm, an information leak or a Board decision. Some risks have greater consequences than others.

Risk is a fact of organizational life. Some risks can be planned for (e.g., staff turnover) and some cannot (e.g., fire). Some potential risks can be managed (e.g., using secure passwords to protect files, enforcing confidentiality rules). Often, the organization can purchase insurance that can help minimize the loss or damage that can result from unwanted actions or consequences, but while a stolen laptop can be easily replaced, it isn't always a simple matter to recover lost information or hire new staff.

Risk is not always a bad thing. Sometimes we take calculated risks to achieve a desired outcome. For example, a literacy agency might identify the need for additional programming, but a funder might not be willing to invest without further evidence that the need exists. In that situation, the agency might decide it is worth the risk to invest some funds to start the program so that they can document learner numbers to present to the funder. Along with asking "can we afford to do this?," remember to also ask "can we afford NOT to do this?" In his risk management workshops, Imagine Canada's David Hartley states that the greatest risk we face is that of uninformed fear (he calls it toxic fear) that stops us from doing good work.

Different organizations face different risks. For example, some agencies might be located in areas that are more at risk for break-ins and theft. Agencies that work with volunteers must consider both volunteer and client safety whereas agencies that don't have volunteers won't face this risk. Each agency must identify and assess the risks it *realistically* might face and use its resources to avoid and reduce risk where reasonable and possible.

This chapter on risk management is not meant to frighten or overwhelm you; rather, we hope to encourage you to take prudent and reasonable steps to protect your organization and those associated with it. In short, you need to think about:

- ▶ what could go wrong
- ▶ which risks require immediate attention
- ▶ what you would do to prevent harm from happening
- ▶ how you would respond if harm does happen
- ▶ how you will let others know what you are doing about risk and
- ▶ how you will know if your risk management plan works

Taking the time to plan and manage risk before something happens can help you be prepared and save time in the long run. It can also help you reduce the amount of harm or damage that might happen and protect both people and property. You might think that you don't have the time or the resources for risk management, but ignoring this important area of program management puts your organization at risk. This chapter will provide you with some ideas to get started, and we have included a number of links to other, more in-depth resources may help you develop your risk management plan.

It might be tempting to think that small organizations don't need to worry about risk management, but even the smallest organization can be sued, can be a victim of theft, can have its reputation damaged or can lose important documents in a fire. It's a fact of life: accidents happen.

You might also think that having insurance will protect the organization but, while insurance can provide some monetary benefits after the fact, it cannot actually prevent something bad from happening. Risk management is also about far more than having enough insurance to replace stolen goods or pay off a lawsuit. Isn't it better to prevent the damage in the first place? There are also some risks that are not insurable such as the risk to the agency's reputation. So while it is important to have adequate insurance, it is also important to recognize that insurance is just one component of overall risk management.

## The Risk Management Planning Process

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The Insurance Bureau of Canada ([www.ibc.ca](http://www.ibc.ca)) suggests a useful process for managing risk. David Hartley from Imagine Canada ([www.nonprofitzzz.ca](http://www.nonprofitzzz.ca)) suggests a similar process. We've combined suggestions and ideas from both to create a manageable and practical process that you can use in your agency.

As you develop your risk management plan, remember that it is essential to seek input from everyone involved with the organization — your co-workers, learners, volunteers, Board members, other agencies, etc. These people should be considered your experts since they are familiar with the organization and can identify harmful activity that has already taken place as well as potential risks.

Potential risks and how to manage them should be a topic of conversation both formally and informally. Create your plan in consultation with others if possible and, at the very least, have someone else review it. Ideally, you should establish a risk management team or committee made up of at least one senior staff member and one board member. If possible, other staff members, board members, learners and volunteers should also be part of the committee. Risk management is definitely an area where two (and hopefully more) heads are better than one.

### STEP 1 — Identify the Risk

There will always be risk. Some risks can happen anywhere, such as a staff member or a volunteer tripping and falling. Other risks may be unique to your organization, depending on the programming you offer, the people you work with (learners, staff, and volunteers), and your location. During this first step, you need to identify those risks that could happen in your organization.

Start by reviewing past events. Have you ever filed an insurance claim? Have any complaints ever been filed? Have any incidences of harm, loss or discipline ever been recorded? Have there been any accidents at the workplace? Check with other agencies that have a similar mandate to yours or that are a similar size to see what risks they might have experienced.

Then think about the programming and services you offer. What potential risks exist that could cause harm to anyone or anything associated with your organization? For example, if you work with volunteers, do you have a screening process in place? Do staff and/or volunteers work in one location or in different locations? Are staff and/or volunteers required to drive? Are staff and/or volunteers ever in situations where they could be threatened or even hurt? What policies and procedures do you have in place to protect people from harm? If you hold fundraising events, who has access to the money? Are your computers and computer files password protected? What harm could arise if your confidential files were accessed by someone without permission?

While it might be tempting to come up with a multi-page list of every possible risk that could happen, this is not productive or helpful. Firstly, some risks are very unlikely to occur at all. For example, is a volunteer likely to be struck by lightning while tutoring a learner? Yes, it could happen, but the risk is extremely minimal, so it is better to focus your efforts on addressing risks that could reasonably happen.

David Hartley also suggests identifying positive risks, i.e., an action that could benefit your organization. Are there any potential missed opportunities that you could take advantage of? For example, is there a need to start up a new program or to enhance a current one? Are there public awareness events you could participate in?

Talk to staff, board members, volunteers and learners. Ask them to help identify potential risks. Visit the Workplace Safety and Insurance Board (WSIB) ([www.wsib.on.ca](http://www.wsib.on.ca)) for resources and information. The Education Safety Association of Ontario (ESAO) ([www.esao.on.ca](http://www.esao.on.ca)) has an excellent website with numerous checklists and forms that are available free for download. For example, the “General Office” list includes questions such as:

- ▶ Are floor surfaces clean, dry and free from debris?
- ▶ Are carpets well secured and free from worn or frayed spots?
- ▶ Are emergency exits marked and free from obstructions?
- ▶ Is all electrical equipment grounded and CSA approved?
- ▶ Are heavy items, e.g., paper, stored on lower and middle shelves of cabinets?
- ▶ Are fire extinguishers available? Are the inspection tags attached?

You may have to fine-tune these and other checklists you find online to better reflect your own organization, but starting with a template or framework can save you a lot of time.

At the end of this first step, you will likely have a long list of risks that have been identified. However, don’t despair. The next step is to prioritize those risks, so the list will get shorter.

## STEP 2 — Evaluate the Risk and Prioritize

Step 1 might leave you with a very long list of potential risks, but don’t despair. The next step is to assess how likely each risk is to happen and your current level of risk management. For example, if you already use good money-handling procedures at your fundraising events, the risk of theft is greatly reduced. If you have implemented volunteer screening procedures and ensure that volunteers always meet with learners in public places with at least one other person nearby, the risk of harm or harassment is reduced.

Go through the list of potential risks that you have identified to determine which ones are already being managed properly and which ones are being managed but could be improved upon. Review any incident reports or other documentation to see how situations were managed in the past. Speak with long-term staff, volunteers and students to learn about past events and how they were (or were not) managed and resolved.

Then, think about risks that haven't yet been addressed and are most likely to happen. Don't spend a lot of time on risks that are very unlikely to be an issue for your organization. The purpose of this step is not to address every single potential risk but rather to prioritize the list you have created, identify what your organization is already doing well and what it could do to further improve risk management.

Finally, think about which risks could have the greatest impact on the organization. Think about the impact in terms of what it would be if something bad happens, e.g., learners would leave, volunteers would quit, the agency's reputation would suffer, there would be financial loss. Also think about what the impact would be if the risk were reduced or even eliminated. For example, would you be able to continue offering a program or even expand programming? Would more people be likely to volunteer? Would you be able to secure additional funding? Along with considering possible outcomes, you also need to think about which risks are the most important for you to address now and which ones can be looked at later.

Throughout this step, David Hartley suggests asking yourself three questions to help prioritize potential risks:

- 1** Is the risk consistent with our mission and values?
- 2** How likely is the risk to happen? Use your common sense to prioritize risks that are the most likely to occur.
- 3** If the risk occurred, how bad (or how good) would it be?

Mr. Hartley suggests a simple chart to help you evaluate and prioritize your risks. In this chart, the columns represent the level of severity of potential risks, i.e., how bad would it be if this risk happened? This will be different for each organization. For example, if the petty cash box was stolen, this could represent a significant financial loss for some organizations but only a small inconvenience for others. The rows represent frequency, i.e., how often might the risk occur. The example below can help you get started with prioritizing your risks. Of course, your final chart will be much more complete and detailed than this one.

Potential Risk	Severity/ Frequency of Risk	Slight	Significant	Severe
<b>Cash on Premises</b>	<ul style="list-style-type: none"> <li>○ Almost none</li> <li>○ Slight</li> <li>○ Moderate</li> <li>○ Definite</li> </ul>			
<b>Trip Hazards</b>	<ul style="list-style-type: none"> <li>○ Almost none</li> <li>○ Slight</li> <li>○ Moderate</li> <li>○ Definite</li> </ul>			
<b>Workplace Violence</b>	<ul style="list-style-type: none"> <li>○ Almost none</li> <li>○ Slight</li> <li>○ Moderate</li> <li>○ Definite</li> </ul>			
<b>Risk to Reputation</b>	<ul style="list-style-type: none"> <li>○ Almost none</li> <li>○ Slight</li> <li>○ Moderate</li> <li>○ Definite</li> </ul>			

### STEP 3 — Examine Options

Now it's time to begin thinking about how to manage those risks that you have identified. In some situations, it will make sense to keep the risk as it is because in order to deliver your programming or services, it is a necessary risk. In other situations, you may want to greatly reduce or even eliminate the risk. Finally, you may be able to transfer the risk to someone. For example, rather than rewiring an electrical outlet yourself, hire an electrician. Or, instead of driving a group of students to an event, hire a taxi.

There is no one right answer. Each organization will need to make a decision based on its mandate, resources and individual situation. It is important to consider each risk carefully so that whatever decision is made is an informed one, and the organization knows the level of risk it is accepting. When deciding to keep or modify a risk, you also need to identify the resources you will need to do so. For example, will you need to purchase additional equipment or hire new staff? Will you need more insurance? Will you need to provide training?

Before deciding to **continue on** with a risk, ask yourself these questions:

- ▶ Does the risk make sense in terms of the organization's mission?
- ▶ If something bad happened, could we reasonably explain to our stakeholders why we accepted this risk?
- ▶ Do we have the appropriate policies and procedures in place to manage this risk? If yes, are they adequate or do they need to be enhanced? If no, should we discontinue this activity until we do have those policies and procedures in place?
- ▶ Do we need insurance for this risk? If yes, do we have it?

Before deciding to **eliminate** a risk, ask yourself these questions:

- ▶ Is this risk a necessary part of our mission? Is it important to what we are trying to achieve? Would removing the risk harm our ability to achieve our mission?
- ▶ What is the potential loss or damage associated with this risk? How likely is that loss or damage to happen? Is the risk likely to happen only once or might it be an ongoing concern?
- ▶ How are other similar organizations managing this risk?

Before deciding to **make changes** to a risk, ask yourself these questions:

- ▶ Assuming this risk is important to our mission, how can we change it so that we still meet our mission but reduce the risk?
- ▶ If we make changes, will this reduce the risk and/or reduce the damage or loss associated with the risk?
- ▶ How are other similar organizations managing this risk?

Before deciding to **transfer** a risk, or part of a risk, to someone else, ask yourself these questions:

- ▶ Can we contract out the activity associated with risk (e.g., driving)?
- ▶ Can we include a clause in a partnership agreement that states that the other organization assumes the risk for a particular activity or program?
- ▶ Can we ask our participants or volunteers to sign a waiver so that they assume the risk?
- ▶ Can we purchase insurance that will cover financial risk?

## STEP 4 — Create the Plan

Once you have decided which option works best for your organization, you can begin to create a risk management plan. Remember to keep the plan manageable. Like any good plan, your risk management plan should include specific objectives and timelines for achieving those objectives.

Depending on the type of risks you have identified and the level of risk management you already have in place, you might simply be fine-tuning your current processes and procedures, or you might find yourself with quite a bit of work to do. If you do find that your current level of risk management leaves something to be desired, don't panic. Like performance management, risk management is an ongoing process, not a one-time task, and you don't have to do it all at once. Identify what changes will bring about the greatest benefit for your organization and start with those.

Once the plan is complete, make sure everyone knows about it and is aware of any policies and procedures that are being updated or newly implemented. Communication is an essential component of risk management. If people are aware of potential risks and know how to avoid them and how to respond if necessary, both the risk itself and any possible damage or loss can be reduced or even eliminated.

Also remember that a risk management plan is not meant to be an onerous task that is being imposed on an organization. Risk management should be seen for what it is — a positive step towards protecting your organization and the people you work with so that you can continue to effectively deliver quality services and meet your organizational mandate.

Imagine Canada has purchased the rights in Canada for an online tool called My Risk Management Plan. Agencies can purchase a license to use this tool for \$139, and Imagine Canada will provide support for those who buy and use the tool. For more information, see <http://nonprofitrisk.imaginecanada.ca/?q=en/node/669>

## STEP 5 — Monitor and Revise

As part of any good planning process, it is important to review what works and what doesn't. Should the plan be updated to include any newly identified risks or new procedures? Are some risk management procedures ineffective and in need of revision? Your risk management plan should be reviewed annually to ensure that it is still relevant and effective. Risk management is an ongoing process; it is not a one-time event. A risk that is considered high priority today might be a lower priority a year from now, or vice versa. As you continue to develop effective procedures, you will be able to minimize or even avoid current risks and be able to focus your efforts on identifying and managing new risks that might arise.

## Words of Wisdom

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David Hartley from Imagine Canada offers the following winning formula for effective risk management:

- ▶ Leadership that is motivated and communicates the message that the organization's top priority is to protect its people
- ▶ A plan with specific action items and timelines
- ▶ Common sense, i.e., what do you and others in your organization already know about keeping people safe?
- ▶ Participation by as many people as possible — risk management should be a group effort
- ▶ Clear communication, both written and verbal, to ensure that everyone is aware of, and responding to, significant risks
- ▶ Ongoing monitoring and change as required

Mr. Hartley also offers seven “smart tips” to help organizations with their risk management planning:

- ▶ **Protecting your people should be your first priority.** While people will appreciate your efforts to protect the office building and the furniture, they probably won't completely buy in to your risk management plan if they think it's only about protecting things. Your first priority should be people — board members, volunteers, staff and learners. When those people know that they are valued and that the organization is doing its best to protect them, they will be onboard with risk management planning.
- ▶ **Know your limits.** You can't be all things to all people. In fact, stretching yourself (and your organization) too thin is a risk. Clearly define what your organization can accomplish with existing resources and stay within those boundaries. If you want to expand services, you will need to develop a plan to do so ... considering any new risks growth might bring about of course!
- ▶ **Don't forget to talk to others.** Risk management is not the job or responsibility of one person. Talk to staff, volunteers, board members and learners to help identify potential risks and strategies for managing those risks. Consultation also helps create buy-in.
- ▶ **Put it in writing.** Written policies and procedures are important to ensure consistency. They also provide a legal paper trail in the event of a lawsuit. Documentation is also helpful when monitoring the effectiveness of your risk management plan.

- ▶ **Keep it simple.** It is easy to become overwhelmed or to try to do too much at one time. Use clear language. Don't write unnecessarily long and complex policies and procedures, job descriptions, waivers, or other documents that no one will want to read or that will be difficult to understand.
- ▶ **Keep it kind.** Start off documents such as waivers by thanking volunteers for helping or thanking learners for joining the program. Presenting rules or policies doesn't mean you have to sound uncaring or ungrateful.
- ▶ **Remember to say thank you.** Risk management is an ongoing and sometimes difficult job. Thank people for their input and contributions.

## Financial Risk Management

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All not-for-profit agencies, regardless of their size, are responsible for keeping their financial assets safe. Financial risk includes a loss of a financial asset or a reduction in the value of a financial asset. The type of policies and procedures you develop will depend on a number of factors, including where financial assets are kept, who has access to them and the value of those assets.

Financial assets include three broad categories: money, goods and services. Money includes cash, bank accounts and other investments (e.g., stocks and securities). Goods include supplies, equipment and any merchandise that your agency might sell. Services are the programs and activities you offer. They are included as a financial asset because they have the possibility of creating monetary value, either through funding grants or through fee-for-service. The people who deliver or who participate in your services are human resources, not financial assets. We will discuss human resources risk management in the next section.

A reduction to, or the loss of, a financial asset can cause significant problems for an organization. To use an extreme example, if an agency were to invest its funds into the stock market and then the stock market collapsed, the agency could be left bankrupt. Obviously, this is not a desirable situation! One way that funders greatly reduce the risk of this type of loss happening is by requiring not-for-profit agencies to deposit any funding in secure bank accounts. Prudent agencies should also have policies about investing any funds in high-risk situations — in short, they should not permit this to happen.

High-risk investments are not the only financial risk that agencies face, however. For example, all cash and investments should be kept in bank accounts that are covered by the Canadian Deposit Insurance Corporation (CDIC) ([www.cdic.ca](http://www.cdic.ca)) or by provincial deposit insurance. Most Canadian chartered banks, loan companies and insurance companies are covered by CDIC. Credit Unions and Caisses Populaires are covered by provincial insurance. Foreign banks with Canadian branches must tell you if they provide CDIC coverage. Deposit insurance is provided automatically — you do not have to apply for it. There is no cost to you for this coverage. Be sure to visit the CDIC website for detailed information about deposit insurance.

While deposit insurance will protect your cash assets in the event of a bank failure, it won't protect those assets from other risks such as theft, misappropriation or misuse. To reduce the risk to cash assets, agencies should have policies and procedures in place that include a process for approving expenditures and for ensuring that money is only paid out for approved expenses and activities. Banking records should be verified monthly so that they balance with official bank statements. Any discrepancies should be investigated immediately. Sometimes, there will be a simple calculation or data input error which is easily fixed. However, if banking discrepancies continue,

you may be facing the unfortunate situation of fraud or theft. For example, money can be stolen from your bank accounts by changing the amount on a cheque, by writing unauthorized cheques or by theft of funds intended for deposit.

Additionally, all financial records should be reviewed regularly by the Treasurer or by the Finance Committee, and financial statements should be approved by the Board of Directors as a whole. Financial statements should also be audited annually. In fact this is a requirement of organizations that receive over \$100,000 per year in funding.

