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Community economic development (CED) or local economic development (LED) is a community driven process where communities identify and initiate their own solutions to economic, social and environmental issues in order to build healthy and economically viable communities. CED contains principles and goals based on a grassroots approach to development where communities choose deliberate actions to influence the local economy and to improve the quality of life for its residents.

This handbook, Community Economic Development for Municipal Councils Handbook and Community Economic Development for the Local Economic Development Officer Handbook from Manitoba Agriculture, Food and Rural Development (MAFRD) help rural leaders understand the principles and goals of CED and learn to choose and implement effective strategies to help bring about positive change.

Some examples of CED principles include:

• mobilizing local resources (people, capital, institutions, organizations, etc.) to meet local needs
• re-investment of profits into the local economy

Some of the goals of CED are to:

• create employment
• renew, stabilize and improve the community and local economy
• develop local economic linkages
• improve the physical environment of the community

Communities can adopt a process to incorporate the principles and goals of CED. This CED process includes the following steps:

• Form a CED agency/organization that is responsible for leading the CED process.
• Work with your neighbours in a region to address common development issues.
• Collect and analyze data to determine appropriate strategies and activities.
• Decide on strategic focus and actions based on the data analysis. This can include a combination of strategies such as:
  – business development (ex: local investment pool, business support services)
  – locality development (ex: beautification, zoning, industrial parks)
  – human resource development (ex: local training initiatives)
  – sector development (ex: business retention and expansion projects, supply chain gap analysis)

Communities can use the principles and goals of CED, adopt a good planning process and choose appropriate strategies to achieve the goals of CED. This means people who live and work in the community direct their own community development, economic development and environmental sustainability, rather than leaving it to chance.
The Local CED Organization

The focus of this handbook is how to form a local CED agency, with specific emphasis on the community development corporation structure. The Community Economic Development Handbook for Municipal Councils and the Community Economic Development Handbook for the Local Economic Development Officer are others in the MAFRD CED series that provide more information on effective strategies for councils and economic development staff.

A local CED organization is one that your town, village, municipality or community council funds and directs. A local CED organization can include more than one community. A local CED organization can help communities implement strategies to address local issues and pursue opportunities. Successful CED organizations need leaders who will take charge and drive the CED process.

Once people in your community have decided that they want to participate in CED through a CED organization, the next step is to decide how the work will be done. One of the critical components of effective CED is to establish a core organization or committee that is non-profit, independent and non-governmental (ex: organization may be funded by local government, but has its own mandate and operating procedures).

A local CED organization can help individuals and organizations in a region work together towards common goals. This can happen when community members in the region join to determine appropriate strategies and actions to address common issues in a strategic, collaborative way. It may take more time to establish a successful CED organization in communities and regions that are not used to working together or where there has been internal conflict.

In communities used to working together, where leaders and groups have established trust and collaborative relationships, the CED organization can be the intermediary that links the individuals and organizations together in a more formal way. The formal organizational structure of a CED organization can allow communities to be more efficient and make progress more quickly on collective issues and needs.

CED organizations can be incorporated bodies such as community development corporations (CDCs) or can be more informal (unincorporated) economic development associations or volunteer committees. Local CED organizations can involve more than one community or municipal corporation, so you can get things done for each individual community, but you can also collaborate on common issues and share the operational costs of the organization.

In Manitoba, there are over 100 locally owned and directed CED organizations, most of which are CDCs.

The first CDCs in Manitoba were formed in the early 1960s, but became more popular in the 1990s. CDCs are special corporations owned by local municipalities and councils and managed by local community leaders. The following chapters in this handbook provide information, advice and guidance for anyone involved in a CDC or thinking about forming a CDC. Much of the information also applies to volunteer CED organizations.
What are Community Development Corporations (CDCs) and Community Economic Development Organizations (CEDOs)?

A community economic development organization (CEDO) is the term used to describe any community based (ex: controlled at the local level) economic development organization. The most common structure of a CEDO in rural Manitoba is a community development corporation. It is generally accepted that to have the support of the community at large, the CDC or CEDO must have the complete support of its local municipal, First Nations or Northern Affairs community council. To be successful, it needs to have the support of other community groups such as the local chamber of commerce.

There are many advantages to having a local or community-supported economic development agency working for your community. These include:

- better access to program grants and financial support by having an incorporated body for community development
- ability to purchase assets and administer loan programs
- ability to respond quickly to opportunities and crises
- better co-ordination and continuity for community development

A CDC is a company incorporated under Part XXI of The Corporations Act of the Province of Manitoba. This act states:

“PART XXI COMMUNITY DEVELOPMENT CORPORATIONS

Application
262(1) Except where it is otherwise expressly provided this Part applies to every corporation with share capital heretofore or hereafter incorporated as a community development corporation.

