

Preschool Governance Primer

Society

The preschool operates as a not for profit society in BC under the 'Societies Act' and is an incorporated not-for-profit recognized by the Canada Revenue Agency (CRA). Most everything to do with the operation of a society, its bylaws, etc., can be found in the act:

http://www.bclaws.ca/civix/document/id/complete/statreg/15018_01

Directors

The board of directors is responsible for the management and operation of the society/corporation. Directors are legally required to exercise their power with competence and diligence in the best interests of the corporation. They owe what is called a "fiduciary duty" to the society/corporation.

As a general rule, directors are not personally liable for the contracts of, or the actions or omissions of, the corporation. There are exceptions to this general rule. Directors may be held personally liable for breaches of their fiduciary duty.

The Industry Canada publication *Primer for Directors of Not-for-Profit Corporations* is recommended reading for directors:

Chapter 2: Duties of Directors

Chapter 3: Liability of Directors

https://www.ic.gc.ca/eic/site/cilp-pdci.nsf/eng/h_cl00688.html

Members

Members play an important role in the governance of the society. Specific roles and responsibilities include:

- receive notice of and vote at general meetings
- election and dismissal directors
- approve changes to bylaws
- access the society's records
- receive annual financial statements
- approve major or fundamental changes

Bylaws

Bylaws are required by the Societies Act and contain provisions respecting internal affairs of the society, specifically:

- membership
- directors

- general meetings
- restrictions on activities or powers that the society may exercise.

Bylaws change infrequently. Any change must be passed by special resolution at a general meeting of members and uploaded to Societies Online with the applicable change fee (\$50).

Board Policies

Policies are set by the board, and are an important tool in performing the board's duty to govern the operation and organizational practices of the society. eg: enrolment, safety, allergies, discipline, injury or illness, child protection, earthquake, fire, etc.

Bylaws Section-by-Section

The current bylaws are based on the model bylaws (provided with the 2016 Societies act) and modified as necessary.

PART 2 – MEMBERS

Parents play an integral role in the preschool through their participation, assigned jobs, and attendance at meetings. Decision making is collaborative and consensus based.

Members fulfil a specific role in the governance of the society/corporation. The bylaws are written to ensure a robust membership exists to fulfil this role in the simplest and most straightforward way.

The bylaws and the act provide for members not in good standing and termination and expulsion of members. This applies only to membership and does not equate to program enrollment or withdrawal of a family from a preschool program. The board at their sole discretion may require a family to withdraw from a preschool program.

2.1 – Each parent or guardian automatically becomes a member on the first day of class, and ceases to be a member two (2) months following the last day of class. Each parent is entitled to one vote at a general meeting. In this way the board doesn't need to vote to induct members.

2.2 – Additionally the board may vote to induct members as they see fit. eg: an interested person or caregiver who is not currently a parent of a child attending could become a member for a term determined by the board.

2.5 – Dues are separate from program fees or deposits; the preschool does not generally have annual membership dues.

PART 3 - MEETINGS

Members must receive notice at least 14 days, and no more than 60 days before a general meeting (section 77 of the act).

Quorum (the minimum number of members required to conduct business at a meeting) is set at 10% of members. An up-to-date membership list is required to determine quorum and voting eligibility. As an example; assuming 30 families and two parent/guardians per family = 60 members total, and 6 members required to satisfy quorum. There may be instances where two years' families are members concurrently if it's been less than three months since the previous year's last class.

3.2 – Ordinary business is put to members by ordinary resolution and passed by simple majority vote of those in attendance.

3.3 – Special business: the bylaws and the act outline specific circumstances where a higher threshold is required. eg: alteration to bylaws, removal of director, discipline or expulsion of member, etc. The text of any special resolution must be included in the meeting notice; a special resolution is passed by at least 2/3 vote of those in attendance.

PART 4 - DIRECTORS

Directors oversee the management and operation of the society. For the purposes of the bylaws and the act, four specific positions must be filled: president, VP, treasurer and secretary. Additional persons serve as directors at large.

The act (section 40-47) outlines qualifications and requirements for the election of directors – worth a read.

Non-members may be elected as directors.

4.3 – This ensures continuity of directors in the event that directors are not elected before the end of the one year term.

PART 5 – DIRECTORS MEETINGS

The authority to govern the society lies with the board and is exercised at meetings of the board of directors (not by individual directors). In order to conduct business, a meeting must be called and quorum satisfied. The act requires minutes to be kept including the text of each resolution passed (see section 20 (2)). The directors may hold meetings as they see fit.

PART 6 – BOARD POSITIONS

6.3 - 6.7 – Standard roles and responsibilities for specific board positions are outlined. Directors have leeway to delegate these responsibilities to align with actual/historical work sharing on the board.

PART 8 – EDUCATOR

8.2 – The educator and/or other staff are not generally members of the society. Provision for the educator to receive notice of and speak at general meetings is covered here. The educator may attend board meetings by convention or policy and is otherwise invited at the discretion of the board.

PART 9 – FINANCE

This section is an addition to the model bylaws to increase financial accountability of the board.