Although it is advisable to not keep cash on the premises, sometimes this may be unavoidable. For example, many agencies keep a small amount of “petty cash” available for incidental purchases. To help reduce the risk of loss from the petty cash, you should have procedures in place that specify who has access to the cash, where the cashbox is kept, what it can be used for and so on. Petty cash should always be a specified amount of money, often less than \$100. When money is used from the petty cash to purchase something, a receipt should be put in the box so that the total of actual cash plus receipts always equals the specific amount.

At other times, there may be cash on the premises because someone paid in cash for a service such as photocopying, or they purchased a resource. If someone pays cash for a good or service, they should be given a receipt and a duplicate should be provided to the bookkeeper to enter in the financial records. All cash should be deposited as soon as reasonably possible to reduce the risk of loss.

Many agencies hold fundraising events, and often these events involve cash receipts. Whenever money is being handled, there should be at least two people responsible for the money at all times, and all receipts and cash expenses should be documented. Only specific staff or volunteers should have access to cash, and anyone who is responsible for fundraising cash should have experience handling and counting money and should not have a criminal record involving theft, misuse of funds or similar convictions.

Agencies are also at financial risk if they fail to remit payroll deductions (e.g., income tax, Canada Pension Plan and Employment Insurance premiums). Although this isn’t direct theft or loss, if an agency is found to have failed to remit these amounts to the government, they can face significant fines and penalties that could greatly impact their financial health. Registered charities could risk losing their charitable status.

Registered charities also face specific financial risks with regard to their obligations around accepting charitable donations and issuing receipts for those donations. For more information about the financial obligations of registered charities, please see the *Financial Management* chapter in this resource and refer to the Canada Revenue Agency website at [www.cra.gc.ca](http://www.cra.gc.ca)

Along with risks associated with cash assets, not-for-profit agencies also face financial risks associated with physical assets. For example, if equipment is stolen or damaged, it will need to be replaced. Even if equipment is covered by insurance, there is generally a deductible amount that the agency is required to pay, and the deductible may cause a financial burden or at the least an unexpected expense.

The third category of financial assets is services. A loss of either cash or physical assets can definitely have an impact on the level of service that your agency provides. Services can also be impacted by a number of other factors, including volunteer recruitment, volunteer training, human resources, physical location and more.

For a more detailed discussion about financial management, please see the *Financial Management* chapter in this resource. Sample policies are included in that chapter, along with some useful tools and links to further information.

You can also find more information about financial management by visiting Imagine Canada's risk management site at [www.nonprofitzzz.ca](http://www.nonprofitzzz.ca). Click on the "risk management experts" link on the left side of the page and scroll down to find Bill Harper's financial risk management column with articles about maintaining books and records, issuing charitable tax receipts and more. You will also find a column by James Finlay with articles about fraud and theft of funds.

## Human Resources Risk Management

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All not-for-profit agencies, regardless of their size, are responsible for keeping their people safe. In fact, Imagine Canada recommends that when it comes to risk management, people should be your number one priority. For a more detailed discussion about human resources management, please see the *Human Resources Management* chapter in this resource for information about hiring and dismissal, employment contracts and more. Sample policies are included in that chapter, along with some useful tools and links to further information.

Many not-for-profit agencies use volunteers to help deliver their programs. Volunteering is a wonderful opportunity for people to get involved in their community, and it is a great way for agencies to deliver personalized programming to adult learners. Volunteering is truly a win-win situation! However, having volunteers as part of your agency's human resources also brings risk. (Remember, not all risk is "bad." Think about what would happen if you stopped using volunteers. Is the risk associated with volunteer management offset by the benefit that volunteers provide? What would be the risk to your agency if it no longer used volunteers?)

The level of risk that is associated with using volunteers will depend on the type of programming you offer. For example, agencies that recruit volunteers to work with vulnerable populations such as children, the elderly or people with developmental disabilities, may face higher risks than agencies that do not work with vulnerable people. One of the best strategies when it comes to working with volunteers is to reduce risk wherever possible. For example, to protect both the volunteer and the client, all programming should happen in public locations rather than in private homes.

Another way to minimize the risk associated with volunteer programs is to have procedures in place for recruiting, selecting and screening volunteers. Volunteer Canada has developed an excellent resource called *The 10 Steps of Screening* (<http://volunteer.ca/en/resource/screening/10steps>). These steps are also a good guideline to follow when hiring paid staff! The steps are:

- 1 Determine the risk
- 2 Write clear position descriptions
- 3 Establish a formal recruitment process
- 4 Use an application form
- 5 Conduct interviews
- 6 Follow up on references
- 7 Request a Police Records Check
- 8 Conduct orientation and training sessions

- 9 Supervise and evaluate
- 10 Follow up with program participants

Following these steps is an essential part of human resources risk management. For more information and detail about each of the steps, be sure to visit Volunteer Canada's website (<http://volunteer.ca>).

It is beyond the scope of this chapter to provide a complete volunteer management resource. However, we have included a number of links to information about volunteer management in the *Human Resources Management* chapter. A good place to start is with CLO's Volunteer Management training module on **Literacy Basics** ([www.nald.ca/literacybasics](http://www.nald.ca/literacybasics)). Imagine Canada also has a number of excellent links and resources on their site at [www.nonprofitzzz.ca](http://www.nonprofitzzz.ca). While you are visiting their site, be sure to check the Employment Practices Risk Management Column by Barry Kwasniewski.

## Police Records Checks

During the research phase of this project, CLO discovered that many literacy agencies have questions about police records checks, even if they are already using them to screen potential staff and volunteers. Police records are not criminal records. Criminal records show any convictions that a person has received whereas police records can show more information, i.e., any involvement with the police. Police records may not show offenses that have been pardoned.

Agencies must obtain written permission from an individual before conducting a police records check. If the individual has had no involvement with the police, the report will come back as "clear." However, if the person has had involvement, the level of detail that the police will provide varies across the province. There are currently no provincial standards or regulations regarding police records checks. However, the Canadian Police Information Centre (CPIC) ([www.cpic-cipc.ca](http://www.cpic-cipc.ca)) held its first meeting in early 2010 to begin developing national standards regarding criminal record information.

There may be a fee for obtaining a police records check. It is important to remember that a "clear" check does not mean that nothing will ever happen involving that individual just as a records check that shows some level of involvement with the police does not necessarily mean that an individual is an unacceptable volunteer. It is up to the agency to assess any information the records check returns and to take it into consideration along with other factors such as reference checks and a personal interview before making a decision as to whether the individual is a suitable volunteer.

If your agency does do some type of criminal or police records check, it is essential that this information is kept confidential and that only designated individuals have

access to it. It is also important to note that information regarding mental health cannot be used to discriminate against a potential employee or volunteer.

For more information about police records checks, be sure to visit the Ontario Human Rights Commission at [www.ohrc.on.ca/en/resources/Guides/prc\\_interimguide](http://www.ohrc.on.ca/en/resources/Guides/prc_interimguide).

Your local police service may have information about records checks online. For example, in London, you can visit [www.police.london.ca](http://www.police.london.ca), in Toronto you can visit [www.torontopolice.on.ca](http://www.torontopolice.on.ca), and in Ottawa go to [www.ottawapolice.ca](http://www.ottawapolice.ca)

## **Succession Planning**

The loss of staff and key volunteers, either by choice or because of illness or accident, is a significant risk for any agency. When someone leaves an organization, they take whatever experience and knowledge they have with them. While everyone can be replaced, it may take some time for a new employee or volunteer to gain the same level of skill, knowledge and experience as the person who left.

Even if your agency has had the same reliable staff members and volunteers for many years, there will come a time when they won't be there. It is never too early to begin planning for this to happen. This is not to say that you want to rush them out the door, but it is a prudent step for any organization to take to ensure that there is minimal disruption when an employee or volunteer leaves. For more information, please see the section on "Succession Planning" in the *Human Resources Management* chapter of this resource.

## Safety and Security

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The number one priority of risk management is protecting people — our staff, our volunteers, our learners — and that means keeping them safe and secure. It is important that your risk management plan includes ways to do that.

It is extremely important to protect people in your agency from violence and harassment. In 2010, the Government of Ontario passed legislation (Bill 168) that requires all workplaces with five or more employees to have workplace violence and harassment policies and procedures in place. You can read more about these requirements in the *Human Resources Management* chapter of this resource. You will also find a draft “Preventing Workplace Violence and Harassment” policy prepared by CLO in the samples section of the *Human Resources Management* chapter.

There are also a number of physical risks that all organizations should be aware of. Some of these risks can be insured against, but insurance doesn’t undo any damage or harm; it only provides monetary compensation. It is better to reduce or minimize risk so that harm doesn’t happen or is less likely to happen. Risks to consider include, but are not limited to:

- ▶ **Potential trip hazards:** Can they be eliminated or adapted to reduce the risk of physical injury? This could include things like steps, icy sidewalks, carpets and even boxes of books.
- ▶ **Accident or illness:** Is there a first aid kit on the premises? Does anyone know how to use it? Does your agency have a policy for responding to emergencies? Is at least one staff member trained in first aid?
- ▶ **Fire:** Are there one or more working fire extinguishers on the premises? Does anyone know how to use them? Are important items such as confidential records, computer back-ups and other documents kept in fire-proof filing cabinets? Are all exits accessible? Are instructions regarding fire drills, alarms and emergency exit locations clearly posted in simple language? If you are unsure about any fire-related issues, contact the local fire prevention unit to inspect your premises.
- ▶ **After hours:** If your agency is open evenings and/or weekends with minimal staff, are there procedures for protecting staff, volunteers and clients? For example, are doors kept locked? Do parking lots have proper lighting?
- ▶ **Safe words:** Does your agency have a “safe word” or other way for staff and volunteers to alert each other of potential danger without alarming others.
- ▶ **Theft:** Are valuable items kept locked up at all times? If your agency is located in a high-risk area, do you have appropriate locks and other safeguards such as bars on windows, etc.?
- ▶ **Equipment:** Do you use any equipment that could cause physical injury and if so, are people trained in its proper and safe use?

- ▶ **Travel:** Is anyone required to travel? If so, do you have policies and procedures regarding overnight stays for long-distance travel to avoid fatigue? Do you have policies regarding providing transportation to other people, e.g., staff from other agencies, learners, volunteers? Do these policies correspond with your insurance coverage?
- ▶ **Building codes:** Do your premises meet current building codes? For example, old wiring can pose a risk of fire, and old plumbing can cause a risk of water damage. While making changes to the building may be outside of your control if you rent or lease the premises, landlords do have certain legal requirements to meet building codes.
- ▶ **Keys:** Is there an up-to-date list of who has keys (front door, filing cabinets, offices, etc.), passcards, fobs, etc.?
- ▶ **Contact Lists:** Is there an emergency contact list that is readily available and accessible? Do all volunteers and staff know who to contact if they have a question about policy and procedure?
- ▶ **Policies:** Are all health, safety and security policies reviewed and updated regularly? Are all procedures implemented according to policy? Do all staff and volunteers sign off on policies?
- ▶ **Training:** Are all staff aware of health, safety and security policies? Are new staff, volunteers and learners provided with initial risk orientation? Are staff encouraged to attend risk management training seminars/webinars? Is anyone trained in anger management or in how to de-escalate a potentially violent situation?
- ▶ **Tutoring:** Do you have and enforce a policy that all tutoring must take place at the literacy centre or another public location where at least one other adult is always nearby?

## Health and Safety

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The possibility of an H1N1 pandemic in 2009 brought the issue of health and safety at the workplace to the forefront of many people's attention. Organizations soon realized that if many people became ill, there was an associated risk in terms of absent employees and the impact that could have on those employees' lives as well as on the agency's programming. Accordingly, many organizations developed policies and procedures to address the issue of health-related pandemics. For an example of CLO's pandemic policy, please see the Samples section at the end of this chapter.

You can also find more information about pandemic planning and the H1N1 flu at these websites:

- [www.fightflu.ca](http://www.fightflu.ca)
- [www.Ontario.ca/flu](http://www.Ontario.ca/flu)
- [www.health.gov.on.ca/en/public/programs/emu/pan\\_flu](http://www.health.gov.on.ca/en/public/programs/emu/pan_flu)
- OPS PANDEMIC PLANNING WORKBOOK from the Ministry of Health:  
[www.health.gov.on.ca/en/public/programs/emu/pub/pan\\_flu/panflu\\_ops\\_workbook.pdf](http://www.health.gov.on.ca/en/public/programs/emu/pub/pan_flu/panflu_ops_workbook.pdf)
- The Centre for Infectious Diseases has prepared a series of checklists for preparing a detailed Pandemic Plan: <http://www.pandemicbusiness toolkit.ca/dchecklist>

There are other areas to consider when it comes to risk management of health and safety and protecting the people we work with. In the previous section, we discussed some specific physical risks such as fire, accidents, and trip hazards. However, there are also some less obvious physical risks that involve people's health. For example, consideration should be given to ergonomics to avoid health issues such as repetitive strain injuries.

Community Literacy of Ontario provides its staff with valuable information about ergonomics to help keep them healthy. For example, all staff members are given a copy of the Ministry of Labour's *Computer Ergonomics* document, available at [www.labour.gov.on.ca/english/hs/pdf/gl\\_comp\\_erg.pdf](http://www.labour.gov.on.ca/english/hs/pdf/gl_comp_erg.pdf). Following the suggestions in this document can help you to reduce both the muscle and eye strain associated with spending long hours at a computer.

Some ergonomic tips to keep in mind include:

- Proper positioning of your chair: hips and knees at 90 degree angle with feet flat on the floor; a proper chair seat; a back rest with lumbar support tilted between 90 and 110 degrees.
- Desk set at the correct height so that your elbows are at 90 degrees when you are using the keyboard

- Computer screen at eye level, an arm's length away and tilted 10 to 20 degrees backwards

Musculoskeletal disorders, or MSDs, account for 50% of all lost-time claims in Ontario workplaces. What is your agency doing to control hazards that could lead to MSDs? Does your agency review office ergonomics? For more information see [www.wsib.on.ca/wsib/wsibsite.nsf/public/PreventMSD](http://www.wsib.on.ca/wsib/wsibsite.nsf/public/PreventMSD)

Work/life balance is another health-related issue that has been receiving a lot of attention. In today's busy, connected world there is a risk that people can become tied to their jobs and feel they must be available 24/7. While technology and the ability to connect easily from wherever you are can be a great benefit, it can also pose health risks. When people don't take the time to rest and step away from their work responsibilities, they can experience a number of health-related issues including stress and even depression. Employers can help their staff avoid work-related stress by providing benefits (where possible) such as flexible hours, allowing parents to use accumulated sick time for child care, and offering "mental health" days off.

A recent study done in the United States has also linked work-related stress to cardiovascular disease and even obesity. (For more information, see [www.sciencedaily.com/releases/2010/03/100324142133.htm](http://www.sciencedaily.com/releases/2010/03/100324142133.htm) and [www2.macleans.ca/2010/05/06/working-ourselves-sick](http://www2.macleans.ca/2010/05/06/working-ourselves-sick))

Be sure to take the quiz to find out how healthy you are at [www.scientahealth.com/qgap2/macleans2010/index.aspx](http://www.scientahealth.com/qgap2/macleans2010/index.aspx)

For additional resources and information about health and safety in the workplace, be sure to check out the Canadian Centre for Occupational Health and Safety at [www.ccohs.ca](http://www.ccohs.ca). Their site features a number of free resources and information about a large variety of workplace health and safety issues.

Also be sure to visit the Ontario Work Smart website at [www.worksmartontario.gov.on.ca/scripts/default.asp?contentID=5-1-2](http://www.worksmartontario.gov.on.ca/scripts/default.asp?contentID=5-1-2)

The Ontario government's Ministry of Labour also provides resources and information about health and safety at [www.labour.gov.on.ca](http://www.labour.gov.on.ca)

## Risk to Reputation

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Reputation is about how your organization is perceived by learners, volunteers, partners, funders, donors, the media, and the community at large.

Risk to reputation cannot be covered by insurance. Unfortunately, an organization can work diligently for years and accomplish many things, but one misstep or even the perception of a mistake can damage its reputation for a long time to come. As Warren Buffet said, “It takes twenty years to build a reputation and five minutes to destroy it.”

Public perception can have a significant impact on a not-for-profit organization. For example, some Canadian charities have experienced a loss of donor faith following news that they used high-paid professionals to conduct their fundraising activities. There are also many examples of damaged reputation in the business world. Companies like The Gap experienced loss of sales when there were reports that they used child labour.

How a company responds to a loss of its reputation is critical. For example, in the early 1980s, packages of Tylenol were tampered with and cyanide was added to the product. Johnson and Johnson responded quickly and appropriately, and today they continue to be a healthy company with good sales of that product.

In 2005, the Economist Intelligent Unit reported that risk to reputation is the most important and difficult task that an organization faces ([www.acelimited.com](http://www.acelimited.com)). Although this report was written for the corporate world, the risk to reputation is just as significant in the not-for-profit world.

One of the best ways to decrease the risk to your organizational reputation is to always comply with any regulations or requirements that apply. For example, if your agency is a registered charity, be sure to follow the Canada Revenue Agency’s rules for issuing donation receipts. If you issue improper or worse, false receipts, you run the risk of losing both charitable status and your reputation. As an LBS-funded agency, it is important that you comply with reporting requirements so that you maintain your reputation with MTCU as a reliable organization. As a literacy provider, you need to deliver programming that meets learner needs or you will have difficulty recruiting new learners and also volunteers. If you look to the community for financial support, donors will be reluctant to give money to an organization with a poor reputation.