Consent of minister required
262(2) No articles shall be accepted for filing without the prior approval of the minister.

Additional requirements in articles
262(3) The articles shall be in the form the Director requires and in addition shall
(a) state that the business of the corporation is restricted to fostering the social and economic development of a municipality or other local area in the province; and
(b) state the name of the municipality, or clearly describe the area, in respect of which the corporation is incorporated.

One corporation in any area
263 Where a corporation is incorporated in respect of any municipality or area, the Director shall not issue any articles to any other corporation in respect of the same municipality or area or in respect of an area that includes the whole or any part of the same municipality or area.
Limitation on the distribution of profits or assets

264 A corporation to which this part applies shall not

(a) make any distribution of profits; or
(b) make any distribution of capital or assets on a liquidation, dissolution or otherwise;

unless the distribution is approved by order of the Lieutenant Governor in Council; but this section does not apply to the winding-up of an insolvent corporation."

In summary, this act means that:

• A CDC can only be formed with the approval of the minister of Agriculture, Food and Rural Development. (see Page 7, Section 5 of this handbook)

• The business of a CDC is to foster the social and economic development of a municipality or other local area in the province. This should be stated in the articles of incorporation of a CDC.

• There can be only one CDC in any geographic area of a municipality, although one municipality can have more than one CDC if there are very clear geographic boundaries for each CDC. For example, one municipality may support a CDC that represents a local urban district within a municipality and a second CDC that represents the rest of the municipality. In some cases, two separate CDCs represent the geographic areas of two former municipalities prior to an amalgamation. Because recommended practice is for one municipality to support only one CDC, if an amalgamated municipality contains more than one CDC it is recommended that the CDCs also amalgamate. (See Page 26, Section 12, of this handbook for steps to amalgamate a CDC.)

• Two or more municipalities can support one CDC. This is recommended in cases where municipalities may need to share the cost of operations and staff of a CDC.

• The CDC can make a profit, but the profits or assets must be retained by the CDC and used only to foster social and economic development in the community.

• If the CDC is dissolved, approval from the Lieutenant-Governor in Council must be obtained to distribute any capital or assets that remain in the corporation.
How do you finance or generate revenues for a CDC/CEDO?

Financing the operations of a CDC can be as diversified as the imagination and initiative of the board. CDCs can generate revenue in a variety of ways including the following:

1. A municipality can provide funding to the CDC directly through a grant as stated in Section 258 of The Municipal Act. This section states:

   “ECONOMIC DEVELOPMENT
   Definition
   258(1) In this section, “economic development” means the establishment, expansion or continuation of a business or industry.

   Encouraging economic development
   258(2) A council may encourage economic development in any manner it considers appropriate and, for that purpose, may enter into an agreement with a person, with an agency of the Government of Manitoba or the Government of Canada, or with another municipality, including a municipality in another province.

   Strategic plan
   258(3) A council may adopt a strategic plan for economic development in the municipality.

   Condition of grant
   258(4) A council may make a grant for the purpose of economic development in the municipality, but the grant must not be used to directly or indirectly reduce the amount of municipal or school taxes payable to the municipality or to reimburse a person for municipal or school taxes that are paid or payable to the municipality.”

2. Funding can be raised through interest on loans and capital. For example, CDCs that operate a local loan program can use the loan interest they earn from the loans for CDC operations.

3. A CDC can also obtain revenue from leasing any property it owns or from the operating profits of companies under its umbrella.

4. The CDC could ask for donations from service clubs, financial institutions, corporate or private donations, or it can hold fundraising events.

5. The CDC can generate revenues from fee-for-service contracts with local clients, agencies and other CDCs.

6. The CDC can apply for applicable grants to support projects and initiatives—although grants for general operations are not usually available.

7. The shareholders (members) of CDCs are primarily the local government(s). Issuing shares to the public is not recommended, as the CDC should be accountable to the local government(s) they serve. Some of the original CDCs that formed in the 1960s have individuals as shareholders, but currently, the Manitoba government will only approve CDCs with local government(s) as shareholders (members).
Distribution of Profits

A CDC is a share capital corporation, but unlike most share capital corporations, it cannot distribute profits to anyone. This is done to protect the board members and to ensure that profits are only distributed for public good, not for individual gain.

