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POLICY

All employees and volunteers will strive to avoid any conflict of interest between the interests of the Organization on the one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

PURPOSE

The purposes of this policy is to protect the integrity of the Organization's decision-making process, to enable our stakeholders to have confidence in our integrity, and to protect the integrity and reputation of volunteers, employees and committee members.

SCOPE

All employees and volunteers.

RESPONSIBILITY

Employees and volunteers are responsible to follow the policy and report any breaches of the policy to their immediate supervisor.

DEFINITION


Conflict of interest refers to situations in which personal interests (including financial interests) may compromise, or have the appearance of, or potential for, compromising professional judgement and integrity and, in doing so, the best interests of the Organization.

FINANCIAL GAIN

- The receipt of any type of payment for the referral of any individual served is prohibited.
- No employee shall have a direct or indirect financial interest in the assets, leases, or business transactions of the Organization.
- No employee or member of the Board of Directors of the Organization shall have a direct or indirect financial interest in the assets or leases of the Organization. Any member who individually, or as part of a business or professional firm, has an involvement in the business transactions of the Organization, shall completely disclose this relationship and shall not participate in any vote taken with respect to such transaction or services.
- The direct referral of the Organizations' applicants, individuals served and/or families to any private practice in which the referring Organizations' employees may be engaged is prohibited.

HONORARIUM/GIFT

- The arranging of the Organization's services to any prospective individual for service shall be done in accordance with the Organizations' bylaws and policies and there shall be no preferential treatment provided to any of the persons covered by this policy.

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- Honorariums and/or gifts from individuals served, to individuals served or their families for the purpose of a bribe and/or payoff for services anticipated or rendered shall not be offered or received.
- Honorarium and gifts may be accepted and/or offered for cultural/ceremonial purposes.
- Other honorarium and gifts may be accepted and/or offered if they have a minimal monetary value under \$100.00.
- All bequeaths from individuals served will be acknowledged and used for the benefit of the Organization.
- Employees must report all gifts/honorariums that they receive to their direct supervisor who will ensure it gets recorded properly for accounting.

HIRING OF RELATIVES

The Organization shall not give preferential treatment in hiring relatives of employees. However, this shall not prevent relatives of employees from applying for positions they are qualified for, and going through the recruitment and selection process.

A relative is defined as anyone with a blood relationship, marriage relationship (including common-law marriage), in-law relationship (including common-law in-law relationships) of any employee, contractor, consultant, trainee, volunteer or member of the Board of Directors of the Organization.

The Organization does not encourage the employment of relatives, but in those circumstances where employment of a relative is deemed appropriate, the CEO will consider the following:

- a) Employment of a relative is solely upon the basis of merit and qualification.
- b) Supervisor/subordinate relationships.
- c) The potential of favoritism.


In situations that involve hiring a relative of the CEO the Board of Directors will consider the following:

- a) Employment of a relative is solely upon the basis of merit and qualification.
- b) Supervisor/subordinate relationships.
- c) The potential of favoritism.

At no time shall a relative be involved with the auditing, receiving or handling of monies from a relative within the Organization.

Any employee who becomes a relative as defined above or engages in a personal relationship with another employee; shall immediately advise their supervisor of that situation.

Relatives can access services if they meet the entrance criteria of the program. Confidentiality will be maintained and their file may be restricted if they request it.

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POLICY

See below an overview of Unlimited Potential finance, segregation of duties, purchasing, reporting and accounting policies.

REQUEST FOR PURCHASE

All requests for expenditures must be submitted to the Program Manager on a Purchase/Cheque/EFT Request form (Ac-04). The request must be approved by the CEO prior to processing.

The Executive Assistant 1 and those who have been given the responsibility to purchase material and supplies for the Organization will ensure such purchases are approved and, further, that the purchases are carried out with the best possible price, quality and guarantee in mind.

PURPOSE


Establish consistent accounting and purchasing guidelines in accordance with generally accepted accounting practices. To establish financial accountability of all funds and expenditures. Provide financial reporting and appropriate oversight over all financial operations.

SCOPE

UP has entered into a service agreement with MPOWR to provide all accounting, administrative and maintenance services. The following are authorized to purchase: CEO, Directors, Managers, House managers, Maintenance Supervisor and Executive Assistant 1. UP and MPOWR Board and leadership will provide all financial controls, reporting, and oversight.

RESPONSIBILITY**FINANCIAL ACCOUNTABILITY**

The Board and Leadership of Unlimited Potential Community Services Society recognize that financial accountability of provincial grants, tuition generated, and any other funds that flow through the operation of the organization is essential to ensure the trust of our stakeholders and the integrity of services that we offer to our stakeholders, funders, e.g. Alberta Education, Alberta Social Services, Alberta Health, clients, students, Charity Canada and community. As such, the Board and Leadership will put in place protocols which comply with *Private Schools Regulation (AR 127/2022)* any other funder's policies that are stated in contract or legislation and which follow the accepted accounting standards issued by the Accounting Standards Board and detailed in the appropriate handbook of the Chartered Professional Accountants of Canada, CPA, and reflect the most effective practices of other independent schools in Alberta and Canada to ensure transparent and ethical use of all the school's (society's) funds. Furthermore, the board and leadership are committed to revising these protocols annually in light of all recommendations from its audited Annual Financial Statements. The board will ensure that the most recent edition of its

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Financial Accountability Policy is made publicly available before the start of each year end.