Other ways to maintain your organization’s reputation include:

- ▶ delivering high-quality programming
- ▶ having strong organizational management
- ▶ fulfilling responsibilities associated with any partnership agreements
- ▶ responding appropriately to complaints

- ▶ maintaining confidentiality of personal information (discussed in the previous section)
- ▶ maintaining a safe, healthy workplace
- ▶ actively communicating your agency's mission, activities and programming in your community
- ▶ being actively involved in the community, including communicating the good work you do
- ▶ having policies around public communication, i.e., who can speak on behalf of the organization
- ▶ admitting mistakes if they are made
- ▶ avoiding working with other agencies that have a damaged reputation
- ▶ immediately disciplining volunteers and/or staff who breach policies that result in damage to the organization's reputation
- ▶ responding quickly and professionally to any crisis situation
- ▶ having a well-informed Board of Directors — be sure to see CLO's *Board Governance* training module on *Literacy Basics* ([www.nald.ca/literacybasics](http://www.nald.ca/literacybasics))

## CyberRisks

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The online “cyberworld” is an exciting place, full of many opportunities to learn, to share information, to connect with other agencies, to raise money, to raise awareness and more. However, along with that world of opportunity comes associated risk. For some good examples of how not-for-profit agencies have established an informative and effective online presence, be sure to check out the Ontario Literacy Coalition, ABC Life Literacy Canada, the Literacy Network of Durham Region and Imagine Canada on social networking sites such as Facebook or Twitter. ABC Life Literacy Canada and Imagine Canada also have informative websites with regularly updated blogs and resources, and the list goes on. And of course, don’t forget to visit CLO’s excellent website at [www.nald.ca/clo](http://www.nald.ca/clo) and our online training site, **Literacy Basics**, at [www.nald.ca/literacybasics](http://www.nald.ca/literacybasics)

Most literacy agencies already have a website. However, if your agency has been thinking about getting involved in the more interactive world of social media, you should also be thinking about policies and procedures that will let you enjoy the cyberworld safely. Like anything else, online risks can be managed effectively. Here are some valuable tips to help you do that:

- ▶ The Internet is public, and information remains available for a very long time, so be careful about what you post. Too much information is not always a good thing.
- ▶ Avoid copyright infringement. Do not publish or reproduce material that belongs to others without their permission and knowledge. Be sure to attribute and source content appropriately and accurately.
- ▶ Assign responsibility for updating your agency’s website, profile, Facebook page, etc. to specific people. Protect access to any online information with passwords. Change passwords regularly and restrict access to them.
- ▶ Remember that this is not your personal website or profile. Your organization’s reputation can depend on what you post. Avoid controversial topics, inappropriate photographs, inappropriate language, etc.
- ▶ Link to other sites of interest but remember to include a disclaimer, i.e., that you do not take responsibility for their content or for the accuracy of their information.
- ▶ Get written permission to post people’s photographs and/or names.
- ▶ If you set up a blog, Facebook page or other interactive site, be sure to create guidelines around the tone and type of external comments that will be allowed. Monitor postings and remove any offensive content.
- ▶ Don’t post trademarks or logos without permission.
- ▶ If you want to run an online fundraising event or contest, be sure to check that you are following all applicable regulations and laws.
- ▶ Remember to maintain confidentiality of all learner, volunteer, staff and other stakeholder information.

- ▶ If you set up electronic mailing lists, be sure that you have permission to include individuals or organizations on your list and that you also have an “unsubscribe” option or other way for recipients to opt out of the list.
- ▶ Immediately remove any links or information if you discover them to be false or misleading, in violation of your privacy policy, or in contravention of any laws.
- ▶ Protect your organization’s intellectual property. Include notices that any original content you post remains your property. Add symbols such as ©, ® and/or ™ to indicate that the content belongs to you.
- ▶ Establish and enforce policies regarding personal interaction with your online pages and profiles by staff, volunteers and learners.
- ▶ Online activity can take a lot of time, so manage it carefully. Use tools like HootSuite that allow you to enter a number of posts and then choose the time you want them to appear. This way, you don’t always have to be online, although it may appear that you are!
- ▶ And last but not least ... remember to create (and enforce) policies and procedures for all online activity.

For more information about managing risks online, see “Online Social Networks, CyberRisk and Your Nonprofit: What you Need to Know” by Jeffrey S. Tenenbaum and A.J. Zottola at [www.nonprofitrisk.org/library/newsletter/followme.shtml](http://www.nonprofitrisk.org/library/newsletter/followme.shtml)

Also be sure to visit Imagine Canada’s Insurance and Liability Resource Centre for links to resources on technology and social media risks at [www.nonprofitrisk.imaginecanada.ca/node/891](http://www.nonprofitrisk.imaginecanada.ca/node/891)

## Insurance

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As we have mentioned throughout this chapter, insurance coverage is an excellent way to replace items that have been damaged, lost or stolen. However, insurance provides coverage after the damage or loss has occurred; it cannot prevent it from happening. The best defense against damage or loss is good risk management planning. Of course, accidents happen and sometimes risk is beyond our control, and it can be very helpful to have insurance coverage so that along with the loss of property, for example, your agency doesn't also face the unplanned expense of replacing or repairing that property.

Programs should be aware that general liability insurance does not cover a Board of Directors from liability. There are different types of insurance. Therefore, a board should ALWAYS have separate board liability coverage.

Insurance can also provide financial coverage in the event of a lawsuit that involves harm to an individual or to an organization. In fact, MTCU requires all LBS-funded agencies to have \$2 million of liability insurance in place. See your MTCU LBS contract for specific details.

Of course, there are some things that insurance cannot cover such as your agency's reputation. And while insurance can compensate an organization for the financial loss associated with losing an employee, it cannot replace that employee or restore a person's health or well-being.

There are many different types of insurance policies and levels of coverage available. Prices can vary significantly. To ensure that your organization has the best coverage at the most reasonable cost, it pays to spend some time researching what coverage you need and getting quotes from a number of insurance providers. Be sure to review quotes carefully. Although two providers may provide a similar cost estimate, they may not provide the same coverage. Be sure you are comparing apples with apples.

If you have been purchasing insurance from the same broker or provider for a number of years, it may pay to shop around because your requirements may have changed or another provider may be offering a better product. David Hartley from Imagine Canada ([www.nonprofitzzz.ca](http://www.nonprofitzzz.ca)) has developed a series of questions not-for-profit agencies should ask their insurance broker each year.

- 1 Make a list of everyone involved with your organization (the Board of Directors, staff, volunteers, and learners). Are all of these people, and the organization itself as an entity, covered by insurance and to what extent? Remember, not every situation can be covered by insurance so it's important that you are clear on what (and who) is and is not covered.

- 2** During your risk management planning, you identified some significant risks that your organization faces as it works towards achieving its mission. Are all of these risks eligible for insurance coverage? Do you have the proper coverage to meet your needs?
- 3** Are there specific conditions that must be met in order for your insurance coverage to be valid? For example, if a policy requires your premises to have a burglar alarm installed, does the alarm always have to be functional or only activated during certain hours?
- 4** What does your insurance cover in case of loss of equipment? Does it cover the cash value or the replacement cost? These can be very different depending on the type of equipment.
- 5** Review your current coverage and deductible amounts. Are they too high or too low? Would higher deductibles reduce the cost of policies? Are they worth the risk? It's worth asking insurance agents for some advice about this.
- 6** Are there any new or improved coverage options available that you might want to consider?

For more information about insurance, be sure to check out this helpful toolkit from Volunteer Alberta: [www.volunteeralberta.ab.ca/uploaded\\_files/documents/275\\_insurance\\_toolkit\\_online.pdf](http://www.volunteeralberta.ab.ca/uploaded_files/documents/275_insurance_toolkit_online.pdf)

## Privacy

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Maintaining privacy is a very important component of any literacy agency, and in fact of any agency working with people. Not only is it the right thing to do, it is also the law as per the Personal Information Protection and Electronic Documents Act (PIPEDA) (<http://laws.justice.gc.ca/PDF/Statute/P/P-8.6.pdf>) if your agency engages in any type of commercial activity. For more information about who is covered under PIPEDA, see this fact sheet from the Office of the Privacy Commissioner: [www.priv.gc.ca/fs-fi/02\\_05\\_d\\_19\\_e.cfm](http://www.priv.gc.ca/fs-fi/02_05_d_19_e.cfm)

However, even if your agency is not subject to PIPEDA, it should still have policies and procedures in place to ensure that all personal information is safeguarded and kept confidential. It is critical that confidentiality is maintained with respect to a client's information at all times. It is often a difficult step for an adult to join a literacy program, and they may not want others to know they are there. As a literacy practitioner, you may become aware of very personal and sensitive information about some learners, and they must be able to trust that you will not share this information with others.

Some learners may be reluctant to give out their address or to share an unlisted telephone number but you must be able to reassure them that their personal information will only be used for programming purposes and to contact them in the case of absence or for follow-up purposes.

It is equally important to maintain the confidentiality of other people involved with your organization such as volunteers and donors. No one likes to find out that their name was sold or given by one organization to another to develop mailing lists, for example. In fact, selling this type of information is considered a commercial activity and is prohibited under PIPEDA.

As always, it is important to have a policy in place. Your privacy policy should explain:

- ▶ whom it affects (staff, volunteers, students, donors, etc.)
- ▶ what is being protected (all private information)
- ▶ how it is going to be protected (designated individual, procedures)
- ▶ what it will be used for (to meet program requirements, to develop the program)
- ▶ and who is going to have access to it (designated staff)

Northern Connections Adult Learning Centre in Sharbot Lake developed a very comprehensive privacy policy. We have included it in the samples section of this chapter.

Here are several examples of good practice that can help your agency maintain confidentiality of learner, volunteer and donor information:

- ▶ Keep hard copies of all personal information in a locked filing cabinet. Put files away when not in use.
- ▶ Ensure that computer records are password-protected. Don't give access or passwords to files to unauthorized people.
- ▶ Do not stay logged in to confidential files or documents if you need to step away from the computer.
- ▶ MTCU requires LBS agencies in Ontario to maintain student files for three years after the student has exited from the program. Destroy old paper records using a shredder. Delete old computer files. Remove and destroy hard drives before disposing of old computers and photocopiers. (Newer photocopiers contain hard drives that can store thousands of unencrypted images. For more information see [www.kirotv.com/money/23198295/detail.html](http://www.kirotv.com/money/23198295/detail.html))
- ▶ Keep copies of Police Records Checks in highly secure locations and when no longer needed, shred these files.

## Sample Risk Management Policies

Please see the *Financial Management* and *Human Resources Management* chapters for policies related to those topic areas.

Please see the *Human Resources Management* chapter for policies related to Bill 168 (Workplace Violence).

### Sample Pandemic Policy

The following is CLO's pandemic policy.

The goals of CLO's Pandemic Plan are to protect the health and safety of staff and volunteers and to minimize the disruption to CLO's business activities in the event of a pandemic.

#### Preventative

CLO supports the actions recommended below by the Public Health Agency of Canada in its "Flu prevention checklist." See: [www.phac-aspc.gc.ca/alert-lerite/h1n1/index-eng.php](http://www.phac-aspc.gc.ca/alert-lerite/h1n1/index-eng.php)

► **Wash your hands frequently**

Wash your hands often with soap and warm water for at least 20 seconds to help remove bacteria and viruses. Wash before and after eating, after you have been in a public place, after using the washroom, after coughing and sneezing and after touching surfaces that may have been contaminated. An alcohol-based hand sanitizer is also effective in killing viruses.

► **Keep your hands away from your face**

In most cases, the flu virus enters the body through the eyes, nose or mouth.

► **Cough and sneeze into your arm, not your hand**

If you use a tissue, dispose of it as soon as possible and wash your hands.

► **Get immunized**

Get your seasonal flu shots.

► **Stay healthy**

Eat healthy foods and stay physically active to keep your immune system strong.

► **Keep common surface areas clean and disinfected**

Doorknobs, light switches, telephones, keyboards and other surfaces can become contaminated with all kinds of bacteria and viruses. Regular cleaning and disinfecting of these surfaces with normal household disinfectants can help. Viruses can live on hard surfaces for up to 48 hours.

► **If you get sick, stay home**

If you think you have the flu and are otherwise healthy, you should stay home from school or work until your symptoms are gone. If your symptoms get worse, call your health care provider.

*Additional preventative measures are:*

► Community Literacy of Ontario will provide alcohol based hand sanitizer at every staff work station and in all common areas. All staff and volunteers will be encouraged to regularly use this.

► CLO staff will daily wipe down their keyboards and work surfaces with alcohol based wipes or cleaning solutions.

### Sources of Information

CLO staff and board will monitor the official federal and Ontario government websites for new information on the flu and for information on pandemics.

- ▶ Federal government: [www.fightflu.ca](http://www.fightflu.ca)
- ▶ Ontario government: [www.Ontario.ca/flu](http://www.Ontario.ca/flu)
- ▶ Ontario government and flu pandemic planning: [www.health.gov.on.ca/en/public/programs/emu/pan\\_flu/](http://www.health.gov.on.ca/en/public/programs/emu/pan_flu/)
- ▶ Your local Health Unit website

### Operational

- ▶ In the event of a declared pandemic, a Co-Executive Director, in consultation with the Chair of the Board, is empowered to close a site to protect the health and safety of staff.
- ▶ All staff and volunteers are encouraged to stay home in the case of illness to avoid the spread of a pandemic.
- ▶ In the case of a pandemic, CLO supports flexible work arrangements where staff can work from home or work flexible hours.
- ▶ CLO supports key operating documents being placed online on CLO's internal and secured Microsoft Office Livespace to ensure that critical information can be accessed by staff or board members in the event that the CLO office is closed for a long period of time due to an pandemic.

- ▶ During flu season, CLO supports holding meetings online or via teleconference where possible to reduce the need for face-to-face meetings and resulting travel.
- ▶ All core staff (Co-Executive Directors and Administrative Assistant) should ensure that computer and other passwords are shared amongst each other and with the board chair in a secure manner and are posted online in a secure CLO area of Microsoft Live Space.
- ▶ Home and cell contact information should be shared amongst all staff and the board chair in a secure manner and posted online on a secure CLO area of Microsoft Live Space.

### Sick time

- ▶ CLO's policies allow for 1.5 paid sick days per month. In the case of a staff member contracting a serious illness due to a flu pandemic, staff will be allowed to use any sick days not used in the preceding 12 month period. Should staff require additional days off due to the flu pandemic, the personnel committee and board chair must be notified to discuss the situation and decide upon a remedy.

## Privacy Policy

Thanks to Northern Connection Adult Learning Centre for sharing their privacy policy below.

### Intent Statement

Northern Connections Adult Learning Centres respects the privacy of our members, clients, volunteers, staff, donors, sponsors and stakeholders. We are committed to ensuring that appropriate measures and safeguards are in place to protect specific information that is held for the purpose of the program. We adhere to all legislative requirements with respect to privacy. We do not rent, sell or trade mailing lists.

### Regulations

#### Accountability

- ▶ NCALC will ensure the safe custody and control of all private information.
- ▶ Information will not be transferred to third parties without the consent (express or implied) of the individual.
- ▶ The Board of Directors will designate an individual to be responsible for ensuring privacy and compliance with the Personal Information Protection and Electronic Documents Act and all other privacy legislation. This person will also be responsible to implement procedures and train all employees and volunteers.

#### Identifying Purpose

We understand that some of the information we hold on members, clients, volunteers, staff, donors, sponsors and stakeholders is private, which is why we collect personal information only for the following purposes:

- ▶ To establish and maintain a responsible relationship and provide ongoing service and support.

- ▶ To conduct appropriate screening procedures for those volunteers and staff who may find themselves in a position of trust with the clients of the organization
- ▶ To develop, enhance, market or provide opportunities consistent with the program mandate.
- ▶ To maintain, manage and develop our programs and operations, through statistical review solicited feedback and support.
- ▶ To meet program and government requirements.

#### Consent

Members, clients, volunteers, staff, donors, sponsors and stakeholders do have choices and can refuse or withdraw consent for us to keep and use information. They may request that their name be removed from our various lists; they can refuse to provide personal information to us; and they may withdraw consent at any time. In all cases this may limit Northern Connections Adult Learning Centres' ability to provide appropriate service and support to these individuals.

#### Limiting Collection

The collection of personal information shall be limited to that which is necessary for the purposes identified by the organization. Information shall be collected by fair and lawful means.

#### Limiting Use, Disclosure & Retention

Personal information shall not be used or disclosed for purposes other than those for which it was collected, except with the consent of the individual or as required by law. Personal information must be retained only as long as necessary for the fulfilment of those purposes.

### *Accuracy*

At all times we strive to keep personal information accurate and up-to-date for the purposes identified above.

### *Safeguard*

Personal information shall be protected, and/or disposed of, by security safeguards appropriate to the sensitivity of the information. Access to information will be on a “need to know” basis only.

### *Openess*

NCALC will make readily available to interested parties specific information about its policies and practices relating to the management of personal information.

### *Individual Access*

Upon request, an individual shall be informed of the existence, use, and disclosure of his or her personal information and shall be given access to that information. An individual shall be able to challenge the accuracy and completeness of the information and have it amended as appropriate.

### *Challenging Compliance*

Northern Connections Adult Learning Centres will investigate all privacy complaints and respond appropriately. Complaint procedures will be kept in place and available to all members, clients, volunteers, staff, donors, sponsors and stakeholders.

## Confidentiality Policy

Thanks to Barrie Literacy Council for sharing their confidentiality policy below.

### POLICY

**The Barrie Literacy Council is committed to maintaining the confidentiality of our students.**

- 1** Students will be asked to complete a release of information before any identifiable information is provided to anyone outside the Council. A copy of the release of information will be kept in the student's file.
- 2** The release of information form should be specific about:
  - to whom the information may be released
  - what information may be released
  - for what purpose
  - within what time frame if appropriateThe form must be signed, dated and witnessed.
- 3** Within the Council, information which is pertinent to the student's progress may be shared or discussed with authorized and appropriate personnel.
- 4** It is never appropriate to discuss one student with another student.
- 5** Students and tutors will be asked to sign a release for any publicity purposes (newspaper article, TV commercial, photo for brochure, etc.) Students will always be asked if they would rather not have their full names published in the media.
- 6** Students who are receiving awards will be asked for permission to print their full names in the annual dinner program.
- 7** Discretion and caution should be used when disclosing any information about students or their whereabouts.
- 8** Newsletters and any other correspondence will be sent to students without sender identification on the exterior.
- 9** New or prospective students will be asked to sign a consent to have their name and contact information given to the student liaisons. If consent is not given, this information will not be disclosed.
- 10** Office staff will not identify that they are calling from the Council when calling a student's residence unless they are talking directly to the student or permission has been given to do so. A list of students who do not want us to leave messages from the Council is posted on the office bulletin board.
- 11** Students will be informed that assessment information will be shared with their tutor.
- 12** All tutors will be informed during the training workshop about the confidentiality policy. Tutors must never reveal any identifying information about any student to anyone outside the Council without the specific written permission of the student.
- 13** Tutors will be encouraged to devise means of nonidentifying contact if the student does not want anyone at his/her residence to be aware of his/her Council involvement.
- 14** Tutors will be encouraged to return the assessment information on termination with a student.
- 15** Students who accept positions on the Board of Directors will be informed that their full name and phone number may be printed on Council materials.