If the CDC dissolves or is liquidated, the CDC must receive approval from the Lieutenant-Governor in Council to distribute any capital or assets. Approval would not allow distributing capital or assets for personal gain. Assets normally go to another public institution or organization working for the public good.
Although a municipality or a specific section of a municipality (ex: a Local Urban District) can only be served by one CDC, two or more municipal corporations can join to form a CDC. It can be very advantageous and cost-effective to work with other neighbouring municipalities to form a new CDC or join existing CDCs to work co-operatively on community and economic development priorities.

**Steps to start up a Community Development Corporation (CDC)**

(Note: Community leaders should seek legal advice when starting a CDC to determine the articles of incorporation, bylaws, the best financial structure, funding of the CDC and the share values.)

1. A group of people (ex: a group of interested citizens, a local organization, a steering committee, a group of councillors from one or more municipalities) must initiate the formation of a CDC with the support of the local municipal council(s).

2. Resolution by council—municipal council (or councils, in the case of two or more municipalities joining to form one CDC) must pass a resolution approving the incorporation of the CDC (a share corporation but with special rules that forbid the CDC from distributing profit).

3. The process to receive ministerial approval for the CDC:
   a. Request a name for the CDC from the Companies Office ($45 fee).
      
      www.companiesoffice.gov.mb.ca/forms/namersrv.pdf
   b. Complete the Companies Office Request for Service form (no fee).
      
      www.companiesoffice.gov.mb.ca/forms/request_for_service_e.pdf
   c. Complete the Companies’ Office Articles of Incorporation form ($350 fee).
      
      www.companiesoffice.gov.mb.ca/forms/incorporation_share_e.pdf

   The following restriction must be stated in the Articles of Incorporation:

   “The business of the corporation is restricted to fostering the social and economic development of ____ (insert the geographic description of the municipality or other local area in the province that will be included in the CDC) _______. (ex: the Municipality of Ritchot)

   Send two copies (one original) of the municipal council(s) resolution, along with two copies of all completed documents (one original, one photocopy), plus a separate cheque for the name reservation and a separate cheque for the Articles of Incorporation to:

   Manitoba Agriculture, Food and Rural Development
   Attention: Value Added and Rural Economic Advancement
   1129 Queens Avenue
   Brandon, MB  R7A 1L9
On ministerial approval, MAFRD will forward the documents and cheques directly to the Companies Office.

4. Annual returns are required by law to be filed for every corporation in Manitoba ($50 per year).
www.companiesoffice.gov.mb.ca/forms/annual_return_e.pdf

**Guidelines for Articles of Incorporation of Community Development Corporations**

Legal counsel should be sought to establish the Articles of Incorporation for a CDC. The articles and bylaws should cover these points:

- name of corporation
- quorums
- head office location
- fiscal year
- restrictions on undertakings
- geographical boundaries
- voting procedures
- remuneration and compensation
- directors and officers
- borrowing restrictions/abilities
- election and removal of directors
- eventual distribution of assets
- term of office
- prescribed rules and regulations
- bylaw amendment procedures
- banking requirements and location
- filling of vacancies
- administering documents
- authority of directors/officers
- location and frequency of meetings
- books and records

**Bylaws**

Bylaws are the rules and regulations that govern the directors in the administration of the corporation. They should be developed in conjunction with the incorporation process. Bylaws can be amended and/or redeveloped based on the needs and goals of the CDC. Amendments to the bylaws are often adopted at the annual general meeting and are subject to a vote by the membership. It is the responsibility of the directors and the membership to know their CDC bylaws and to ensure they are applied in a consistent manner.
Each year, as with all corporations, CDCs must file a T2 Corporations Income Tax Return, even if there is no tax payable and even if they are considered non-profit corporations.


Although CDCs are incorporated as share corporations, CDCs are usually considered non-profit organizations because, while they can generate income, they are not allowed to distribute profits, and as such, may be exempt from paying corporate taxes. Because CDCs are incorporated, they must still file an income tax return as all corporations must do, even if they are deemed exempt. Be sure to review this information on non-profit corporations and tax implications with your accountant.

www.cra-arc.gc.ca/E/pub/tg/t4117/README.html
In 2007, Manitoba Municipal Government (MMG), in partnership with the Association of Manitoba Municipalities (AMM), began the process of implementing the recommendations of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

- PSAB is not new and has been around for decades. Municipalities have been required to use PSAB since 1997 when The Municipal Act was updated. However, fiscal 2009 was the first year that municipalities in Manitoba actually prepared their financial statements in accordance with PSAB.

PSAB or generally accepted accounting principles (GAAP) are not regulations set by MMG but accounting principles that all governments should follow if their financial statements are to receive an unqualified audit opinion. Until 2009, municipalities in Manitoba had been following their own generally accepted accounting principles.