The board and leadership is committed to ensuring that appropriate **internal controls** are in place including,

- A. **Segregation of duties** in which the four following areas will be separated:
 - a. Authorization or approval
 - b. Custody of assets (will be separated from accounting to enable a good audit trail)
 - c. Recording transactions, and Reconciliation/control activity

The board and leadership is furthermore committed to ensuring that the **role of its leadership, with respect to its financial matters** provide the following:

- A. Regular financial reports to the board including variance explanations.
- B. Make financial decisions and allocate resources according to the board's and Organizations strategic plan, annual budget, mission, and mandate.
- C. Comply with all legislated and regulatory requirements.
- D. Transparency and accountability for all financial transactions.
- E. Appropriate oversight over all financial operations.

PURCHASING

The Accountant or Executive Assistant 1 will either issue a purchase order or will purchase the item(s) requested.


The following staff are authorized to purchase and to issue purchase orders on behalf of the Organization:

- The CEO - all areas
- Director – their area
- Manager – their area
- House Manager & Supervisor – their area
- Purchasing Agent - all areas
- Director of Accounting & Human Resources- all areas
- Accounting - all areas
- Property/Maintenance Supervisor - property and vehicle areas

Authorization for purchase(s) is given when the following criteria are met:

- a. There is a real need for such item(s) in order to allow the Organization to operate in an efficient manner.
- b. That budgetary requirements are met.
- c. The item(s) are purchased, with regard to quality, price and guarantee, to the advantage of the Organization.

Approval Amounts

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- CEO – no limit (As per Budget Limits)
- Directors – 2,500.00
- Managers – 1,300.00
- Assistant Manager of Community Services 600.00
- House Managers & Supervisors – 300.00

These approvals are for regular purchases. Your supervisor should confirm any non-regular purchases before they occur.

CREDIT CARDS

The Organization's credit cards are supplied to:

CEO – 5,000 limit
 Executive Assistant for Directors – 35,000 limit
 Directors – 13,000 limit
 Program Manager – 5,000 limit
 House Manager 5 - 12 bed program – 5,000 limit
 House Manager 1- 4 Bed program 2,500 limit
 Supervisor 2,500 limit
 SIL front-line staff – 1,500 limit

Credit cards are only to be used in the following instances:
 All credit card purchases must use the same purchase approval process.


All staff in possession of a credit card will sign a document making the cardholder responsible for any and all purchases on his/her card including any unauthorized purchases.

There will not be any exceptions made to this procedure.

Credit cards are not to be used for personal use. Should the card be used for any unauthorized business or personal use, the holder of the card will reimburse the Organization for the full amount in the time frame determined by the Director of Accounting and Human Resources. Abuse of the card will result in disciplinary action.

Credit card receipts, along with associated sales receipt or invoice, must be submitted to the Accounting Department within five (5) working days. If the sales receipt/invoice is not provided, on a separate piece of paper list each item purchased and attach to credit card receipt. Electronic version of receipt or invoice or backup is acceptable. Maintenance personnel must have receipts signed by Property/Maintenance Supervisor prior to being submitted to the Accounting Department.

PROCEDURE

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Request for replacement of articles, for example, toasters, coffee makers, etc., will be accompanied by the damaged item. The Executive Assistant for Directors and Program Manager will determine if it is feasible to repair or replace the item.


Maintenance Purchase Orders (P.O.)

- Purchase orders should be submitted for each item, or list of items requested and include location designated for and price quotation (if applicable).
- Back Orders – on the original P.O., cross item off, indicating back ordered. Prepare new P.O. and attach photocopy of original P.O. When back ordered item is received, attach both P.O. copies to the signed packing slip and forward to the Property/Maintenance Supervisor.
- Split Orders - photocopy original P.O. and attach to signed packing slip.
- Packing slips are to be signed by the receiver of the item and forwarded to the Property/Maintenance Supervisor for approval and signature.
- Defective items to be returned should be noted on the copy of the P.O.

When the purchase order transaction is completed, the copy of the P.O., along with the original receipt, will be returned to the Accounting Department for payment within 2 days.