## Safety and Security Policy

Thanks to the Barrie Literacy Council for sharing their safety and security policy below. This policy also includes some useful reporting tools.

### POLICY

**The Council will maintain a safe and secure environment for the benefit of all students, volunteers, visitors and staff.**

### Keys

- 1 The Board of the Council vests in the Executive Director responsibility for access to our Council premises. All office staff will be given a set of three keys permitting access to Building Door #2, Unit 244 and the administrative office.
- 2 The office will be locked at all times when staff is not on duty. If staff leaves even for a few minutes, the administrative office should always be locked.
- 3 The keys to the filing cabinets and the cash boxes will be kept in a locked key box. Only office staff will have keys to this key box. The keys to the black storage cabinet will be given to designated staff to place on their personal key rings and will not be kept on site when the office is closed. The key to this black storage cabinet will not be left in the lock at any time throughout the day or evening.
- 4 When office staff leaves at night, the latches on Rooms 2 and 7 will be secured from the inside.
- 5 The deadbolt latch will be used on the main office door when staff leaves.
- 6 If a breach of security occurs, the locks will be changed and/or the cash boxes moved to another secure location.
- 7 A key to the inner office will be hidden in the outer office in case of being locked out of the office.
- 8 An extra set of keys is kept locked in the cash box.

- 9 A set of keys may be loaned to Board members who require access to the premises at times when the office is not normally open. Other Council members may obtain special permission of the Executive Director or the Board to use the office for Council activities.
- 10 Whenever keys are loaned, they will be signed out in the key log, noting the name of the borrower, the date and time, and the reason for access. When the keys are returned, the date and time will be recorded.
- 11 Keys should be returned at the earliest possible opportunity after use to facilitate use by another Council member.
- 12 Lost keys should be reported to the Building Manager, to the Executive Director and to the Vice-Chair.

### Protection of Property

- 1 Blinds on all outer doors and windows should be closed when the office is not in use.
- 2 Serial numbers of computers will be recorded in the inventory file. If possible, a video of office equipment will be made on a biennial basis for insurance purposes.
- 3 Purses and other personal valuables should not be left unattended in the office. They may be locked in the fire safe for security.
- 4 Any suspicious-looking individuals loitering in the hallways should be reported to the Executive Director and/or Security on duty within the building.
- 5 Any malfunctioning equipment should be reported to the Executive Director and/or the Building Manager immediately.

**Slip, Trip and Fall Prevention**

- 1 On the last Thursday of each month, the Executive Director will do an inspection of the premises, specifically checking for safety hazards or maintenance issues. An assessment checklist will be completed, dated and initialed at that time. (See attached Assessment Checklist.)
- 2 At any time, if staff, volunteers, students or cleaning staff notice any safety hazards, inside or outside our office, these will be recorded in an inspection/ maintenance log. This log will note the date and time, the problem noted, the action taken and the initials of the staff person receiving the report or observing the hazard. (See attached Inspection/Maintenance Log)
- 3 Staff will provide any necessary assistance to individuals with limited mobility or eyesight to walk to the front door of the building.
- 4 If a fall should occur inside the office or on the building premises, an incident report must be completed.

**Other Safety Procedures**

- 1 Any safety hazards within the office or the building should be reported by staff to the Executive Director and the Building Manager as soon as they are identified.
- 2 A list of emergency numbers, including ambulance, police, Building Security and the Building Manager are kept readily visible on the bulletin board in the office.
- 3 A first aid kit will be kept in the office in an accessible location in case of minor injuries. The kit will be one approved by St. John Ambulance for a small workplace setting. It is the responsibility of the Administrative Assistant to ensure that the first aid kit is properly stocked at all times.

- 4 All staff must have an Emergency First Aid certificate. In the event of a medical emergency, trained staff may administer first aid. As soon as possible, staff will call 911 and summon an ambulance.
- 5 Any staff, student or volunteer who has a serious health condition or allergies should disclose this information. Students are asked about medical conditions at the initial screening interview; volunteers are asked about medical conditions on their volunteer application form.
- 6 Volunteers or staff with a contagious disease are required to cease their duties (or their lessons) for as long as it takes to recover.
- 7 No smoking is allowed within the building.
- 8 If staff is working alone in the office after hours, the doors to the office should be kept locked.
- 9 Tutors and students are encouraged to meet at the office for tutoring sessions. The Council will not be held liable for incidents occurring to tutors or students who choose to meet in private homes. Special circumstances may make it mandatory to meet at the office.
- 10 No personal information about a tutor (e.g. last name, address or telephone number) or personal information about a student (last name or address) will be revealed by staff until the people involved exchange it voluntarily. No last names or phone numbers will be written on volunteer sign-up sheets or on the tutoring hour log.
- 11 Tutors will be informed during the workshop and in their Volunteer Handbook to either phone their students from the Council office or to use \*67 before dialing the student's number in order to block Call Display.
- 12 Staff will review safety and emergency procedures at least once a year at a staff meeting.

### Fire Drill Procedures

- 1 All staff, volunteers and students must be aware of proper fire drill procedures.
- 2 If the fire alarm sounds, all Council participants will exit the building in an orderly manner as quickly as possible through the nearest fire exit. Building fire exits will be posted in each classroom area.
- 3 Participants will assemble at a designated site, clear of the building and fire equipment.
- 4 Staff members will check each program area for participants, turn off the lights and close the doors on exit. Staff will take the clipboard booking sheet and the classroom attendance record out of the building.
- 5 Fire drill procedures should be practised with the day students at least twice a year.
- 6 Staff will note where the closest fire extinguishers and fire alarms are located, and be familiar with operating one.

### Disruptive Behavior

- 1 Participants under the influence of alcohol or drugs will be asked to leave and an incident report filed. The participants will receive a warning that if they come again under the influence of alcohol or drugs, they will no longer be able to attend the program.
- 2 Staff involved in the management of disruptive, dangerous or threatening behaviour will attempt to use the least intrusive interventions necessary to provide safety to other participants and themselves. The following steps are suggested:
  - use an assertive statement to request that the behaviour stop
  - request that the person leave and include the conditions under which the person may return
  - contact the police if necessary
  - use physical intervention only as a last resort to protect self or others

- 3 Where a program is required to evacuate the facility due to a participant's dangerous behaviour, staff shall:
  - advise and assist other participants to evacuate the building quickly and calmly
  - inform all staff of the situation
  - summon immediate assistance from the local police
  - document the occurrence on an incident report as soon as possible
- 4 When program staff has had physical intervention with a participant, the incident shall be reported to the Executive Director at the earliest opportunity. Where the laying of charges, either on behalf of or against the participant, is at issue, the local police shall be contacted immediately.

### Serious Incidents

- 1 Serious incidents include the following:
  - any accidents involving students, volunteers or staff on the premises
  - serious illness or hospitalization
  - excessive destruction
  - actual or attempted theft
  - behaviour indicating potential or actual risk to program participants
  - aggression/assault or threats of aggression
  - bomb threat
  - any accusations against staff, volunteers or students
  - natural disaster, fire, evacuation of building
  - hostage taking
  - illegal acts, weapons
  - suicide threats or attempts
  - any incident requiring police assistance
  - any other unexpected or abnormal incidents
- 2 In responding to a serious incident, priority must be given to preservation of life and prevention of injury.

- 3** When a serious incident occurs, or is suspected to have occurred, the staff member must report it to the Executive Director immediately and document the occurrence on an Incident Report (see attached form) within 24 hours of the incident. Reports will be kept on file under “Incident Reports.”
- 4** When a serious incident is reported, the Executive Director shall conduct a preliminary enquiry and shall notify other parties if necessary (i.e. the police, family or emergency contact). Serious incidents should be reported to the Board through the Vice-chair’s report and kept on file under “Administration: Serious Incidents.”
- 5** Staff are obligated to report to local police their witnessing or direct knowledge of actual or impending criminal behavior. If a program participant is known to have an outstanding warrant for criminal behavior, staff shall contact the local police.

#### Slip, Trip and Fall Assessment Checklist

Requirement	Oct	Nov	Dec	Jan	Feb	Mar
Clean, well maintained floor surfaces						
No ripped carpeting						
Extras stored properly						
No obstacles						
Spills cleaned up immediately						
Adequate lighting						
Cords properly secured						
Use of floor mats — properly secured						
Any hazards noted have been corrected						
Emergency lighting if power failure						
<b>Comments:</b>						

**Inspection/Maintenance Log**

Date	Time	Hazard Noted	Action Taken	Initials

**INCIDENT REPORT**

DATE: \_\_\_\_\_ TIME: \_\_\_\_\_

Persons involved in incident: \_\_\_\_\_

\_\_\_\_\_

Description of incident:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Witnesses: \_\_\_\_\_

Action Taken: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Recorded by: \_\_\_\_\_ Position: \_\_\_\_\_

(Signature)

## Volunteer Risk Management

Thanks to Barrie Literacy Council for sharing their volunteer risk management policy. Not all volunteer positions will be the same in all agencies, but the chart included with this policy can provide a helpful starting point for agencies wishing to assess the level of risk associated with volunteer positions.

### POLICY

**On a yearly basis, the Board will assess the degree of risk involved in each volunteer position for the volunteer, the students and the Board, and will determine if the actions already taken to minimize the risk are sufficient.**

- 1** The Volunteer Management Committee will complete a chart for risk assessment on an annual basis. This chart will include each volunteer position within the organization:
  - 1:1 tutor
  - Classroom assistant
  - Board member
  - Committee member
  - Special events volunteer
  - Office helper
  - Tutor trainer
- 2** The committee will assess the risks involved to students, to the volunteers and to the organization and determine a “degree of risk” (high, medium or low). They will also examine and record actions already taken to minimize the risks and recommend if further action is needed.
- 3** This chart will be presented to the Board for further discussion and decisions about recommendations put forward.
- 4** Each subsequent year, the Volunteer Management Committee will add any new volunteer positions and determine the risks involved. They may also need to consider any changes to the current volunteer position descriptions.
- 5** The Risk Assessment chart when completed will be filed in the minutes of the meeting at which it is discussed as well as in the Policy/Procedures binder.
- 6** Whenever a volunteer drives a student, a waiver will be signed by the student releasing the Council, its staff, volunteers and students from liability should any harm or injury result.

**Risk Assessment of Volunteer Positions**

Degree of Risk determined by:

- 1 Severity of harm/injury which could result AND
- 2 Frequency (or chance) of occurrence

Volunteer Position	Risks Involved to students/ volunteers or organization	Degree of Risk	Actions Taken to Minimize Risk	Further Action Needed
<b>Tutor 1:1</b> <ul style="list-style-type: none"> <li>• some vulnerable adults</li> <li>• private tutoring</li> <li>• generally at the office where there is some supervision</li> <li>• access to file of student</li> </ul>	Taking advantage of vulnerable adult: <ul style="list-style-type: none"> <li>• Emotional abuse</li> <li>• Financial</li> <li>• Sexual/physical assault</li> <li>• Loss of privacy</li> <li>• Health &amp; Safety Risks</li> <li>• Physical injury if driving student — also privacy of car</li> <li>• Property damage or theft</li> </ul>	High (if adult is mentally ill or challenged Mentally)  Medium otherwise Medium  High  Low	Reference checks Policies re harassment, assault, confidentiality etc. Policies re meeting place  Frequent follow-up with student and tutor  Supervised setting (office) Policies re health & safety Codes of conduct  Teaching safety/ health to students  Job descriptions & Volunteer Agreement  Insurance coverage	Windows in doors          Waiver to sign if students being driven
<b>Classroom Assistant</b> <ul style="list-style-type: none"> <li>• working in group</li> <li>• vulnerable adults</li> <li>• supervised directly by a teacher</li> <li>• all at the office</li> </ul>	Same as above	Medium	Same as above	
<b>Board Member</b> <ul style="list-style-type: none"> <li>• no direct contact with clients</li> <li>• represent the organization at public functions</li> <li>• financial responsibilities</li> </ul>	Liability for negligence, unpaid wages or unpaid Revenue Canada remittances  Loss of reputation	Medium   Low	Directors and Officers Insurance Confidentiality Agreement  Job Descriptions Policies re speaking on behalf of the organization	

Volunteer Position	Risks Involved to students/ volunteers or organization	Degree of Risk	Actions Taken to Minimize Risk	Further Action Needed
<b>Committee Member</b> <ul style="list-style-type: none"> <li>• no direct contact with clients</li> <li>• planning activities within group setting</li> </ul>		Low		
<b>Special Events Volunteer</b> <ul style="list-style-type: none"> <li>• works with public at special events</li> <li>• one time events</li> </ul>	Loss of reputation   Health/safety risks  Financial risk	Low  Low  Low	Volunteer Selection  Insurance coverage  Financial policies	Investigate insurance for events outside the office  Design safety policies for special events
<b>Office Helper</b> <ul style="list-style-type: none"> <li>• works with computers</li> <li>• help with typing, database, etc.</li> </ul>	Property damage (hardware or software)  Access to files: loss of privacy	Low	Confidentiality Agreement	
<b>Tutor Trainer</b> <ul style="list-style-type: none"> <li>• conducts group training on-site</li> </ul>	Misinformation  Loss of reputation	Low	Training Policies Literacy Trainer Handbook guidelines LLC certification	

## Additional Resources and Training

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Centre for Voluntary Sector Studies, Ted Rogers School of Management, Ryerson University (2009). *Taking Risks the Safe Way: Risk Management and Insurance Practices of Ontario's Voluntary Sector*.

[http://nonprofitrisk.imaginecanada.ca/files/insuranceinfo/en/publications/taking\\_risks\\_safe\\_way\\_20090603.pdf](http://nonprofitrisk.imaginecanada.ca/files/insuranceinfo/en/publications/taking_risks_safe_way_20090603.pdf)

Charity Village. [www.charityvillage.com](http://www.charityvillage.com) A comprehensive site that includes articles, resources, links and training about risk management.

Community Literacy of Ontario. [www.nald.ca/clo](http://www.nald.ca/clo) and [www.nald.ca/literacybasics](http://www.nald.ca/literacybasics)

Frank Cowan Company. [www.frankcowan.com](http://www.frankcowan.com)

Imagine Canada. This website is a must-visit for any and all information about risk management. For example, choose from a long list of risk management-related topics at <http://nonprofitrisk.imaginecanada.ca/node/678> or find a risk management expert at <http://nonprofitrisk.imaginecanada.ca/node/910>. To purchase My Risk Management Plan software, see [www.myriskmanagementplan.org/canada](http://www.myriskmanagementplan.org/canada)

Imagine Canada (2009). *Introduction to Risk Management: How to Motivate Your Leaders and Get Started*. Available as part of the Insurance & Liability Resource Centre for Nonprofits ([www.nonprofitzzz.ca](http://www.nonprofitzzz.ca)) workshop and webinars training series. For more information, see [http://nonprofitrisk.imaginecanada.ca/files/insuranceinfo/en/publications/spring\\_workshops\\_2009.pdf](http://nonprofitrisk.imaginecanada.ca/files/insuranceinfo/en/publications/spring_workshops_2009.pdf)

Insurance Bureau of Canada. *Getting Started Managing Your Risk*. [www.ibc.ca/en/Business\\_Insurance/documents/brochures/RM\\_Getting%20started\\_Process.pdf](http://www.ibc.ca/en/Business_Insurance/documents/brochures/RM_Getting%20started_Process.pdf)

NonProfit Risk Management Centre. [www.nonprofitrisk.org](http://www.nonprofitrisk.org) Although this site is based in the US, it contains a wealth of valuable information and is well worth a visit.

U.S. Department of Health and Human Services. *The Most Common Financial Management Risks Facing Nonprofits*. <http://eclkc.ohs.acf.hhs.gov>

Workplace Safety and Insurance Board. [www.wsib.on.ca](http://www.wsib.on.ca)



# 5

## Customer Service



### Customer Service Management and Literacy

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As part of Community Literacy of Ontario's (CLO) project called "*Organizational Capacity Institute and Resource Guide*," we researched best practices and customer service needs within community literacy agencies across Ontario. We conducted 30 program visits, held focus groups, engaged in key informant interviews, and gathered feedback from practitioners at our 2009 provincial Capacity Institute. We further researched customer service practices in other Employment Ontario agencies and in public sector and private sector organizations.

CLO's research confirmed that community literacy agencies across Ontario excel at customer service. You can learn about some of the excellent customer service practices occurring in Ontario's literacy agencies in the "*Customer Service in Action*" and "*Customer Service Quality Statements*" sections of this chapter.

Literacy agencies across Ontario have always had a strong culture of customer service. We are mission-driven, learner-centred organizations who know exactly why we exist and who we serve. Our customer service excellence results from the passion for literacy and belief in our mission held by the staff and volunteers who choose to serve in community literacy agencies in our province. And it comes from being community-based organizations that have been deeply rooted in our communities for many years. Partnering, sharing, linking, referring, communicating, and supporting are second nature to us — it is simply who we are and what we do.

Community-based literacy agencies have many customers and seek to provide excellent service to all. Our primary customers are, of course, adult learners. However, we also have many important supporting customers, including volunteers, other literacy organizations, local social and employment organizations, employers, MTCU and other government funders, donors, members, supporters, and community stakeholders.

Because of our long commitment to service excellence and learner-centredness, literacy agencies have an ongoing commitment to continuously improving their customer service practices. However, our customer service environment is changing. For example, new stakeholder groups and referral partners are emerging under the Employment Ontario service delivery model. Many private businesses, corporations, governments and not-for-profit organizations report that customers have increased expectations around customer service provision. In addition, the Ministry of Training, Colleges and Universities (and other levels of government) has growing demands around formalized processes and procedures for customer service from the agencies that they fund.

During CLO's research, literacy practitioners asked us for help in areas such as: identifying their customers and assessing their needs; understanding MTCU's expectations for customer service in the new Employment Ontario environment; providing tools and resources to help agencies track and showcase their customer service strengths; sharing best practices and innovative ideas from other literacy agencies; and sharing helpful resources on customer service.

To support our members' needs as identified in our research and to reflect the changing environment, Community Literacy of Ontario covers the following topics in this Customer Service Management chapter of our resource guide:

- A** Customer Service Management and Literacy
- B** Identifying Your Customers
- C** Assessing Customer Needs and Satisfaction
- D** CLO's Customer Quality Statements
- E** Tools for Change
- F** Customer Service in Action
- G** Customer Service and Employment Ontario

Each of these sections provides important information, resources and tools on these key aspects of customer service management.

