Main Functions, Roles & Responsibilities of the Board of Management

The administration and strategic management of a BIA is carried out by the Board of Management, and it is the responsibility of the BIA Board per the mandate under the Ontario Municipal Act, 2001, to develop policies and procedures that together make up the structure of governance of the organization.

Directly or through appointment of staff and/or committees, the BIA Board oversees the planning, budgeting, implementation, and monitoring of projects and initiatives carried out to reach the organizational goals of the BIA. Additional BIA Board responsibilities may include:

- Selecting an Executive Director and hiring staff
- Establishing and evaluating committees
- Development of annual budgets and annual reports
- Development of rules of order and bylaws/policies
- Development of rules for board activities (size of the board, duties and responsibilities of board members and officers, procedures for vacancies, succession planning etc.)

Board Composition

The BIA Board typically consists of between five and fifteen members, with one non-voting member position designated for the City Councillor representing the area in which the BIA operates. The municipality appoints at minimum one director with the remaining members voted in by the membership and ultimately approved by municipal council. The term of the directors of a BIA Board of Management is the same as the council that appointed them, however directors are eligible for re-appointment.

Board Risk Management

Along with roles and responsibilities of boards come risks and liabilities. Board members need to be aware of the legal duties that come with their positions. Directors are not usually paid for their work, but that doesn’t absolve them from being liable for the decisions and actions they make.

Directors of incorporated non-profit organizations receive protection from liability under statutes like the Canada Corporations Act and Ontario’s Not-for-Profit Corporations Act, 2010 (ONCA). However, failure to comply with the requirements of these statutes may result in directors being held personally liable. Directors may also be personally liable if they cause or allow an organization to act beyond the scope of its authority, as defined by the act and the organization’s stated purposes in its constitution and bylaws. Directors can also be held personally liable if they have breached their duties, for example if they have misused funds, made improper loans, or made unlawful personal profit in the course of their duties as directors. In addition to these obligations, directors may be personally liable for financial obligations imposed by specific statutes, such as the Employment Standards Act, or the Income Tax Act.

Briefly, the basic duties of directors are:
The duty of diligence (also referred to as fiduciary duty) — to act in good faith and in the best interest of the organization through such actions as:

- Staying informed by reading minutes, agendas and support material
- Attending meetings regularly and voting on issues brought before the board
- Being knowledgeable about the policies and operations of the organization

The duty of loyalty—to place the interest of the organization first through such actions as:

- Avoiding and/or declaring conflicts of interest
- Representing the organization in a positive manner
- Respecting confidentiality

The duty of management—to act and make decisions in line with the governing policies and bylaws of the organization through such actions as:

- Understanding the scope of authority for staff and directors
- Regularly reviewing bylaws and policies
- Ensuring legal requirements related to governance, incorporation, etc. are met
- Ensuring meetings are held and documented with minutes
- Understanding the requirements of laws and standards related to the clients the organization serves