REQUESTING A EFT/CHEQUE OR PURCHASE ORDER

1. Staff must go through the supervisor, who will fill out the Purchase EFT/Cheque Request form. (If there isn't a supervisor assigned to the site, staff must go through the Program Manager).
2. If the supervisor agrees with the purchase or request it is within the supervisors limit the purchase can occur. If not it would go to the Manager for approval. If the request is for a birthday or discharge gift, clothing, or an item that costs less than fifty dollars (\$50) (including GST), then the purchase request is forwarded to the Executive Assistant for Directors.
3. If the Program Manager agrees with the purchase or request it is within the managers limit the purchase can occur. If not it would go to the Director for approval.
4. If the Program Director agrees with the purchase or request it is within the Program Directors limit the purchase can occur. If not it would go to the CEO for approval.
5. If the CEO agrees with the purchase or request the purchase can occur.
6. The Purchase Cheque Request form, indicating approval or disapproval, will be returned to the frontline staff and or manager or supervisor and or director.
7. The Executive Assistant for Directors or staff will either purchase the item(s), or will issue a P.O. to the house manager, shift leader or supervisor or manager or director to go along with the request.
8. The house manager, shift leader or supervisor is wholly responsible for the P.O. He/she must ensure that the P.O. is used before the expiry date and that only the items on the P. O. are purchased.

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9. If a purchase is *not* made or the purchase order expires, the house manager, shift leader or supervisor must mark the purchase order and the request form Void and send both back to the Accounting Department.
10. When the purchase has been made, the house manager, shift leader or supervisor must sign in the stamped area that the goods were received - this indicates that the purchase was indeed made.
11. The original copy of the P.O., purchase receipt and purchase request must be sent into the Accounting Department within two (2) days of the purchase.
12. If a purchase is made and a purchase a receipt is not attached when the P.O. and request are forwarded to the Accounting Department, the individual will be required to forward the money to cover this expense, as no proof was provided to show that it was a company expense.
 1. 11.If an individual has not received a P.O. within three (3) days after submitting the request, he/she must phone the PA and quote the number on the Purchase Cheque Request form.

PURCHASE OF CLOTHING FOR THE INDIVIDUALS SERVED

Twice a year (Spring and Fall), the Organization will arrange to outfit the individuals served with needed clothing (at the expense of the Organization or other parties, as specified by the individual's contract). The yearly budget is 600.00 per client.

Keyworker/Purchasing Agent

For the purchase of clothing for the individuals served, see the procedures for Request for Purchase.

The key worker will ensure that the new individual served has appropriate clothing from the referring agency. If there are areas of deficiency, the referring agency must supply a clothing voucher to cover the needed clothing. The voucher should be issued to the Organization.

GROCERIES/SUPPLIES


The house manager, shift leader or designates will be responsible for purchasing groceries and supplies for their programs.

FRAUD/MISUSE OF FUNDS

Any discrepancies of funds will be investigated by the CEO or designate and appropriate action will be taken up to and including possible legal action.

OTHER

- Original receipts or electronic version of expenditures must be signed by the supervisor director/manager or house manager/supervisor prior to submission to Accounting Department.
- Prior approval of house manager/supervisor must be received before personally purchasing item(s) for the individual served and requesting reimbursement. If

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approved, after item(s) are purchased, submit an expense report, signed by the house manager/supervisor, to the Accounting Department for payment.

- Periodic (at least annually) internal and or external auditing of a sample of employee reimbursements claims.

ACCOUNTS PAYABLE

Cheque runs or electronic funds transfer occur bi-monthly, on Thursdays. All requests for accounts payable cheques must be submitted to the Accounting Department no later than three (3) working days before the run.

Accounts payable will be in accordance with generally accepted accounting practices.

PETTY CASH

Each program area has an established petty cash fund, which is monitored by the program manager and the Accounting Department.

The program manager must ensure that a proper paper trail exists to account for each petty cash fund.

PROCEDURES


House Managers/Supervisors

1. The petty cash requisition computerized form **MUST** be approved, and signed by, the house manager/supervisor prior to being submitted to the Accounting Department.

Petty cash requisition forms are to be submitted by Tuesday of each week.

Original vendor receipts for ALL expenses must be submitted; otherwise the expense will NOT be paid out. If the original receipts are missing, and expenses are determined legitimate, an expense sheet bearing the house manager's signature can be prepared and submitted.

2. It is the responsibility of the house manager/supervisor to collect monies from the staff who submitted any receipt(s) that were rejected by the Accounting Department.
3. The Individual Served Transfers: Indicate date and which program the individual served moved to and from.
4. The Individual served Allowance form will be completed weekly. This form should contain:
 - the name of the individual served
 - the amount of normal allowance provided
 - any increase for maintaining behavior level for the week
 - any increase for an allowance not paid previously due to Absent From Care, home visit or any other leave (notate reference date(s) being paid for audit trail).
 - any increase for chores performed (attach a job description signed by the individual served and dated by the supervisor)

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- any deduction for current Absent From Care, home visit or any other leave.
- any deduction for damages or fines (attach the agreement - to repay a set amount—*that has been signed by the individual*), and
- signature of the individual served (beside the summed total of the allowance after all increases and decreases) upon receipt of his or her allowance.

Recording Expenses


- Food treats to be coded as recreation
- Paid chores coded as the individual's training
- Good behavior incentive coded as additional allowance
- Second party billing coded as such - full amount to be charged
- An authorization form must be attached with the expense.

The petty cash form, used to keep track of the petty cash, is for staff control purposes only (i.e. used as a tool to determine whom to collect from for submitting improper receipts). This form is not required for reimbursement.