Let's begin our customer service journey by having a bit of fun with Mr. Bean and learn how to NOT do customer service:

[www.youtube.com/watch?v=lmFXThn014&feature=fvw](http://www.youtube.com/watch?v=lmFXThn014&feature=fvw)

## Identifying Your Customers

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So, just who are our customers? Well-known not-for-profit management expert, Peter F. Drucker, notes in his book *“The Drucker Foundation Self-Assessment Tool”* that: *“Social sector organizations have two types of customers. The primary customer is the person whose life is changed through your work. Supporting customers are volunteers, members, partners, funders, referral sources, employees, and others.”*

The customer service needs of both primary and supporting customers are important and need to be considered.

### Primary Customers

Literacy organizations, from their very beginnings, have had a strong focus on one primary customer: adults with low literacy levels. We design all aspects of our programs to be learner-centred and have never wavered from that philosophy despite the changing environments around us. Having a strong focus on our primary customers — adult learners — has been a key strength of the literacy community!

CLO defines primary customers as people whose lives are impacted because of the existence of our organizations. Our organizations were created to serve these people. Primary customers for literacy agencies are adults with literacy needs. However, depending on the mission of your agency, your primary customers could also include families (if you offer a family literacy program, for example), or children (if you offer an after school homework club).

Your primary customer can sometimes be further divided into smaller groups. Some agencies serve a general target group of all adults with low literacy levels. However, other agencies may target a specific group, for example, young adults, older workers, or single parents.

Identifying your primary customer gives a strong focus to all agency priorities and decisions.

### Supporting Customers

CLO defines supporting customers as those individuals or organizations who provide support to help a literacy agency fulfill its mission. They are important to the work that we do and we readily engage them in our mission, but they are not the reason literacy agencies exist.

Ontario’s community literacy agencies are used to engaging many supporting customers in their communities. Supporting customers include:

- ▶ People or organizations who **provide services** that support the work of your agency (tutors, board members, other volunteers, local businesses who give in-kind support, organizations who support service delivery, organizations who donate space or equipment, etc.)
- ▶ People or organizations who **provide funding** for your agency (MTCU, other provincial government ministries, the Ontario Trillium Foundation, individual donors, the federal government, local service clubs, United Way, local businesses, foundations, etc.)
- ▶ People or organizations who **refer students to your agency** (other literacy organizations, other Employment Ontario providers, social service organizations, Ontario Works, friends and family of people with low literacy levels, Ontario Early Years Centres, employers, etc.)
- ▶ Organizations to which we **refer our students** (other literacy organizations, other Employment Ontario providers and government agencies, social service organizations, community supports, services for new Canadians, etc.)
- ▶ Organizations with whom your agency **partners** (Academic Upgrading partnerships, E-Channel learning, local service clubs, etc.)
- ▶ People or organizations who help to **promote the work and mission** of your agency (local media, literacy champions, former students, members of your agency, local organizations who help you to promote your services, etc.)
- ▶ General support your agency receives from **your community** (participation in fundraising events, participation in literacy fairs, open houses, and special events, advocating for literacy in the community, organizations who invite your agency to present about literacy issues to their members, etc.)

## CLO's Customer Identification Activity

Have board members and staff in your organization answer the following question, either in a group setting or by filling this form out and handing it back to you. For additional information, you could also scan various documents: your mission statements, your core values, your annual report, your yearly program statistics, your program monitoring report, Literacy Services Plan documents, your business plan, your strategic plan, etc.

Record the results in the following chart.

Who is your **primary** customer? (Who was your organization created to serve?)

Who are your agency's **supporting** customers?

Who provides **services** that support your work?

Who provides **funding** for your agency?

Who **refers** adult students **to** your agency?

Which organizations do we **refer our students to**?

Who do you have **partnerships** with?

Who helps to **promote** the work and mission of your agency?

Who in your community provides **general support** to your agency?

**Who else** is a supporting customer for you?

**Who do you wish** was a supporting customer of your agency?

## Other Resources for Customer Identification

Not-for-profit management expert, Peter Drucker, wrote an excellent book called “*The Five Most Important Questions You will Ask About Your Non-Profit Organization.*”

The five questions are:

- 1 What is our mission?
- 2 Who is our customer?
- 3 What does our customer value?
- 4 What are our results?
- 5 What is our plan?

All of these questions are fundamental to identifying, understanding, and serving your customer. You can learn more about this resource at the website of the “*Leader to Leader Institute*” at [www.pfdf.org/](http://www.pfdf.org/)

For information on targeting your marketing and segmenting customer groups, please check out CLO’s “Marketing” module on Literacy Basics. The “*Marketing Circle: Targeting*” is a very helpful resource in explaining these concepts:  
[www.nald.ca/literacybasics/marketng/mc-target/01.htm](http://www.nald.ca/literacybasics/marketng/mc-target/01.htm)

Also on CLO’s Literacy Basics, you can find information in our Employment Ontario module on understanding the new operating environment and the new customer group of Employment Ontario stakeholders. See: [www.nald.ca/literacybasics/employ-o/marketng/newenvir/01.htm](http://www.nald.ca/literacybasics/employ-o/marketng/newenvir/01.htm)

## Assessing Customer Needs and Satisfaction

### Assessment of Customer Needs and Satisfaction

A key component of customer service is assessing customer needs and satisfaction. As noted in the previous section, in literacy, we have many diverse customers to consider: adult learners, volunteers, referral partners, local employment and social service organizations, funders, donors and others in our respective communities. Gathering this information is also useful in the CIPMS process and helps agencies determine their areas of strength and areas that could be improved.

#### Learner Satisfaction Survey

As learner-centred programs, gathering input from our primary customers — adult learners — is a key priority for Ontario's literacy agencies.

All LBS delivery agencies are required to administer, compile and submit to MTCU Learner Satisfaction Surveys for all learners who meet their training goals and exit the LBS program. While only seven questions are required as part of this survey, agencies may include questions that are specific to their needs.

Learners are asked to rate Literacy and Basic Skills programs in the following seven areas:

- 1 I made good progress in reaching the goal(s) that I set in the LBS Program
- 2 I found the learning activities to be useful in working toward my goal(s)
- 3 The staff of this agency explained the LBS Program clearly
- 4 The staff of this LBS agency treated me fairly
- 5 The hours of the LBS agency were convenient for me
- 6 I would tell other people to come to this agency to take part in the LBS Program
- 7 Overall I was satisfied with the LBS Program at this agency

Learners rate the above statements using the following six-point scale: strongly disagree; disagree; do not agree or disagree; agree; strongly agree; no answer.

#### Other Questions for Adult Learners

In order to gain additional input on their programs and services, many agencies add questions to the Learner Satisfaction Survey or develop their own internal surveys. Some agencies hold focus groups with students.

Sample survey or focus group questions for adult learners could include:

- Did you receive enough support from your instructor or tutor?

- ▶ Was the program environment a good one for learning? Why or why not?
- ▶ How could the learning environment of our program be improved?
- ▶ Did you make good progress towards reaching your goals while in our program? Why or why not?
- ▶ What barriers, if any, did you experience in our program?
- ▶ What did you like the most about our program?
- ▶ What did you like the least?
- ▶ If you would not recommend our program to others, can you please tell us why not?
- ▶ Did you like the learning resources you used in our program? Why or why not?
- ▶ How could we better support adult learners in our program?
- ▶ Has coming to this program made a difference in your daily life? How?
- ▶ Has coming to this program helped you set new or different goals?
- ▶ Has this program helped you make positive changes in your life?

### **Volunteer Needs and Satisfaction**

The work of paid staff in many community literacy agencies is supported by volunteers. Volunteers may help with tasks such as tutoring, administration, fundraising, marketing, and board governance. In fact, Community Literacy of Ontario conducted research and found that the economic value of Ontario's literacy volunteers is \$12 million dollars annually (Source: CLO's *Literacy Volunteers Value Added*, 2005).

Given their immense contribution to literacy, volunteers are important supporting customers! In order to keep volunteers engaged and satisfied with their experience at your literacy agency, it is important to gain their feedback. Agencies could develop a survey or hold focus group sessions with volunteers to gauge their satisfaction with your agency.

Sample questions could include:

- ▶ Do you find your volunteer work to be meaningful and rewarding? Why or why not?
- ▶ What do you like best about your volunteer position?
- ▶ What do you like the least?
- ▶ How could we improve our volunteer recruitment, retention and recognition practices?
- ▶ Have you received enough training and support? If not, what could we do differently to better support you?
- ▶ If you feel that you do not receive enough support, do you know who to approach about this issue?

- ▶ Do you receive the right amount of information about organizational activities and events?
- ▶ Could you suggest new ways to create a welcoming environment for volunteers?
- ▶ On a scale of 1 to 10, with 1 being “very poor” and 10 being “excellent” please rate your satisfaction with volunteering with our agency. Please tell us why you gave this rating.
- ▶ Would you recommend volunteering with us to others? Why or why not?

### **Other Community Stakeholders: Needs and Satisfaction**

Though adult learners are our primary customers, literacy agencies have many other supporting customers as well. These include other literacy deliverers, referral partners, funders, donors, local social and employment service providers and other community stakeholders. It’s important to gain input on other community stakeholders’ needs and satisfaction with your agency. Consider using surveys, focus groups or other appropriate methods.

Sample questions for other community stakeholders could include:

- ▶ Are you satisfied with our agency’s service to your clients? Why or why not?
- ▶ What are the most significant gains you have seen in your clients?
- ▶ Do you refer clients to our agency? Why or why not?
- ▶ Would you recommend our services to others? Why or why not?
- ▶ What changes do you think our agency should make to improve its programs and services?
- ▶ What additional services do you think our agency should provide?
- ▶ What do you see as the strengths of our agency?
- ▶ Can you suggest areas of improvement at our agency?
- ▶ How could our organizations work better together in future?
- ▶ What further information would you like to receive about the services provided by our literacy agency?
- ▶ What further information would you like to receive about client progress?

### **Tools for Assessing Customer Needs and Satisfaction**

There are many ways to assess customer needs and satisfaction: surveys, focus groups, personal interviews, exit interviews, informal feedback and through a customer complaint process.

### Surveys

Probably the most common way to gather customer feedback is through surveys. The first thing to do when designing a survey is to identify its purpose and target audience. Is its purpose to gather general information on your customer service practices? Is it to gain specific feedback on one particular agency program? Is it to assess emerging needs? Is the audience general or specific in nature (i.e., all customers or adult learners only)?

There are a variety of ways that you can conduct a survey. You can administer surveys one-on-one, online, in person, or over the telephone. You can create a print-based survey and distribute it by mail. You could invite a group of people to come into the literacy centre and complete a print-based survey there. You could also use an online tool such as SurveyMonkey to create a survey that stakeholders can complete electronically.

When you are designing your survey, it is important to remember what information you want to collect. Keep your questions focused on the topic you are most interested in learning more about. It's a good idea to test out the questions ahead of time to see if they are clear. Try to keep the survey as short as possible; people quickly tire of long or repetitive surveys.

Basically, there are two types of questions that can be asked. The first type consists of "closed" questions. This type of question provides a series of choices as answers and allows responses to be tracked on a scale. The benefit of closed questions is that they provide reliable data because you are limiting the choice of responses. This makes them easy to tabulate and compare. An example of a closed question is: *"On a scale of 1 to 10, with 1 being 'very poor' and 10 being 'excellent,' please rate your satisfaction with our agency."*

You can also use "open" questions which allow the person to respond however they choose. An example of an open question is: *"How could the learning environment of our program be improved?"*

It is important to design survey questions so that the question you are asking is clear. Ask one question at a time and avoid multi-part questions. Test the questions with others to ensure clarity. This article called "A Guide to Designing Effective Surveys" provides many helpful tips on this topic: [www.surveylgalaxy.com/articles/article\\_0013.htm](http://www.surveylgalaxy.com/articles/article_0013.htm)

### Focus Groups

Focus groups can be a very effective way to gather information on customer needs and satisfaction. Some people prefer to give feedback in a group setting rather than through a survey. Feedback from focus groups can be richer as people get to hear the ideas of others and this may influence their own desire to share.

If you're new to focus groups or you're not sure of the most effective way to use one, be sure to conduct an Internet search for "how to conduct a focus group." This helpful article from strategic planning guru, Carter McNamara, is a good starting point:

<http://managementhelp.org/evaluatn/focusgrp.htm>

As with surveys, the first step will be to determine the purpose and audience for your focus group. Next, you will have to determine how many people you would like to take part in the group — too large a group can inhibit conversation, but so can too small a group! Five to nine is generally a good number. Hold the focus group in a private place where people will not be interrupted. Serve refreshments and snacks to set a relaxed and inviting tone.

Effective facilitation of a focus group is key. As the facilitator, you are there to ask the key questions. However, be sure not to direct participants, offer your own opinions, or influence the group's comments. You are there to stimulate discussion, not direct it. Listen as much as possible and only offer comments that will stimulate discussion and make people feel comfortable in sharing their opinions. It is important to not let one or two people dominate the focus group. Try to bring in quiet participants. Validate that all comments are welcome; there are no wrong answers.

Another thing to think about is note-taking during the focus group. It can be difficult for the facilitator to take notes because he/she should be listening carefully to the responses and encouraging discussion. Therefore, it's a good idea to have an additional person appointed as a notetaker.

### Other Methods

You could also gain customer feedback through personal interviews. These are typically used when you want to understand a person's point of view in greater depth or to get additional information beyond what you have already received from a survey or focus group. In the case of adult learners, a personal interview may also help to accommodate low levels of reading and writing or a reluctance to participate in a group setting. Exit interviews with learners, staff, volunteers and other key stakeholders can provide helpful data.

You will also gain customer feedback informally on a day-to-day basis from various customers (learners, partners, volunteers, funders, etc.). This informal feedback can be extremely useful. Just be sure to record it and analyze it so that it can be used to make program improvements.

### Customer Complaints

Let's face it; almost no one enjoys hearing complaints. However, giving customers an open venue to submit their complaints provides several benefits to your literacy organization. Firstly, it shows your customers that you are an open and transparent

organization which is committed to listening to people and implementing needed changes. Secondly, you can learn valuable information about your programs and services from customer complaints that you might not learn elsewhere. Thirdly, having clear mechanisms for customer complaints is simply a sound practice for any organization which serves the public (government, not-for-profit, or private sector). Fourthly, as noted elsewhere, in MTCU's capacity survey, an indicator of organizational capacity for agencies delivering Employment Services is having a customer complaint and resolution process in place.

To support our agencies, Community Literacy of Ontario has developed the following sample customer complaint and resolution process.

### Sample Customer Complaint and Resolution Process

*ABC Literacy Agency* values its customers. If you have concerns or complaints about our programs or services, we want to know about them.

Our customer complaint procedures are visible and accessible. They are openly posted in our office, in our policy manual, on our website and are available upon request from any staff member. Learners receive a copy of our complaints procedures as part of their orientation process.

You can give us your complaint in writing, in person, by telephone, by email or via our website. Complaints can also be placed in our agency's suggestion box.

All complaints will be handled in confidence.

Complaints will be handled by our Executive Director who can be reached in person at our office, or by telephone at 123-456-7891, or by email at **123@abc.ca**

All customer complaints will be recorded in writing by our Executive Director and kept in a confidential file in a locked desk or filing cabinet, or kept in a confidential electronic file. This record will include the information on the complaint and how it was resolved. No other staff or volunteers at *ABC Literacy Agency* will be able to view the contents of this file.

Your complaint will be acknowledged and our Executive Director will follow up with you within five business days to discuss your complaint and try to resolve it.

If you are not happy with how the Executive Director dealt with your complaint, you can talk to the Chair of our agency's Board of Directors. At your request, the Executive Director will forward your complaint to the Board Chair. Our Board Chair will get back to you within 10 business days.

The Executive Director and our Board of Directors will review an anonymous summary of the complaints received annually to determine if overall changes need to be made to our agency's operations.

## Community Literacy of Ontario's Customer Service Quality Statements

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Community Literacy of Ontario's extensive research into customer service issues and practices confirmed that community literacy agencies across Ontario are deeply committed to excellence in customer service. In fact, literacy agencies excel at it!

However, during the research phase, CLO heard repeatedly from literacy practitioners that while they know how to do effective customer service, they don't have a way to clearly track and showcase their practices. Many literacy practitioners also told us that they want to be more deliberate and focused about delivering good customer service.

Being able to showcase formal processes and practices in customer service is becoming increasingly important under Employment Ontario. For example, MTCU's organizational capacity survey for agencies delivering Employment Services referenced the importance of agencies having customer service standards in place. As well, under Continuous Improvement Performance Management System, customer service is one of three core measures of success and currently it is weighted at 40% of overall agency performance.

To help our member agencies track and showcase their excellent work in customer service, Community Literacy of Ontario has created **customer service quality statements**. They were reviewed by the CLO Board of Directors at their April 2010 board meeting and were further reviewed and approved at the June 2010 board meeting. They were also reviewed by the project Advisory Committee.

In these quality statements, CLO defines customers in the broadest sense: adult learners, volunteers, donors, funders, local employment and social service agencies, partners, employers, and the community at large.

We hope that CLO's quality statements will help agencies to showcase the commitment to customer service that is inherent in Ontario's community literacy agencies, and that they will also give our members a tool to track and clearly demonstrate the excellent work that they do in communities large and small across Ontario.