Receipts

- Debit card receipts will only be accepted if there is *store-printed* detail(s) of goods or services received on them.
- Gift certificates are not an allowable expense.
- Avoid sending in receipts for prepaid passes (use audit procedures instead).
- All purchases over fifty dollars (\$50) need PRIOR approval and are to go through Request for Purchase procedures for cheque issuance (rather than as petty cash purchase).
 - Petty cash can only be used if a cheque cannot be issued in time for the purchase; however, prior approval must have been received and must be attached to receipt when submitted.
- Movie receipts must show name of the movie (if not shown on front of receipt, staff to print name of the movie on the back of the receipt).
- Meal/treat receipts must have the names of the participants on the back of the receipt.
- Incentive Purchases - if details are not indicated on the front of the receipt, staff to print details on the back of the receipt.
- Parking receipts - if location not printed on the front of the receipt, staff to print location on the back of the receipt.
- Transit tickets - staff to print name of the individual served that used the ticket on the expense form.
- Extracurricular activities (i.e. swimming, bowling, etc.) receipts - staff to print names of participants on back of receipt.

Note: If sufficient space is not available on the back of the receipt to write required information, staff are to record information on a separate piece of paper and attach it to the receipt.

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Where tax is not shown as a separate item, it must be determined if the purchase includes tax. Tax is included on tape receipts and where a GST registration number appears.

The house manager or supervisor must ensure that petty cash is secured in a cash box, under one person's control, and placed in a safe location.

Accounting Department

- Scrutinizes every expense report
- Returns improper receipts to the house manager/supervisor for resolution.
- Reimburses expense reports received on Mondays or Tuesdays by Friday of the same week.

DONATIONS

All donations, whether in-kind, cash, cheque or credit card, electronic funds transfer must be recorded and a tax receipt issued. For donors not wishing to receive a tax receipt, the receipt is kept in the Accounting files.

Executive Assistant for Directors verifies all in-kind donations, including donor's name, address, description and value of donation.

All in-kind donations valued at five hundred dollars (\$500) or more, must be verified by obtaining three (3) estimates of same or similar object or service.

Cash and cheque donations are recorded in a log sheet, photocopied and then forwarded to the Accounting Department for processing.


ACCOUNTS RECEIVABLE

On a monthly basis, the following procedures will be completed:

- a. All out-of-contract individuals served will be billed for per diem as per their contracts. Any expenses that are not the Organization's responsibility (i.e. medication, clothing, etc., as detailed in the individual's contract) will be billed separately.

Billing for individuals served who are not Resident Students of the Government will be issued to the individual's home school district or parents/guardians.

- b. Accounts Receivable will be in accordance with generally accepted accounting practices.

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POLICY

The Organization opens investment accounts where needed to support operations. This policy establishes how investment accounts are to be opened, maintained, reconciled and closed.

PURPOSE

An investment is a financial account maintained by a bank or investment company that is expected to earn more interest than a bank account. The investment gains share value which increases the investment. Investments may also earn interest and or dividends.

SCOPE

All bank or Investment Company arrangements are the responsibility of the CEO upon approval from the Board of Directors.

RESPONSIBILITIES

The Organization's funds will be invested in either a short term or long-term investment. The CEO/Director of Accounting and Human Resources is responsible for the investment of the Organization's funds.

Interest earned from program contract grants, which are made in advance, should be budgeted as a source of income in a similar manner as donations. The amount of interest income should be based upon an analysis using a reasonable rate of interest applied to available funds as projected by the budget.

PROCEDURES

The certificates of investment must be:


1. Issued and guaranteed by a Canadian chartered bank, a treasury branch, a trust company, or a credit union or certified Investment Company.

OR

2. Issued or guaranteed by the Government of Canada or a province.
3. Bank or investment must confirm investment meets Charity Canada criteria (low risk).
4. Investments must be reconciled when the statement arrives by electronic means. Statements come in every month or every quarter depending on investment.
5. The CEO will pass on any investment annual or bi-annual summary reports to the board.

Certificates of investment(s) for the Organization's funds must adhere to all of the above. Statements, Certificates and Investments summary report will show the title information.

6. Investments will be in accordance with generally accepted accounting practices.
7. Investments balance will show up on the Monthly financial statements. It will also show the unrealized gains or losses on the balance sheet and statement of earnings. Interest income will also be reported on the statement of earnings.

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POLICY

Capital Assets are needed to support operations. This policy establishes how capital assets are to be determined.

PURPOSE

Capital Assets are assets with relatively long useful lives that are currently being used in operating the business. Because property, plant, vehicle, furniture and equipment benefit future periods their cost is matched to revenues over their estimated useful life through a process called amortization. Estimated useful life is considered to be infinite as land does not usually wear out or lose its value.

SCOPE

UP has entered into a service agreement with MPOWR to provide all accounting services. The accounting department determines what qualifies as a capital asset.


RESPONSIBILITIES

A capital asset policy is used to set a threshold which qualifying expenditures are recorded as fixed assets and are charged to expense as incurred.


In order to have a fair and equitable system for purchasing capital assets and disposing of obsolete and damaged equipment, plus an adequate method of tracking equipment and forecasting needs, the Organization requires an effective control system.

PROCEDURES

1. Acquisition of Capital Assets as per policy 04-01-01.
2. Record of Capital Assets
 - a. A record will be maintained of all assets with an initial purchase value of two thousand and five hundred dollars (\$2,500.00) or greater.
 - b. Capital assets will be recorded on the company capital assets on a monthly basis on the year end working papers. A copy of the invoice will be recorded in the year end working papers. The record of assets will contain:
 - Purchase value
 - Date of purchase
 - Name of the item
 - Model name and number
 - Serial number
 - Location
 - c. The record of all obsolete or damaged items will contain the:
 - Date it was disposed of
 - Selling price (if sold). Refer to Inventory Policy 04-01-08
 - Method of disposal (if not sold).

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- d. On a yearly basis the accounting department will review the capital asset list and remove all obsolete or damaged items. The updating of capital assets records is the responsibility of the Accounting Department, Purchasing Department and IT Department.
 - e. The complete Organization's capital asset listing will be verified each year during the month of April or May and the record shall be updated from this inspection. This will be done once each fiscal year.
 - f. Capital assets will be in accordance with generally accepted accounting practices.
3. Disposition of Capital Assets
 - a. Any capital item to be disposed of requires the written consent of the CEO or Director of Accounting and Human Resources. Refer to Inventory Policy 04-01-08.
 - b. All capital items to be sold shall stipulate a disposal price or best offer and shall first be advertised externally and internally. General advertising will be through internal company or local media. All such disposition requires the written approval of the CEO or Director of Accounting and Human Resources.
 4. Appraisals
 - a. An updated list of capital assets will be submitted to the Organization's insurance company January 1st of each fiscal year.
 5. Refer to Amortization Policy 04-01-04 for Capital assets amortization rates and which meth of amortization.

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POLICY

This policy is in relationship to Education funding. This policy defines governing body, senior leadership and management.

PURPOSE

Finance and Governance Policies about governing body, senior management roles, the related senior management definitions from the Private Schools Regulation to ensure clarity and consistency.

SCOPE


This refers to Private Schools Regulation Alberta Regulation 127/2022 as of Feb 1, 2023. Please refer to Section 12, 22, 27, 32 and 34. These definitions required by sections 22(1)(c) the roles and responsibilities of senior managers of the funded private school and 22(1)(e) matters relating to the compensation of senior managers of the funded private school that are not addressed by this Regulation. Please refer to Unlimited Potential By-Laws, Board governance policies and operational policies.

RESPONSIBILITIES

The Board and Senior Leadership must refer to the above sections of the school Act. Please see below education roles and responsibilities of the governing body, Senior leadership and management.

- a) **Board** - means the board chair and board of directors, acting together as a corporate body, according to the bylaws of the organization, whose role is to provide governance leadership and to assure optimal outcomes for the learners and the communities they serve;
- b) **CEO/Executive Director/Head of School** – means an individual, who may or may not be the principal, that is employed by the board and authorized to provide overall administrative and operational leadership for the organization;
- c) **Principal¹** - means, in these procedures, an individual who is authorized through the Registrar and by an Alberta Leadership Certificate, letter of authority, or Temporary
- d) **Assistant Principalⁱ** - means, in these procedures, an individual who is authorized through the Registrar and by an Alberta Leadership Certificate, letter of authority, or Temporary
- e) **Board Director** - means an individual member of the Board, appointed/elected at an Annual General Meeting in accordance with the terms set out in the society or not-for-profit company bylaws, whose role is to assist with the governance functions of the organization;

ⁱ Note: this policy/guideline refers to both principals and CEO/Executive Director/Head of School. Some organizations combine these roles under the responsibility of the principal, while other organizations choose to have two (or more) separate leadership roles


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- f) **Representative of the board** - means, in these procedures, an individual that may be identified and authorized from time to time by the Board to carry out specific functions related to certain matters (reviews, investigations, etc.) not delegated to the school administration;
- g) **Director and or Manager** – means an individual, who may or may not be the principal, that is employed by the board and authorized to provide overall administrative and operational leadership for the organization;
- h) **Senior Manager** - Senior managers are those individuals filling senior management positions that have been identified by the board within a particular school.
- i) **Parent** - means, for the purpose of this Procedure, any individual who meets the definition as set out in the *Education Act* S.1(2);
- j) **Teacher** – means, in these procedures, an individual who is authorized, by an Alberta Teaching Certificate or letter of authority, to teach in an accredited private school;
- k) **Teacher-leader** – means, in these procedures, an individual that holds a Leadership Certificate and has authority to work as a Principal in an Alberta accredited private school; and
- l) **Stakeholders** - means representatives, students, parents, community members, partnering organizations or others who share a common interest in the organization;
- m) **School Community** – means the parents, students, staff, board members and others most invested in the success and well-being of the school;
- n) **Governance** - means the process by which the organization assures outcomes and includes the actions undertaken by the board to establish and implement policy;
- o) **Fiduciary Leadership in governance** - means the exercise of legal responsibilities of oversight and stewardship including the responsible allocation and management of financial resources;
- p) **Professional Competence** – means the professional practices of a teacher and/or teacher leader which are consistent with the professional practice standards required of teaching professionals in Alberta;
- q) **Strategic Leadership in Governance** - means decision-making about resources, programs and services for education to reflect longstanding priorities and emerging trends and issues;
- r) **Unprofessional Conduct** – means conduct of a teacher or teacher leader that is inconsistent with the professional conduct requirements set out in the Certification of Teachers and Teacher Leaders Regulation and not in keeping with the interests of students, the public, teachers or teacher leaders.