## CLO's Customer Service Quality Statements

### Customer Service Quality Statement #1

*Our literacy agency fosters a culture of customer service.*

#### Best Practices:

- ▶ We value people and ensure that customers are treated with respect and courtesy
- ▶ Customer service is a priority for us and we show this by embedding customer service in our mission, core values, policies and operating procedures
- ▶ We create a welcoming environment for all customers
- ▶ We seek to provide our services in a timely manner that meets customer expectations and needs
- ▶ We provide resources and information on effective customer service practices to our staff and volunteers

### Customer Service Quality Statement #2

*Our literacy agency provides a learner-centred, quality learning environment.*

#### Best Practices:

- ▶ We ensure that all programs and services of our literacy agency are offered using a learner-centred model of delivery
- ▶ We offer an outcomes-based, flexible, supportive, and respectful learning environment based on adult learning principles
- ▶ We provide quality instruction by skilled instructors and tutors who deliver effective

programming that meets the needs, motivations and goals of learners

- ▶ We offer literacy instruction to learners in a variety of formats that best meet their individual needs and goals
- ▶ We ensure that students have the opportunity for direct input into how we deliver our services
- ▶ We work hard to address the barriers to learning faced by adult students
- ▶ We provide a safe learning environment free from risk, harm and harassment for students, staff and volunteers as guided by the Ontario Occupational Health and Safety Act

### Customer Service Quality Statement #3

*Our literacy agency provides initial and ongoing support to learners.*

#### Best Practices:

- ▶ We provide an in-depth orientation process so that learners get a clear understanding of our program, our policies and rules, what is expected of them and what they must do to reach their goal
- ▶ We provide information and referral services to learners who have social or economic needs
- ▶ We support learners to access community supports that they require
- ▶ We meet with learners regularly to review their progress, update their training plans and talk about any learning or support needs they may have
- ▶ We celebrate and showcase the achievements of our students using a variety of methods

**Customer Service Quality Statement #4**

*Our agency honours the privacy of our customers.*

**Best Practices:**

- ▶ Our agency strictly honours the need for confidentiality of service
- ▶ Our agency is committed to the protection of privacy and personal information of our customers
- ▶ We have privacy policies and procedures in place that meet the requirements of the Personal Information Protection and Electronic Documents Act

**Customer Service Quality Statement #5**

*Our literacy agency values respect, inclusion and accessibility.*

**Best Practices:**

- ▶ We value and respect diversity in all its forms, including: age, gender, race, ethnicity, culture, physical and intellectual ability, religion, beliefs, sexual orientation and educational background
- ▶ We seek to accommodate people with disabilities and special needs wherever possible
- ▶ We adhere to the Canadian Human Rights Act and all appropriate government legislation

**Customer Service Quality Statement #6**

*Our literacy agency knows who its key customers are and actively solicits their feedback.*

**Best Practices:**

- ▶ Our literacy agency has a process in place to identify our key customers and determine their needs
- ▶ We promote a culture of openness and transparency where learners, volunteers, referral partners, funders, community organizations, and all stakeholders have the opportunity to provide both informal and formal feedback on our services
- ▶ We conduct regular check-ins with learners about their experiences in our agency
- ▶ We regularly gather feedback from other customers about the effectiveness of our agency's operations
- ▶ We follow up on any issues, questions, concerns, needs, etc. raised by our customers

**Customer Service Quality Statement #7**

*Our literacy agency seeks to regularly improve our customer service practices.*

**Best Practices:**

- ▶ We regularly assess our customer service practices and improve as needed
- ▶ We track and review feedback from our customers and change our customer service practices if needed
- ▶ We seek input from people who are not currently customers, but who may still require our services
- ▶ We stay informed of effective practices in customer service and adapt our own practices as appropriate

### Customer Service Quality Statement #8

*Our literacy agency has a formal customer complaint and resolution process.*

#### Best Practices:

- ▶ We encourage customer feedback — whether positive or negative
- ▶ We have clear processes in place for stakeholder complaints, including policies about who receives and responds to complaints, response timelines, confidentiality and mechanisms for follow-up
- ▶ Our customer complaint procedures are visible and accessible
- ▶ We follow up on complaints within an agreed upon timeframe and manner

### Customer Service Quality Statement #9

*Our literacy agency is actively involved in our community to ensure effective referrals and service coordination.*

#### Best Practices:

- ▶ We support learners to access and participate in other training, employment and community services to help them meet their goals
- ▶ We actively link and coordinate services with a wide variety of community partners in order to best meet the needs of adult learners
- ▶ We are knowledgeable about resources and services provided in our community and make effective client referrals
- ▶ We have a process in place to follow up on our referrals to ensure that learner needs were successfully met

### Customer Service Quality Statement #10

*Our literacy agency has effective communication practices that reflect our commitment to excellent customer service.*

#### Best Practices:

- ▶ We commit to communicating with customers, whether in person, over the telephone, online or via email, in a professional and respectful manner
- ▶ We provide clear and accurate information about our programs and services to diverse community stakeholders
- ▶ We use a variety of appropriate methods and tools to communicate with our customers
- ▶ We use clear language design principles for agency brochures, promotional materials and website design to make them more accessible to people with low literacy levels
- ▶ We commit to responding to telephone calls, emails, and requests submitted via our website within a set number of business days

## Tools for Change

Between the ideas, resources and tools shared in the previous “*Identifying Your Customers*” and “*Customer Needs and Satisfaction*” sections of this chapter, you will have likely generated many ideas for identifying customers, assessing their needs and thinking about ways in which you could improve customer service practices in your agency.

Community Literacy of Ontario has created four helpful charts to help you organize your thoughts and take action to improve your customer service practices. These tools will also be helpful as part of your annual CIPMS action plan.

You can use Tool #1 to assess your customers and their needs and expectations and to think about ways in which you could improve services to each customer group.

<b>TOOL #1</b> <b>CLO’s Customer Assessment Chart</b>	
<i>Name of customer group:</i>	
What do we know about key needs and expectations of this customer group?	
What else would we like to learn about the needs and expectations of this customer group?	
How could we learn more about the needs and expectations of this customer group?	
How well are we currently meeting the needs of this customer group?	
How could we assess what this group thinks of our current customer service practices?	
What steps could we take to better serve the needs of this customer group?	

You can use Tool #2 to help you decide what kinds of questions you need to ask in order to best assess customers' needs and issues. This tool can also help you to think about the best tool (survey, focus group, personal interview or other appropriate method) to assess the needs of each customer group.

<b>TOOL #2</b> <b>CLO's Customer Needs Assessment Tool</b>			
Customer Group	Questions we need to ask to assess their needs	Most effective assessment tool for this group	Timeframe

Once you have figured out areas where you would like to improve your customer service practices, you can use Tool #3 to develop your plan of action for implementing changes.

<b>TOOL #3</b> <b>CLO's Customer Service Action Plan</b>				
Area for improvement	Goal	Who is responsible?	What resources are needed?	Timeframe

Tool #4 is designed for you to use CLO's customer service quality statements as a basis to improve your customer service practices. Be sure to check out the "Customer Service in Action" section of this chapter for ideas on effective practices in Ontario's community literacy agencies.

<b>TOOL #4</b> <b>Using CLO's Customer Service Quality Statements to Improve Practices</b>	
<i>CLO's Customer Service Quality Statements</i>	<i>Actions needed to improve our customer service practices in this area</i>
<b>Quality Statement #1:</b> Our literacy agency fosters a culture of customer service	
<b>Quality Statement #2:</b> Our literacy agency provides a learner-centred, quality learning environment	
<b>Quality Statement #3:</b> Our literacy agency provides initial and ongoing support to learners	
<b>Quality Statement #4:</b> Our agency honours the privacy of our customers	
<b>Quality Statement #5:</b> Our literacy agency values respect, inclusion and accessibility	
<b>Quality Statement #6:</b> Our literacy agency knows who its key customers are and actively solicits their feedback	
<b>Quality Statement #7:</b> Our literacy agency seeks to regularly improve our customer service practices	
<b>Quality Statement #8:</b> Our literacy agency has a formal customer complaint and resolution process	
<b>Quality Statement #9:</b> Our literacy agency is actively involved in our community to ensure effective referrals and service coordination	
<b>Quality Statement #10:</b> Our literacy agency has effective communication practices that reflect our commitment to excellent customer service	

## Customer Service in Action

In this section, CLO is pleased to showcase some of the excellent customer service practices occurring in community-based literacy agencies around Ontario. These practices were gathered during the research phase of this project and are organized around the customer service quality statements developed by CLO.

### Customer Service Quality Statement #1

***Our literacy agency fosters a culture of customer service.***

Sample practices from Ontario's community-based literacy agencies:

- ▶ Our agency has set up a customer service committee made up of students, staff and volunteers to keep a strong focus on customer service
- ▶ We ensure that a staff member or volunteer is always stationed near the front door to greet people coming to our agency
- ▶ Our agency includes customer service in its Mission Statement which we prominently display in our office, on all promotional material and on our website
- ▶ We have coffee, tea and other refreshments readily available for students, volunteers, staff and other stakeholders
- ▶ We ensure that our learning centre space is warm, welcoming and that it establishes an effective environment for learning and working
- ▶ We actively listen to students and respond positively and respectfully
- ▶ We show recognition that, for many, attending a literacy program is a difficult step
- ▶ Our agency meets regularly with our referral partners to get their feedback on our programs and services
- ▶ We hold an annual Open House for our community partners
- ▶ We encourage local social and employment agencies to visit our agency regularly
- ▶ We return calls within two business days to reflect our commitment to serving the needs of the community
- ▶ Our agency has monthly meetings with students to congratulate them on their successes
- ▶ We have a prominent display of promotional materials readily available at the front of the office that are designed to engage visitors
- ▶ We teach learners in our program how to respectfully and effectively voice concerns, submit complaints, and self-advocate so that they can respond in appropriate ways to poor customer service

- ▶ All new staff and volunteers must review our customer service practices and procedures as part of their orientation to our agency
- ▶ We send our staff to participate in local customer service training opportunities and/or online training opportunities
- ▶ Our agency shares information on effective customer service practices during our tutor training
- ▶ Our agency has created a print-based customer service training guide for staff and volunteers at our agency
- ▶ We post “Student Rights” information in all teaching areas

## Customer Service Quality Statement #2

***Our literacy agency provides a learner-centred, quality learning environment.***

Sample practices from Ontario’s community-based literacy agencies:

- ▶ We offer one-to-one tutoring, small group instruction, e-Channel learning, or blended learning, based on our learners’ needs
- ▶ Our agency conducts a welcoming interview in order to get to know the learner before conducting a more formal assessment
- ▶ We copy good customer service business practices in our agency and we follow the principle of the customer (student) always comes first
- ▶ We spend extra time with new students in the first few weeks in order to better understand their needs, barriers and comfort level with the program
- ▶ We encourage and actively support learner involvement on our board of directors and committees
- ▶ We provide support for childcare and/or transportation and referral to social service agencies that can provide a variety of additional supports
- ▶ Our agency explores learning styles with each student in order to validate their strengths and enhance their rate of progress
- ▶ We ensure that adults experience success early in the learning process in order to build confidence and self-esteem
- ▶ We adhere to the 18 Core Quality Standards for Literacy and Basic Skills agencies
- ▶ Our agency creates a warm, welcoming, comfortable, and professional learning environment
- ▶ We set operating hours that meet our students’ needs and review and revise delivery hours based on the needs of participants

- ▶ We ensure that the equipment in our computer lab is up-to-date, easy-to-use and free of viruses
- ▶ We use adult-appropriate learning resources
- ▶ We provide a thorough goal-oriented assessment of the student's needs on intake
- ▶ This standard is embedded into our core values which are posted
- ▶ Students are encouraged to attend provincial conferences to meet with other students
- ▶ Students learn workplace practices by running their own "Snack Attack" business

### Customer Service Quality Statement #3

***Our literacy agency provides initial and ongoing support to learners.***

Sample practices from Ontario's community-based literacy agencies:

- ▶ Our agency posts our program hours, expectations, agency supports, break times, smoking rules, and absenteeism rules and we review them with our students when they begin our program
- ▶ Students sign a "Code of Conduct" as part of their Student Agreement, outlining all the rules which apply to students
- ▶ We regularly review and revise program rules and expectations with input from staff, volunteers and students
- ▶ We check in regularly with current students to ask about their learning and support needs
- ▶ We use a mentoring or buddy system to provide additional support to learners
- ▶ We encourage current students to orient new students to the physical facilities and "show them the ropes"
- ▶ We contact (via a card, phone call, email, etc.) learners who have been absent or who have dropped out, to discuss their ongoing learning needs and to offer any required supports
- ▶ Our agency offers field trips and/or team building activities as appropriate
- ▶ We reschedule missed intake appointments to give people a second chance
- ▶ We have designed a learning plan which is very simple and straightforward so that students can read and understand it
- ▶ We have Lunch 'n Learn sessions for students that cover such topics as Dealing with Finances, the new Disability Savings Plan or health-related topics
- ▶ When we refer students to another community program or service, we follow up with a phone call or email to ensure that the referral addressed the student's needs

- ▶ When we refer students to another community program or service, if needed, we may attend an initial appointment with them to provide additional support (for example, reading contracts, completing forms)
- ▶ Our agency follows up two or three weeks after exit with offers of assistance or support that learners might need to adapt to a new job or other training
- ▶ We offer a short introductory training module for new learners that looks at issues they may have with returning to school
- ▶ Due to the poverty issues facing many of our students, we provide a free breakfast once a week with funding from a private donor
- ▶ Our agency shares learner success stories in our newsletters, annual report, brochures, and on our website
- ▶ We adjust class times to accommodate shift work, family responsibilities, and elementary school drop-off times
- ▶ To ensure customer satisfaction, our Executive Director meets regularly with learners and tutors to ensure their needs are being met. Our ED makes any needed adjustments to learning activities, schedules, pairings, resources, etc.
- ▶ We reach out to other community services to offer additional support and partner with other agencies to provide enhanced services onsite to our students (counseling, tenant rights, etc.)
- ▶ Our agency holds ongoing celebrations of student success to keep people encouraged and motivated
- ▶ Students are recognized at our annual dinner for making significant progress or for volunteer efforts

### Customer Service Quality Statement #4

***Our agency honours the privacy of our customers.***

Sample practices from Ontario's community-based literacy agencies:

- ▶ All staff, volunteers and students must sign a confidentiality form and are regularly reminded about our policies around confidentiality
- ▶ We ensure that all confidential information is stored in locked filing cabinets or in password-protected files and that access to this information is restricted
- ▶ Our agency requires a signed Release of Information before sharing information with other agencies, community partners, family members or the media. Each release clearly states what information will be shared and with whom.
- ▶ Passwords are reset on a regular basis, and we have a policy regarding who has the right to access those passwords

- ▶ We obtain signed agreements for the use of any photographs or learner stories used on our website, in our brochures or in any other publications, and we clarify the terms of use (i.e., whether it is for specific one-time use only or can be used and/or referred to over a longer timeframe)
- ▶ We give students the option of using a fictitious name in any media publications
- ▶ We offer a quiet, confidential setting for student assessment
- ▶ We provide a private area for people to fill out forms, ask questions, or bring their issues and needs to our attention
- ▶ Our agency publicly posts its commitments to privacy and confidentiality
- ▶ During program orientation, we let all learners know their privacy rights
- ▶ We blind-copy any group emails
- ▶ When we use a sign-up sheet, only first names and initials are used — no phone numbers
- ▶ We ask students on intake if we should identify ourselves when phoning their home, in case they have not shared their literacy difficulties with their own family
- ▶ Any newsletters sent out do not have the Literacy Council return address

### Customer Service Quality Statement #5

***Our literacy agency values respect, inclusion and accessibility.***

Sample practices from Ontario's community-based literacy agencies:

- ▶ We offer diversity training to staff and volunteers to better understand the various cultures, backgrounds and needs of our students
- ▶ We offer a non-judgmental learning environment where the choices and backgrounds of learners are honoured
- ▶ We are implementing the standards in the Ontario government's "Accessibility for Ontarians with Disabilities Act"
- ▶ We increase our knowledge and sensitivity by having all staff watch the online videos on "Serving Customers with Disabilities" produced by the Ministry of Community and Social Services: [www.mcscs.gov.on.ca/en/accesson/videos/index.aspx](http://www.mcscs.gov.on.ca/en/accesson/videos/index.aspx)
- ▶ We actively recruit volunteers of all races, ages, and ethnicities
- ▶ We have developed an accessibility checklist to ensure that our premises are totally accessible for persons with disabilities
- ▶ Our agency regularly links with local organizations serving people with disabilities (for example, the Canadian Hearing Society and the Learning Disabilities Association) in order to better serve learners and make appropriate referrals

- ▶ We have purchased adaptive technology to assist students with learning and/or physical disabilities
- ▶ We build relationships with various cultural organizations in our community in order to build bridges and increase our knowledge and sensitivity
- ▶ We have personnel and service delivery policies that specifically address discrimination and accessibility
- ▶ Our agency uses hiring processes that encourage diversity and accessibility

### Customer Service Quality Statement #6

***Our literacy agency knows who its key customers are and actively solicits their feedback.***

Sample practices from Ontario's community-based literacy agencies:

- ▶ We hold regular meetings and yearly focus groups with our students to seek their feedback about our services and how we are meeting their needs
- ▶ We ask students to complete a questionnaire about four to six weeks after entry into our program to assess their comfort level and needs
- ▶ When having a learning plan meeting, we always ask students and tutors for comments about program improvement
- ▶ We add extra questions about customer service that are relevant to our agency to the required questions in MTCU's Learner Satisfaction Survey
- ▶ Our agency puts up a student suggestion box in a prominent place in order to give the students the opportunity to give us quick and easy feedback about our programs and services
- ▶ We talk about how we could improve our customer service when we call learners during the exit and 3 and 6 month follow-ups
- ▶ Our agency actively surveys our community partners about how we could best serve their needs and the needs of their clients
- ▶ We do environmental scans of community needs and assess how they are being met
- ▶ We meet regularly with other local community service providers to determine how to best meet the needs of our community
- ▶ Our agency tracks how people find out about our services to ensure we are reaching target groups and are delivering in areas of greatest need
- ▶ We keep abreast of current employment trends in order to meet the needs of displaced workers
- ▶ We participate in Literacy Service Planning, where client needs and gaps are identified, suitable providers of service are established, and delivery is implemented

- ▶ Our agency includes identifying and meeting customer needs as part of our annual strategic planning process
- ▶ When we attend community events, we have a suggestion box at our display booth that asks the general community “How can we serve you?”
- ▶ We actively seek to gain input about customer needs from the general community (not just from current stakeholders) in order to assess gaps and how we could provide services and engage people with low levels of literacy who are not in literacy programs
- ▶ Our agency has a monthly draw for a prize for people who submit customer service comments via our website, our suggestion box, or other means
- ▶ We have sent a survey to Ontario Works counselors to assess how well we are meeting their clients’ needs
- ▶ We complete exit surveys with volunteers to solicit program evaluation feedback

### Customer Service Quality Statement #7

***Our literacy agency seeks to regularly improve our customer service practices.***

Sample practices from Ontario’s community-based literacy agencies:

- ▶ At our annual board / staff retreat, we review the results of the Learner Satisfaction Survey and other feedback we have received from learners during the year and we plan for improvements to customer service
- ▶ At our annual board/staff retreat, we review the results of the customer service feedback we have received from community partners and other external stakeholders, and we consider this feedback when determining future programming and agency direction
- ▶ Our agency consults with our community partners to identify any trends or issues so that we can respond and refer in the most effective and timely manner
- ▶ Through the process of Agency Assessment, we collect and analyze feedback from our partners and referral agencies and identify areas of customer service strength and areas for improvement, and incorporate this in our annual CIPMS planning
- ▶ As part of the program monitoring process, we work with our core funder to identify areas of strength and areas for improvement in our customer service practices
- ▶ Our agency sets goals and measures increases (or decreases) in levels of customer service through feedback from stakeholders. We attempt to have a reasonable increase in customer satisfaction on an annual basis.
- ▶ We have performance indicators in place to help measure customer satisfaction

- ▶ Our Planning and Evaluation Committee meets monthly to discuss changes needed in program management or service delivery

### Customer Service Quality Statement #8

***Our literacy agency has a formal customer complaint and resolution process.***

Sample practices from Ontario's community-based literacy agencies:

- ▶ Our customer complaint procedures are openly posted in our office, in our policy manual, on our website and are available upon request. Learners receive a copy of our complaints procedures as part of their orientation process.
- ▶ All customer complaints are recorded in writing by our Executive Director and kept in a confidential file in a locked desk. This record includes the nature of the original complaint and how it was resolved. No other staff or volunteers have access to this file.
- ▶ Our Executive Director follows up with all complaints within five business days
- ▶ Our agency offers alternative solutions to perceived problems and we try to reach consensus with the person who has registered a complaint
- ▶ We follow up within a couple of days to assess customer satisfaction with how we resolved the complaint
- ▶ We have a policy about how long customer complaints are kept on file and how they are stored to ensure confidentiality
- ▶ The Executive Director and our board of directors reviews an anonymous summary of the complaints received annually and determine if changes need to be made to our agency's operations
- ▶ Our agency treats receiving customer complaints as a positive occurrence since we believe we can learn valuable information about our services from customer complaints that we would not learn elsewhere

### Customer Service Quality Statement #9

***Our literacy agency is actively involved in our community to ensure effective referrals and service coordination.***

Sample practices from Ontario's community-based literacy agencies:

- ▶ Our agency ensures that staff have sound knowledge of other social service providers in the community so that they can help learners navigate the system and get the supports they need

- ▶ Agency staff participate in community resource fairs for both employment and social services in order to share information about our services and learn about others
- ▶ We participate in Literacy Service Planning meetings hosted by our regional literacy network in order to mutually plan around literacy services with LBS agencies from other sectors
- ▶ Our agency hosts joint introductory workshops with Ontario Works so that their clients receive a basic introduction to LBS and our various services
- ▶ During intake, we identify barriers and we work to address those barriers, including referring learners to other community services and supports to meet their needs
- ▶ Our agency makes appropriate referrals to the most suitable organization to meet the needs of each learner
- ▶ We provide active assistance to learners when we make referrals. For example, we may take them there in person, call the service provider and set up an appointment, give clear written information on the location and programming of other agencies, and engage in other activities to make the referral process as smooth as possible.
- ▶ To ensure mutual awareness of local services, our agency is actively involved in our community, including having a booth at the local mall four times per year, holding a community spelling bee, and participating in an annual literacy fair
- ▶ We speak at service clubs, business groups and social service agencies to inform them of the work we do and solicit their support
- ▶ We host joint workshops with our community partners so that clients can learn about services directly and in a personal manner, which lessens anxiety and difficulties in transitioning to other services
- ▶ We link with local volunteer organizations in order to help learners gain work experience and recommendations
- ▶ Our agency meets quarterly with our community partners to discuss the services we provide and what we can do to improve our services
- ▶ To encourage awareness of our services, we send out a bi-monthly newsletter to all community partners
- ▶ We have developed a basic referral form for all agencies in the area to use
- ▶ We actively train our staff so that they are well informed and committed to making knowledgeable and accurate referrals
- ▶ To ensure the best service for all concerned, and to ensure clarity of roles and responsibilities, when we enter into formal partnerships with other organizations in our community, we have a formal partnership agreement in place
- ▶ To maximize our exposure and community linkages, our agency is co-located with our local library

- ▶ We partner with other community agencies (the Early Years, the Library, the Speech and Language Program at the local hospital) to host a local literacy fun fair to promote family literacy and lifelong learning
- ▶ We encourage community partners to speak to our students regarding services available (e.g., mental health, ODSP, diabetes association)

### Customer Service Quality Statement #10

***Our literacy agency has effective communication practices that reflect our commitment to excellent customer service.***

Sample practices from Ontario's community-based literacy agencies:

- ▶ Our agency asked students to review our brochures and other promotional materials for readability and clarity prior to publication
- ▶ After asking for student input on our mission statement, we rewrote a much clearer Statement of Purpose
- ▶ We have standard procedures for answering the telephone that reflect good customer service practices
- ▶ Our agency makes sure our web-based forms are easy to fill out and submit for both potential students and tutors
- ▶ We continually explore new and innovative ways to reach adults with low literacy levels
- ▶ We use new technologies to engage learners and other stakeholders (for example, we have developed a YouTube video about our agency's services instead of just using print-based materials)
- ▶ Our agency commits to responding to telephone calls, and email requests within two business days
- ▶ We advertise our services using a variety of methods (radio, TV, YouTube, our website, and various printed resources)
- ▶ Our agency has developed a common look and consistent messages for our brochures, flyers, posters and website
- ▶ We place agency brochures and flyers at key places in the community
- ▶ Our agency has trained its staff in plain language writing skills
- ▶ We educate local social and employment services about the importance of clear writing practices and its link to better service provision for their customers

## Customer Service and Employment Ontario

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Literacy and Basic Skills (LBS) programs receive core funding from the Ontario Ministry of Training, Colleges and Universities (MTCU). MTCU, along with other Ontario government ministries, other provincial governments, and the federal government, is putting an increasingly strong focus on customer service. MTCU's focus on customer service can be seen through various recent initiatives, including those described below.

### Employment Ontario Promise

There are five commitments given by MTCU under the Employment Ontario promise. One of the five promises relates directly to customer service and states that Employment Ontario will “ensure service excellence and public satisfaction with our programs and services.”

### CIPMS/Performance Management

Continuous Improvement Performance Management System (CIPMS) or performance management is in the early stages of implementation in Employment Ontario. Performance management is part of an overarching strategy designed to create improved policies and processes throughout Employment Ontario so that programs can better work together to address client needs. Customer service is a critical component of any performance management system.

At this time, MTCU has established three measures of success for Employment Ontario delivery agencies under its performance management system:

- 1 Effectiveness
- 2 Efficiency
- 3 Customer service

In this current stage of implementation, under MTCU's performance management system, effectiveness is weighted at 50% of overall performance and it measures the extent to which agencies meet their intended objectives and results. It will include items such as participant profile and program outcomes. Efficiency is weighted at 10% of overall performance and includes items such as the number of learners enrolled and intake.

Customer service is currently weighted at 40% of overall agency performance. Customer service is further divided into two measures of success. The first measure is service coordination which refers to an agency's success in providing timely and supported referrals and access to services within Employment Ontario and to other

community services and support. Service coordination is worth 25% of overall performance.

The second measure of success is customer satisfaction which refers to the percentage of learners and referral partners who report satisfaction with the services provided by an agency. It is worth 15% of overall performance.

One way we currently measure customer satisfaction under CIPMS is through the Learner Satisfaction Survey (LSS), which MTCU requires LBS agencies to administer to exiting learners except for those who left after assessment. We'll discuss the LSS and other customer satisfaction measures later in the chapter.

For more information on CIPMS, you can access Employment Ontario's information on the performance management system for Employment Services at [www.tcu.gov.on.ca/eng/eopg/publications/espms\\_presentation\\_aug\\_28.ppt](http://www.tcu.gov.on.ca/eng/eopg/publications/espms_presentation_aug_28.ppt). As well, you can visit Community Literacy of Ontario's CIPMS self-directed training module on Literacy Basics at [www.nald.ca/literacybasics](http://www.nald.ca/literacybasics)

### **MTCU's Guidelines for Employment Service Providers**

MTCU has prepared guidelines for agencies delivering Employment Services under Employment Ontario. These guidelines cover diverse areas of service delivery and can be found online at: [www.tcu.gov.on.ca/eng/eopg/publications/eopg\\_sp\\_guidelines.pdf](http://www.tcu.gov.on.ca/eng/eopg/publications/eopg_sp_guidelines.pdf)

According to page 1.4-1 of the guidelines, MTCU expects Employment service providers to have:

- ▶ A customer service charter that is posted and visible to customers
- ▶ A customer complaint and resolution process in place
- ▶ Delivery site(s), facilities and hours of operation that reflect customer need

While we have no information on guidelines for Training Services under Employment Ontario (literacy agencies fall under Training Services rather than Employment Services), it is apparent that MTCU and others are placing a stronger emphasis on tools such as customer service standards. Accordingly, Community Literacy of Ontario has prepared customer service quality statements for community-based literacy agencies. We have also prepared a sample customer complaints and resolution process as part of this Resource Guide.

### **MTCU's Draft Organizational Capacity Indicators for Employment Services**

MTCU has prepared draft organizational capacity indicators for agencies delivering Employment Services under Employment Ontario. Currently, these indicators are for discussion purposes only. However, they, too, highlight the growing importance

MTCU places on customer services. Please see [www.tcu.gov.on.ca/eng/eopg/publications/organizational\\_april2008.pdf](http://www.tcu.gov.on.ca/eng/eopg/publications/organizational_april2008.pdf) for more information on these indicators.

There are currently seven indicators of organizational capacity, one of which is “Customer Satisfaction Management.” The definition of this indicator is “*The organization has a Customer Service Charter in place that commits to a Standard of Customer Service including a process for customer feedback and timely agency response.*” As noted above, CLO has researched and written customer service quality statements. They can be found in this resource guide.

## MTCU’s Service Provider Capacity Survey for Employment Services

As part of the transformation of Employment Ontario, in October 2008, MTCU required all agencies delivering Employment Services under Employment Ontario to fill out a Service Provider Capacity Survey.

Literacy and Basics Skills programming falls under Training Services. It is expected that in the coming years, MTCU will require a similar transformation of Training Services under Employment Ontario. **It is unknown at this time what processes MTCU will use to transform Training Services.** However, it is useful for us in Literacy and Basic Skills to review the customer service indicators required of our fellow programs delivering Employment Services.

In terms of customer service management, agencies delivering Employment Services were asked the following six questions in the Service Provider Capacity Survey. They were required to indicate whether their organization had these features in place and to provide evidence if they did.

Does your organization:

- 1 Have a process to identify, measure, and evaluate its key customers and determine their needs?
- 2 Identify, measure and track operational indicators and processes that drive customer satisfaction scores?
- 3 Have established customer-based continuous improvement goals?
- 4 Identify and measure staff inputs, perspectives and activities in establishing customer service standards?
- 5 Have in-person service processes that meet customer expectations, e.g., best service times/wait times/hours of operation that are visibly displayed?
- 6 Have services that are accessible and include accommodation for special needs?

Although we do not know which, if any, of the above criteria will apply to literacy agencies, for those agencies wanting to tune-up or formalize their customer services practices, Community Literacy of Ontario has prepared sample tools and resources

relating to the above questions. These tools and resources can be found throughout this manual.

To learn more, you can view MTCU's Service Provider Capacity Survey for agencies delivering Employment Services at: [www.tcu.gov.on.ca/eng/eopg/publications/service\\_provider\\_capacity\\_survey\\_eng.pdf](http://www.tcu.gov.on.ca/eng/eopg/publications/service_provider_capacity_survey_eng.pdf). The customer service management criteria can be found on page 14. Service coordination, a key component of customer service for MTCU, can be found on page 11.

## Accessibility for Ontarians with Disabilities Act

The Government of Ontario has passed the "Accessibility for Ontarians with Disabilities Act." This Act calls on the business community, public sector, and the not-for-profit sector to develop, implement and enforce mandatory accessibility standards. Accessibility standards are the rules that businesses and organizations in Ontario will have to follow to identify, remove and prevent barriers to accessibility.

The first standard to come into effect under this Act is the **Accessibility Standards for Customer Service**. This standard came into force for Ontario's public sector on January 1, 2010.

Ontario is also developing standards in the areas of:

- ▶ Built environment (buildings and other structures)
- ▶ Employment
- ▶ Information and communications
- ▶ Transportation

The standards state what businesses and other organizations in Ontario must do to provide their goods and services in ways that are accessible to people with disabilities.

For more information on the "Accessibility for Ontarians with Disabilities Act," please see:

- ▶ [www.mcass.gov.on.ca/en/mcass/programs/accessibility/](http://www.mcass.gov.on.ca/en/mcass/programs/accessibility/)
- ▶ [www.mcass.gov.on.ca/en/accesson/index.aspx](http://www.mcass.gov.on.ca/en/accesson/index.aspx)

## Additional Resources and Training

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ABOUT.COM has a very useful article called “*The 10 Commandments of Great Customer Service*” at:  
<http://marketing.about.com/od/relationshipmarketing/a/crmtopten.htm>

The Ontario Government, under the **Ministry of Community and Social Services**, brought in mandatory customer service accessibility standards for people with disabilities. For more information about the standards see: [www.mcsc.gov.on.ca/en/mcsc/programs/accessibility/ComplyingStandards/index.aspx](http://www.mcsc.gov.on.ca/en/mcsc/programs/accessibility/ComplyingStandards/index.aspx)

You can view the Ontario Government’s *Accessibility Standards* for providing customer service to people with disabilities at: [www.mcsc.gov.on.ca/en/accesson/developing\\_standards/standards\\_customer.aspx](http://www.mcsc.gov.on.ca/en/accesson/developing_standards/standards_customer.aspx)

The Ministry of Community and Social Services created this online course called “Serve-Ability: Transforming Ontario’s Customer Service.” They have designed this course to help people better serve customers with disabilities. The course takes approximately 45 minutes to complete. See: [www.mcsc.gov.on.ca/mcsc/serve-ability/splash.html](http://www.mcsc.gov.on.ca/mcsc/serve-ability/splash.html)

The Ministry of Community and Social Services has produced an excellent series of online videos on “*Serving Customers with Disabilities*.” Topics include: understanding the needs of customers with disabilities; how to effectively serve customers with disabilities, identifying barriers to accessibility; and accessibility solutions. See: [www.mcsc.gov.on.ca/en/accesson/videos/index.aspx](http://www.mcsc.gov.on.ca/en/accesson/videos/index.aspx)

For those wanting to consider the customer service needs of funders and donors, this article by Canadian Fundraiser called “*New generation of donors demands better customer service, greater accountability*” provides some interesting insights: [www.charityvillage.com/cv/research/rsta1.html](http://www.charityvillage.com/cv/research/rsta1.html)

Customer First UK has created 32 customer service steps to excellence. These 32 steps provide a solid foundation for effective customer service practices. See: [www.customerfirst.org/Standards.aspx](http://www.customerfirst.org/Standards.aspx)

Here is the main website of Customer Service Professionals:  
[www.customerservicemanager.com/?gclid=CN\\_j0OqQkJ4CFQk75QodqVi0nA](http://www.customerservicemanager.com/?gclid=CN_j0OqQkJ4CFQk75QodqVi0nA). This site is well worth visiting as they post highly informative yet concise articles on diverse customer service topics.

Customer Service Professionals covers many of the basic strategies for customer service excellence in its article “*10 Tips For Impeccable Customer Service*.” See: [www.customerservicemanager.com/10-tips-for-impeccable-customer-service.htm](http://www.customerservicemanager.com/10-tips-for-impeccable-customer-service.htm)

For those interested in learning more about delivering training on this topic, read this practical article by Customer Service Professionals called “*Ten Tips for Effective Customer Service Training*.” See: [www.customerservicemanager.com/ten-tips-for-effective-customer-service-training.htm](http://www.customerservicemanager.com/ten-tips-for-effective-customer-service-training.htm)

Customer Service Professionals has also produced an informative article on “*Effective Complaint Management: 12 Steps to Customer Delight*” at: [www.customerservicemanager.com/effective-complaint-management.htm](http://www.customerservicemanager.com/effective-complaint-management.htm)

The Foundation Group offers sound customer service advice on providing customer service to funders and donors in *“Six Ways to Really Scare Away Your Donors.”*

See: [www.501c3.org/blog/scaring-your-donors/](http://www.501c3.org/blog/scaring-your-donors/)

The Government of the United Kingdom has created a phenomenal website called *“Customer Service Excellence.”* Resources on this website include standards, tools for self-assessment and evaluation, tools for measuring customer service, best practices, case studies, and much more.

See: [www.cse.cabinetoffice.gov.uk/homeCSE.do](http://www.cse.cabinetoffice.gov.uk/homeCSE.do)

The Institute for Citizen-Centred Service has created *“A How-to Guide for Service Improvement Initiatives”* that you can access at: [www.emeraldstrategies.net/buzz/bookshelf/](http://www.emeraldstrategies.net/buzz/bookshelf/service-improvement-how-to-guide-canada.pdf)

[service-improvement-how-to-guide-canada.pdf](http://www.emeraldstrategies.net/buzz/bookshelf/service-improvement-how-to-guide-canada.pdf)

Managance Consulting has created a helpful resource on customer service called *“Nonprofit Organizations and Customer Service: Handbook for Creating Customer Feedback Systems.”*

See: [www.managance.com/resources/media/NonProfitOrgsAndCustomerService.pdf](http://www.managance.com/resources/media/NonProfitOrgsAndCustomerService.pdf)

For those particularly interested in volunteers and customer service, My Solution Spot has written the following article: *“Customer Service in Non-Profit Organizations: Five Ways to Bring it into Focus.”*

See: [www.mysolutionspot.com/customer-service/  
customer-service-in-non-profit-organizations-five-ways-to-bring-it-into-focus-1285/](http://www.mysolutionspot.com/customer-service/customer-service-in-non-profit-organizations-five-ways-to-bring-it-into-focus-1285/)

Starbucks is known for its excellence in customer service. Check out this YouTube video to learn more about their principles and practices: [www.youtube.com/watch?v=6M0TgEUBRbc&feature=related](http://www.youtube.com/watch?v=6M0TgEUBRbc&feature=related)



# 6

## Other Topics



CAPACITY PLUS

### Introduction

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In this chapter, Community Literacy of Ontario (CLO) covers four key topics related to organizational capacity:

- ▶ Strategic planning
- ▶ Program evaluation
- ▶ Board governance
- ▶ Marketing

These topics have been combined into this “Other” chapter, as opposed to having a separate chapter about each. We did not create separate chapters for each of these topics because CLO has already prepared exemplary resources on these topics. This “Other” chapter will instead provide an overview, point you to CLO resources, and highlight several helpful new resources from other organizations related to these key topic areas.