Legislative Connections:

Alberta Education Funding Manual - Reporting Requirements Section J
Income Tax Act (Canada)
Alberta Private Schools Regulation (AR 127/2022)
Education Grants Regulation (AR120/2008)

PROCEDURE


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Good governance is recognized as a critical function of student success and organizational goal achievement. Not-for-profit independent school boards must meet legal and fiscal accountability requirements and must also ensure the sustainability and continuing development of the schools and students they serve. A Board aspiring to “best practices” in governance attends to matters across a range of fiduciary leadership, strategic leadership and generative leadership priorities, consistent with those identified below


Senior Manager:

Regarding Fiduciary Leadership, the Board shall:

1. Operate according to the respective bylaws of the organization as approved or amended annually at the AGMs and in accordance with the *Societies Act, Companies Act* (s.9) or other legislated authority.
2. Engage in the management of the business and affairs of the society/non-profit company, and the operation of the society/non-profit company, while exercising its powers and duties in compliance with the bylaws of the organization, the *Societies Act/the Companies Act*, the *Education Act* and all other applicable laws of Alberta and Canada.
3. Ensure that the Board membership, the roles and specific duties of the chair and directors and the procedures for meetings of the Board are consistent with the applicable sections of the society/company bylaws.
4. In accordance with section 17 of the ECS regulation, in force September 1, 2023, ensure more than half of the members of the governing body are independent and that this portion must be maintained for quorum (Applicable to ECSs only).
5. Appoint a secretary and treasurer or secretary-treasurer who is not the chair/president of the board.
6. Ensure, through delegation to the CEO or otherwise through board authorization, the appointment of an individual to act as the principal of the school, where the individual is appropriately qualified under the *Certification of Teachers and Teacher Leaders Regulation* and where the individual may not be the operator of the school or a voting member of the board of directors of the Society/not for profit Company operating the school.
7. Designate, in the case of a stand-alone private ECS Operation, a teacher certificated under the *Certification of Teachers and Teacher Leaders Regulation* to be responsible for evaluating teachers related to permanent certification.

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8. Ensure that persons employed in the school as teachers or as teacher leaders meet the requirements for certification as identified in the *Certification of Teachers and Teacher Leaders Regulation*.
9. Annually approve and submit in the form prescribed and by the appropriate date:
 - Budget;
 - Audited Financial Statement;
 - Education Plan; and
 - Education Results Report
10. Identify and establish procedures for managing organizational risks (health and safety, cyber security, financial, legal, reputational):
 - Establish, keep in force and periodically review liability insurance and fidelity bond protection to ensure alignment with *Early Childhood Services Regulation* and/or *Private Schools Regulation (AR 126/2022 and AR 127/2022)*;
 - Establish a protocol aligned with the *Public Interest Disclosure (Whistleblower Protection) Act* to facilitate the disclosure and investigation of significant and serious matters that employees believe to be unlawful, dangerous or injurious to the public interest; and
 - Ensure that the organization's duty to disclose information under section 32 of the *Public Interest Disclosure Act* is undertaken when/if necessary and reported as a disclosure in the school's Annual Education Results Report.
11. Ensure that policies and/or procedures are in place to address the specific requirements of Alberta Regulations and policies, including the *Private Schools Regulation*, the *Early Childhood Services Regulation*, the *Student Record Regulation*, the *Funding Manual For School Authorities in Alberta* and the *Guide for Private School Education Planning and Results Reporting*. Policies should include, but are not limited to:
 - Applications for Registration (ECS Only)
 - Assessment of Students (Schools)/Evaluation of Children (ECS)
 - Supervision, Evaluation & Professional Growth of Teachers & Teacher Leaders
 - Safety for Outdoor Education and Field Trips


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- A Health Protocol
- Internal Controls
- Roles and responsibilities of Senior Managers
- Board Governance Policy, including Roles and Responsibilities of the Governing Body
- Conflict of Interest
- Matters Pertaining to the Compensation of Senior Managers

The board shall further ensure that all of the above policies as outlined in sections 10 & 22 of *The Private Schools Regulation (AR127/2022)* and in sections 5 & 18 of *The Early Childhood Services Regulation (AR126/2022)* are made publically available before the start of the school year.