### Program Evaluation

Program evaluation is an important component of agency capacity. Program evaluation helps you to gather and assess information on areas of agency success and areas where improvements are needed. Evaluation can tell you and your funders, learners, volunteers and the general public about the impact of your program and difference it makes in your community.

#### CLO Resources on Program Evaluation

In order to help our member agencies with this important topic, Community Literacy of Ontario researched and wrote a self-study module on program evaluation. This module can be found on our Literacy Basics online self-study training website at [www.nald.ca/literacybasics](http://www.nald.ca/literacybasics)

CLO's Program Evaluation training module covers the following key topic areas:

- ▶ Outcomes-Based Evaluation
- ▶ Who is Responsible for Program Evaluation?
- ▶ Definitions and Terminology
- ▶ From Planning to Doing
- ▶ Outcomes and Indicators
- ▶ Data Collection
- ▶ Analyze, Report and Use your Findings

Community Literacy of Ontario wrote a useful resource guide called "*SmartSteps to Organizational Excellence*." This guide includes two chapters about evaluation:

- ▶ Program Evaluation: Making it Work
- ▶ Organizational Outcomes: A Practical Approach

You can access this guide online at: [www.nald.ca/clo/resource/smartsteps/cover.htm](http://www.nald.ca/clo/resource/smartsteps/cover.htm)

Continuous Improvement Performance Management System (CIPMS) or Performance Management is a framework for program measurement. As such, it is directly related to program evaluation. Given that CIPMS is currently being implemented in the Ontario literacy community, CLO has prepared a variety of practical resources on this topic.

Community Literacy of Ontario is pleased to share the following resources and training opportunities on CIPMS:

- ▶ Our CIPMS Online Classroom on Moodle  
<http://clo.alphaplus.ca>
- ▶ CLO's recording of our CIPMS Training Online on Centra  
[www.nald.ca/litweb/province/on/clo/resource/cimps\\_centra/cimps\\_centra.pdf](http://www.nald.ca/litweb/province/on/clo/resource/cimps_centra/cimps_centra.pdf)
- ▶ CLO's "ABCs of CIPMS Resource Manual"  
[www.nald.ca/litweb/province/on/clo/resource/cimps/cimps.pdf](http://www.nald.ca/litweb/province/on/clo/resource/cimps/cimps.pdf)
- ▶ Our CIPMS online self-study training on Literacy Basics  
[www.nald.ca/literacybasics/cimps/intro/01.htm](http://www.nald.ca/literacybasics/cimps/intro/01.htm)

## Other Resources and Training on Program Evaluation

Given the importance of program evaluation in the non-profit sector, you will also be able to find a wide variety of resources on this topic in both printed formats and on the Internet. To start you off, here are some of the resources that CLO has found helpful:

- ▶ A highly recommended resource is "*Measuring Program Outcomes: A Practical Approach*" from United Way Canada. This resource is not online, but the table of contents, along with some excerpts, can be viewed at

[www.liveunited.org/Outcomes/Resources/MPO/](http://www.liveunited.org/Outcomes/Resources/MPO/) Contact your local United Way to order the complete guide.

- ▶ Well-known expert in program evaluation Carter McNamara has written a helpful guide called “*Basic Guide to Outcomes-Based Evaluation for Nonprofit Organizations with Very Limited Resources*.” See: [www.managementhelp.org/evaluatn/outcomes.htm](http://www.managementhelp.org/evaluatn/outcomes.htm)
- ▶ Carter McNamara has also written “*Basic Guide to Program Evaluation*.” This resource includes information on the basic ingredients of program evaluation, planning for evaluation, types of evaluation, and information on data collection, reporting and analysis. See: [www.managementhelp.org/evaluatn/fnl\\_eval.htm](http://www.managementhelp.org/evaluatn/fnl_eval.htm)
- ▶ You can find a practical 50-page “*Monitoring and Evaluation Toolkit*” written by Janet Shapiro of Civicus. This kit includes basic principles, best practices, resources, and a glossary of terms on program evaluation at: [www.civicus.org/new/media/Monitoring%20and%20Evaluation.pdf](http://www.civicus.org/new/media/Monitoring%20and%20Evaluation.pdf)
- ▶ Charity Village ([www.charityvillage.com](http://www.charityvillage.com)) has a whole host of valuable resources on program evaluation (and many other topics!). One example is the excellent article by Eli Bennett called “*Outcome Measurement: An introduction to mission delivery*” at [www.charityvillage.com/cv/research/rom70.html](http://www.charityvillage.com/cv/research/rom70.html)

## Board Governance

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The topic of board governance is extremely important. An effective board of directors closely links a non-profit organization to its community and provides critical oversight of agency operations. The board of directors is legally responsible for the governance of the organization. Within that mandate is the expectation that the board will develop, implement and monitor policies that will allow the organization to carry out its work in a successful and responsible manner. A board is elected by, and accountable to, its membership. While a board may appoint staff and/or committees to carry out specific work related to its policies, programs and services, the board is ultimately responsible for meeting agency outcomes.

### CLO Resources on Board Governance

In order to help organizations to further develop and strengthen their board governance practices, Community Literacy of Ontario designed a self-study module on board governance. This module can be found on our Literacy Basics online self-study training website at [www.nald.ca/literacybasics](http://www.nald.ca/literacybasics). It was launched in December 2009.

CLO's Board Governance training module examines effective governance practices in the areas of:

- ▶ Board Roles and Responsibilities
- ▶ Governance Structures
- ▶ The Board and Risk Management
- ▶ Board Development
- ▶ Effective Board Meetings
- ▶ Evaluation

CLO's online training module has also been formatted into a printed "*Board Governance Resource Guide*." You can download this guide from CLO's website here: [www.nald.ca/clo/resource/boardgov/boardgov.pdf](http://www.nald.ca/clo/resource/boardgov/boardgov.pdf)

Community Literacy of Ontario has also created a "*Course Manual for the Online Workshop on Board and Staff Relationships and Responsibilities*." This course manual was written in 1999 and it covers the following topics:

- ▶ Introduction to Board / Staff Relationships and Roles
- ▶ Legal Issues for Organizations
- ▶ Who Does What in Your Organization?
- ▶ Policy and Management in Non-Profit Organizations

- ▶ Models of Governance
- ▶ Deciding Where You Want to Be — Building a Shared Vision
- ▶ Pulling It Together and Pulling Together — Effective Communications
- ▶ Staff Reporting and Board Monitoring

This resource is available online at: [www.nald.ca/clo/resource/tandt2.htm](http://www.nald.ca/clo/resource/tandt2.htm)

### Other Resources and Training on Board Governance

There is a wide array of helpful resources on board governance available in printed form and on the Internet. CLO recommends searching the web for additional resources that are particularly suited to your needs. Here are some great places to start:

- ▶ There are many helpful resources available on the website of The Institute on Governance (IOG) at [www.iog.ca/](http://www.iog.ca/). For example, the IOG has a series of E-Learning Tools which cover topics such as “Assess Your Board Governance”; “Governance Basics”; “Bylaws and Policies”; and “Practical Tips.” You can find these resources at: [www.iog.ca/boardgovernance/index.html](http://www.iog.ca/boardgovernance/index.html)
- ▶ Imagine Canada’s Non Profit Risk Management Centre has compiled a variety of online articles, books and audio/visual clips on diverse topics relating to board governance at: <http://nonprofitrisk.imaginecanada.ca/node/898>
- ▶ United Way Canada has created an online training module on board development. This website includes sections on Board Roles and Models, Governance, Finance and Human Resources, and Board Fundamentals. See: [www.boarddevelopment.org/en/1/default.aspx](http://www.boarddevelopment.org/en/1/default.aspx)
- ▶ Volunteer BC has created a helpful online resource called “A-Z Directory for Board Governance” at [www.volunteerbc.bc.ca/tools/governance.html](http://www.volunteerbc.bc.ca/tools/governance.html)
- ▶ The Ministry of Justice and The Attorney General of Saskatchewan has an online tutorial for directors of non-profit organizations. Some of the material is specific to Saskatchewan, but it also includes general topics of interest. See: [www.justice.gov.sk.ca/NPT/CHP2-introduction.shtml](http://www.justice.gov.sk.ca/NPT/CHP2-introduction.shtml)

## Strategic Planning

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Strategic planning involves looking at where you are now, making decisions about where you want to be in the future and deciding how you will move from here to there. Strategic planning is about improving your organization and planning for success, using a defined, focused and structured process.

### CLO Resources on Strategic Planning

Community Literacy of Ontario created an online, self-study training module on strategic planning. This module is designed to provide literacy agencies and others with step-by-step procedures and tools to take an organization through an effective strategic planning process. This module can be found on our Literacy Basics online self-study training website at [www.nald.ca/literacybasics](http://www.nald.ca/literacybasics)

CLO's strategic planning module covers the following topic areas:

- ▶ Getting Started
- ▶ Process Overview
- ▶ Needs Assessment
- ▶ Evaluation
- ▶ Decision-Making
- ▶ Implementation
- ▶ Monitoring

### Other Resources and Training

A wide variety of resources on strategic planning is readily available in both print and online formats. Just search the Internet to find additional resources that best suit the needs of your organization. Here are a few resources that CLO has found particularly useful.

- ▶ Carter McNamara is a well-known strategic planning guru. Check out his valuable online resource called “*Strategic Planning in Non Profit Organizations*” at [www.managementhelp.org/plan\\_dec/str\\_plan/str\\_plan.htm](http://www.managementhelp.org/plan_dec/str_plan/str_plan.htm)
- ▶ A company called Virtual Strategist has prepared user-friendly and highly effective (and free!) videos on various aspects of strategic planning. Each video is jam-packed with practical and informative advice and is between four to five minutes long.
  - Choosing Your Strategic Objectives  
<http://mystrategicplan.com/resources/choosing-your-strategic-objectives/>
  - How to Set SMART Goals:  
<http://mystrategicplan.com/resources/how-to-set-smart-goals/>

- SWOT Analysis: How to Perform One for Your Organization  
<http://mystrategicplan.com/resources/swot-analysis-how-to-perform-one-for-your-organization/>
- The Secret to Strategic Implementation  
<http://mystrategicplan.com/resources/the-secret-to-strategic-implementation/>
- ▶ The Clinch Valley Literacy Council in Tennessee has created an extremely helpful website on strategic planning as modelled by a literacy organization. Their site includes: an overview of the strategic planning process; the benefits; and samples of their actual plan, timelines and worksheets. See: [www.helpmetoread.com/basicsofastrategicplan.htm](http://www.helpmetoread.com/basicsofastrategicplan.htm)
- ▶ Western Michigan University prepared a useful guide called “*Strategic Planning in Smaller Nonprofit Organizations: A Practical Guide for the Process.*” It is available online at: [www.wmich.edu/nonprofit/Guide/guide7.htm](http://www.wmich.edu/nonprofit/Guide/guide7.htm)
- ▶ The TCC Group has prepared a helpful online resource called “*Ten Keys to Successful Strategic Planning for NonProfit and Foundation Leaders.*” See: [www.tccgrp.com/pdfs/per\\_brief\\_tenkeys.pdf](http://www.tccgrp.com/pdfs/per_brief_tenkeys.pdf)

## Marketing

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Literacy practitioners have long recognized the importance of promoting their programs to learners, volunteers, diverse community stakeholders, funders, and local agencies delivering training, employment and social services. Often, however, literacy practitioners do not have time to stop, take stock, and engage in more strategic marketing. Marketing is especially important given the new and changing environment we are operating within. Community Literacy of Ontario has created some excellent marketing resources and training tools. We have also gathered resources and tools from other organizations on this critical topic.

### CLO Resources on Marketing

CLO has produced an online self-study training module on marketing. This helpful training module will lead you through a step-by-step process for marketing your agency. This module can be found on our *Literacy Basics* online training website at [www.nald.ca/literacybasics](http://www.nald.ca/literacybasics)

Our marketing module includes information on these and other topics:

- ▶ The Marketing Circle
- ▶ Targeting
- ▶ Features and Benefits
- ▶ Wants and Needs
- ▶ Positioning and Buy-In
- ▶ Customer Service
- ▶ The Marketing Continuum
- ▶ Community Engagement and Branding

We've also created a resource guide called "*Marketing Ourselves: A resource guide for Ontario's community literacy agencies.*" This resource covers many of the above topics, but adds more details and sample activities.

See: [www.nald.ca/clo/resource/marketing/cover.htm](http://www.nald.ca/clo/resource/marketing/cover.htm)

Community Literacy of Ontario is currently sponsoring a project called: *Online Promotion of Literacy to Employment Ontario Partners*. In this project, CLO will create five informative, audio-visual, user-friendly, and easy-to-access online presentations to educate stakeholders about literacy and literacy issues. These presentations will help to:

- ▶ Increase awareness among Employment Ontario partners and other stakeholders about the importance of literacy and LBS agencies

- ▶ Educate partners and stakeholders about the role played by LBS agencies in supporting adults to increase their literacy skills and gain access to other employment and training services
- ▶ Underline the strong correlation between enhanced literacy skills and success in other employment and training programs

The presentations will be developed online so that they can be easily shared via email, over the Internet or via CLO's website. Having information in this format will make it easy for stakeholders to access CLO's informative and user-friendly literacy presentations at their convenience. These online presentations will be available in June 2010 on CLO's website: [www.nald.ca/clo/](http://www.nald.ca/clo/)

CLO's March 2008 newsletter summarized the results of our marketing survey of community literacy agencies in Ontario. This newsletter provides a summary of successful strategies used by 55 literacy agencies across the province for outreach to learners, community marketing, and community partnerships. See: [www.nald.ca/clo/newslet/mar08/1.htm](http://www.nald.ca/clo/newslet/mar08/1.htm)

CLO's *Learner Recruitment* module on Literacy Basics includes information on outreach strategies and outreach tools and resources. See: [www.nald.ca/literacybasics/recruite/where/01.htm](http://www.nald.ca/literacybasics/recruite/where/01.htm)

We've also created an *Employment Ontario* module on Literacy Basics. This module includes information on marketing such as assessing the new marketing environment, and marketing to learners and partners. You can access it at: [www.nald.ca/literacybasics/employ-o/intro/01.htm](http://www.nald.ca/literacybasics/employ-o/intro/01.htm)

"A Happy Media: Using Public Relations to Meet Your Outreach Needs" is based on a workshop delivered to participants at Community Literacy of Ontario's Annual General Meeting and Conference in October 2000. You can find this workbook online at: [www.nald.ca/clo/resource/Happy\\_M/1.htm](http://www.nald.ca/clo/resource/Happy_M/1.htm)

## Other Resources and Training on Marketing

The Ontario Literacy Coalition has implemented several provincial social marketing campaigns. You can access materials on OLC's 2001–2003 marketing campaign called "What Did You Learn Today?" at: [www.on.literacy.ca/whatwedo/activities/awareness/pastmarketing/whatdidyoulearn](http://www.on.literacy.ca/whatwedo/activities/awareness/pastmarketing/whatdidyoulearn)

As well, click here to access resources and materials from the Ontario Literacy Coalition's 2005 "Take A Step" marketing campaign: [www.on.literacy.ca/whatwedo/activities/awareness/pastmarketing/takeastep](http://www.on.literacy.ca/whatwedo/activities/awareness/pastmarketing/takeastep)

“Suite101” features various valuable articles and resources on marketing on its “Non-Profit Marketing” website. To access these helpful tools, click on: <http://non-profit-marketing.suite101.com/>

Another helpful resource is “Katya’s Non-Profit Marketing Blog.” You are sure to find fresh and interesting marketing insights here! See: [www.nonprofitmarketingblog.com/](http://www.nonprofitmarketingblog.com/)

The Freedom Academy’s Non-Profit Community has created an online video called “The 1-Page Marketing Plan for Nonprofits.” This video is concise, practical and full of effective tips. You can access it at: [www.youtube.com/watch?v=RwmyrWxac8](http://www.youtube.com/watch?v=RwmyrWxac8)

The “Network for Good” has a non-profit marketing website that offers links to many resources and tools on marketing. You can view it here at: [www.fundraising123.org/nonprofit-marketing](http://www.fundraising123.org/nonprofit-marketing)

Richard Male & Associates has prepared “10 Tips for a Sound Marketing/PR Strategy” which offers helpful marketing tips for non-profit organizations. See: [www.richardmale.com/richtips/July142005.htm](http://www.richardmale.com/richtips/July142005.htm)

Laura Lake from “About.com” has written a practical and easy to read article called “Eight Basic Steps to Marketing Your Nonprofit Organization.” See: <http://marketing.about.com/cs/onprofitmrktg/a/8stepnonprofit.htm>

Literacy agencies can take advantage of current marketing techniques using Web 2.0 (or social media) technologies to help them market their agencies and engage stakeholders more effectively. Check out these resources to learn more:

- ▶ AlphaPlus Centre’s “Opening Doors” blog overviews the Web 2.0 resources, tools, and training that AlphaPlus will be offering to Ontario literacy practitioners. See: <http://training.alphaplus.ca/etools>
- ▶ The “Getting Online: Distance Education Promising Practices for Canadian Literacy Practitioners” Project has an excellent online overview of Web 2.0 and the various technologies.  
See: [www.nald.ca/gettingonline/technology/web2-0.htm](http://www.nald.ca/gettingonline/technology/web2-0.htm)
- ▶ Laura Lake of About.com in “Social Media Marketing Benefits for Nonprofit Organizations” offers a concise overview of Web 2.0 technologies and their importance to the nonprofit sector.  
See: <http://marketing.about.com/od/internetmarketing/a/socialmedianonprofit.htm>
- ▶ The Case Foundation has prepared a variety of online social media tutorials to help non-profits understand and use Web 2.0 technologies. These tutorials are called “Geared Up For Giving” and can be found at: [www.casefoundation.org/social-media-tutorials](http://www.casefoundation.org/social-media-tutorials)