12. Establish and communicate procedures regarding the resolution of disputes or concerns that may arise at the school level between or amongst students, parents or school staff, including any identified roles for the Board, or authorized representative of the Board, in hearing unresolved student or staff complaints related to:
- Allegations of discrimination or harassment;
 - Allegations of unprofessional conduct and/or incompetent practice by teachers or teacher leaders; or
 - Any other matter identified by the Board

¹ Note: this policy/guideline refers to both principals and CEO/Executive Director/Head of School. Some organizations combine these roles under the responsibility of the principal, while other organizations choose to have two (or more) separate leadership roles.

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POLICY

Senior Management Employee or Contractor compensation for Education funding only. The salary only applies to Education portion only. This only applies if the criteria in section 12, 22, 27, 28, 32 to 34 of the Education act.

PURPOSE

Finance and Governance Policies about senior management roles, the related senior management definitions from the Private Schools Regulation to ensure clarity and consistency.

SCOPE


This refers to Private Schools Regulation Alberta Regulation 127/2022 as of Feb 1, 2023. Please refer to Section 12, 22, 27, 32 and 34. These definitions required by sections 22(1)(c) the roles and responsibilities of senior managers of the funded private school and 22(1)(e) matters relating to the compensation of senior managers of the funded private school that are not addressed by this Regulation.

RESPONSIBILITIES

The Board and Senior Leadership must refer to the above sections of the school Act. Finally, the board and CEO is committed to ensuring, in **matters relating to the compensation of senior managers** of the funded school, that the total compensation broken down by category for each applicable senior manager, as per *Private Schools Regulation AR 127/2022 Section 22(1)e* must be approved by the board on an annual basis and whenever any compensation change is proposed. Total compensation must also be differentiated between those amounts grant funded and those amounts funded by other means as outlined in section 27 to 32 of the *Private Schools Regulation AR 127/2022*.

- a) **CEO/Executive Director/Head of School** – means an individual, who may or may not be the principal, that is employed by the board and authorized to provide overall administrative and operational leadership for the organization;
- b) **Principal¹** - means, in these procedures, an individual who is authorized through the Registrar and by an Alberta Leadership Certificate, letter of authority, or Temporary
- c) **Assistant Principalⁱ** - means, in these procedures, an individual who is authorized through the Registrar and by an Alberta Leadership Certificate, letter of authority, or Temporary
- d) **Director** - means an individual member of the Board, appointed/elected at an Annual General Meeting in accordance with the terms set out in the society or not-for-profit

ⁱ Note: this policy/guideline refers to both principals and CEO/Executive Director/Head of School. Some organizations combine these roles under the responsibility of the principal, while other organizations choose to have two (or more) separate leadership roles.

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company bylaws, whose role is to assist with the governance functions of the organization;

- e) **Representative of the board** - means, in these procedures, an individual that may be identified and authorized from time to time by the Board to carry out specific functions related to certain matters (reviews, investigations, etc.) not delegated to the school administration;
- f) **Director and or Manager** – means an individual, who may or may not be the principal, that is employed by the board and authorized to provide overall administrative and operational leadership for the organization;
- g) **Parent** - means, for the purpose of this Procedure, any individual who meets the definition as set out in the *Education Act* S.1(2);
- h) **Teacher** – means, in these procedures, an individual who is authorized, by an Alberta Teaching Certificate or letter of authority, to teach in an accredited private school;
- i) **Teacher-leader** – means, in these procedures, an individual that holds a Leadership Certificate and has authority to work as a Principal in an Alberta accredited private school; and
- j) **Stakeholders** - means representatives, students, parents, community members, partnering organizations or others who share a common interest in the organization;
- k) **School Community** – means the parents, students, staff, board members and others most invested in the success and well-being of the school;

Legislative Connections:

Alberta Education Funding Manual - Reporting Requirements Section J
Income Tax Act (Canada)
Alberta Private Schools Regulation (AR 127/2022)
Education Grants Regulation (AR120/2008)


PROCEDURE

Senior Manager: Senior managers are those individuals filling senior management positions that have been identified by the board within a particular school.

Section 12 of the regulation states:

(d) “**related party**”, with respect to the operator of a funded private school, means a related party within the meaning of the CPA Canada Handbook – Accounting, published by the Chartered Professional Accountants of Canada, as amended from time to time;

(e) “**senior management contractor**” means an individual engaged for services by the operator of a funded private school to plan, direct or control the management, administration and operation of the funded private school;

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(f) “**senior management employee**” means an individual employed by the operator of a funded private school to plan, direct or control the management, administration and operation of the funded private school;

(g) “senior manager” means a **senior management employee** or a **senior management contractor**.

The regulation also provides additional criteria identifying those who qualify as senior managers for compensation purposes.

Section 27 of the regulation states:

Compensation. In sections 28, 32, and 34, “senior management employee” includes a member of the governing body of the operator of a funded private school who is an employee of the operator.

Section 28 of the regulation states:

28(1) The operator of a funded private school shall comply with this section with respect to any portion of the base salary of senior management employee that is paid from a grant under the Education Grants Regulation.

28(2) If the base salary or any portion of the base salary of a full-time senior management employee paid or provided from a grant under the Education Grants regulation, the amount of the base salary or portion of the base salary must not be greater than 70% of the maximum base salary applicable in respect of a level 5 board under Schedule 1 to the Superintendent of Schools Regulation (AR98/2019).


28(3) If the base salary or any portion of the base salary of a part-time senior management employee is paid or provided from a grant under the Education Grants Regulation, the amount of the base salary or portion of the base salary must not be greater than the prorated share of 70% of the maximum base salary applicable in respect of level 5 board under Schedule 1 to the Superintendent of Schools Regulation (AR98/2019).

28(4) No operator of a funded private school shall offer, pay or provide any type of market modifier to the base salary or any portion of the base salary of a senior management employee that is paid or provided from a grant under the Education Grants Regulations.

28(5) The Operator of a funded private school may offer, pay or provide a base salary or portion of a base salary to a senior management employee that is greater than the amount under subsection (2) or (3) if the base salary or portion of the base salary is paid or provided from funds other than a grant under the Education Grants Regulation.

to 32 and 34, “senior management employee” includes a member of the governing body of the operator of a funded private school who is an employee of the operator.

This means, for compensation purposes, a member of the governing body who is being paid for their services must have their compensation in alignment with the regulation requirements in sections 28 to 32 and 34.

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Senior Management Contractors section 32 of the regulation states:

32(1) The operator of a funded private school shall comply with this section with respect to the fee for service or any portion of the fee for service under an agreement to engage the services of a senior management contractor that is paid from a grant under the Education Grants Regulation.

32(2) The fee for service or any portion of the fee for service of a senior management contractor that is paid or provided from a grant under the Education Grants Regulation must not be greater than the maximum base salary payable to a senior management employee under Section 28.

32(3) No operator of a funded private school shall enter into an agreement to engage the services of a senior management contractor in which the operator offers, pays, or provides to the senior management contractor a bonus, allowance or other incentive pay if the bonus, allowance or other incentive pay is paid or provided from a grant under the Education Grants Regulation.

32(4) Subject to subsection (5), a termination payment or any portion of a termination payment that is paid or provided to a senior management contractor from a grant under the Education Grants Regulation under the agreement to engage the services of the senior management contractor must not be greater than the sum of

- a) An amount equivalent to 4 weeks of the base salary or portion of the base salary that is paid from a grant under the Education Grants Regulation that the senior management contractor would have received if the senior management contractor was a senior management employee, and
- b) An amount equivalent to the cost to the operator for 4 weeks of the benefits under section 30(2) that were paid from a grant under the Education Grants Regulation and that the senior management contractor would have received before termination if the senior management contractor was a senior management employee to a maximum of 16% of the amount referred to in clause (a),


For every year of continuous service with the operator, to a maximum of an amount equivalent to 52 weeks of the base salary or portion of the base salary that is paid from a grant under the Education Grants Regulation and that the senior management contractor would have received if the senior management contractor was a senior management employee.

32(5) Subsection (4) does not apply in respect of a termination payment that is paid or provided from funds other than a grant under the Education Grants Regulations.

Request for information by parent sections 34 of the regulation states:

34(1) In this section, “total compensation” means the base salary and benefits payable to a senior management employee.

34(2) On the request of a parent of a student enrolled in the funded private school, the operator of the funded private school shall provide the parent who makes the request the following information relating to the most recently ended fiscal year:

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- a) With respect to the 10 senior management employees with the highest total compensation, the number of senior management employees in each of the ranges of total compensation determined by the Minister;
- b) The audited financial statements referred to in section 20(1)(a), excluding any information or schedules relating to the compensation of individual employees or the fees paid to individuals under agreements to engage the services of those individuals.

Total Compensation: Total compensation is the total amount of the four following types of compensation if applicable:

- 1) Direct Compensation: Base salary and any additional earnings which would include overtime, all types of bonuses, and vehicle allowances.
- 2) Indirect Compensation: Benefits paid by the employer, which would include the employer's portion of all health benefit plans, health spending account, gym and/or club memberships, retirement plans, savings plans, vacation pay or paid time off.
- 3) Non-cash Benefits: These benefits have value and take the form of something other than cash and would include reimbursement for educational programs, provision of a board vehicle, provision all or a portion of board housing/accommodation, personal use of board earned loyalty program rewards. The latter three would be at fair market value, along with any approved personal expenses paid by the board in whole or in part.
- 4) Long-term incentives: Equity-based compensation that usually involves a longer schedule whereby an employee may only qualify after a certain level of performance and/or time.
- 5) If total compensation exceeds the regulatory requirements pertaining to grant funded compensation, these amounts should then be identified as to which are grant funded and those that are funded by other means.
- 6) Provide any explanatory notes or rationale as needed that was used in determining compensation.

¹ Note: this policy/guideline refers to both principals and CEO/Executive Director/Head of School. Some organizations combine these roles under the responsibility of the principal, while other organizations choose to have two (or more) separate leadership roles