In December 2010, PSAB approved some new standards that greatly increased the scope of its recommendations. PSAB authority was extended to include government organizations. Government organizations are organizations that are controlled by the government. Until then only governments were required to follow PSAB.

Government organizations are classified into one of three types. They can be either a government business enterprise (GBE), a government not-for-profit organization (GNFPO) or an other government organization (OGO).

GBEs are required to follow international financial reporting standards (IFRS). CDCs do not meet the necessary characteristics required to be considered a GBE.

GNFPO are required to use either PSAB or PSAB with the 4200 not-for-profit series. OGO are required to use either PSAB or IFRS. CDC management should discuss with their accounting professionals as to whether they are a GNFPO or an OGO and what accounting framework would be best for them to follow.

The adoption of PSAB by municipalities in Manitoba has brought forward certain issues to the attention of MMG.

- PSAB requires municipalities to consolidate organizations that are under the control of councils. Control is defined by PSAB as the “power to govern the financial and operating policies of another organization with the expected benefits or risk of loss from the organization’s activities.”

- CDCs, and other municipal entities (ex: libraries, planning districts, etc.) are government organizations and are considered to be under the control of municipal councils. To consolidate CDCs, and other municipal controlled entities, the CDCs should prepare audited financial statements.
• It has come to the attention of MMG that many CDCs were not being audited, even though it is a requirement of The Municipal Act of 1997.

• The Municipal Act - 186(1)(b) scope of auditor’s examination

186(1) An auditor must examine the financial statements, financial information returns, records, books of account and other information relating to the financial affairs of the municipality for the fiscal year, including:

(a) any funds of the municipality held in trust by an officer or employee of the municipality;

(b) any board, committee or other body that is established or appointed by the council and that administers funds of the municipality; and

(c) any organization or other body
   (i) to which the municipality has made a grant or loan of money of $5,000 or more, and
   (ii) on which the municipality is represented by one or more persons appointed by the council.

All CDCs are entities established by municipal councils that normally appoint all of the directors. CDCs also administer funds of the municipality. In accordance with The Municipal Act, CDCs should be audited every year.

A CDC is a separate legal entity from the municipality, so it should receive its own audit opinion separate from the municipality to be in compliance with The Municipal Act.

– Although CDCs are responsible for their auditor’s fees, some CDCs have negotiated their fee with the auditor that completes the municipal audit. The auditor still needs to provide a separate audit opinion for the CDC.

The Municipal Act 185 (2) - Certain bodies to pay auditor’s fees and expenses

185(2) The auditor’s fees and expenses relating to the audit of a body referred to in clause 186(1)(b) or (c), including any fee or expense relating to a request of the minister under section 191 in respect of the body, must be paid by the body.

In situations where there are two or more municipalities that have shared control over a CDC, each municipality should proportionately, consolidate their share of the CDC.
The Board of Directors

The board of directors of a CDC is usually made up of local volunteers who are dedicated to the ongoing development of their community. They should represent a cross-section of community leaders, stakeholders and expertise. The board should be a workable size, which is about five to 10 directors. The board’s role is to provide leadership, direction and decision-making for the activities of the CDC. Directors must be committed and willing to allocate time to their offices, as the board is a critical element of success for CDCs.

A successful board consists of enthusiastic members with strong commitment and sound judgment. The board elects officers who have additional responsibilities within the CDC. These officers and their duties are outlined below:

- The president acts as chairperson of the board and chief executive officer of the corporation. The duties of the president are determined by the board of directors and can be changed or revised by resolution.
- The vice-president assumes the duties of the president in his/her absence but can also be assigned a variety of responsibilities as directed by the board.
- The secretary, treasurer or secretary-treasurer, may be a board member or appointed from outside the board (ex: municipal clerk). Usually, the secretary-treasurer is responsible to:
  - Send out notices of meetings of the board of directors.
  - Record the resolutions at all meetings and manage the minute books of the corporation.
  - Keep all records and documents of the corporation in a safe place.
- The treasurer is responsible for all financial aspects of the corporation and the board may request that the treasurer be bonded.
- The past president usually provides continuity and guidance to the board and should have full voting privileges.

The board may appoint an administrator who can be, but need not be, a director of the corporation. The board determines the duties, responsibilities and term of this office.

Other officers may be appointed by the board when required. Directors cease to be board members if they:

- resign
- declare bankruptcy or become insolvent
- cease to be a ratepayer/resident in the municipality
- fail to attend the agreed upon number of meetings
- are found to be of unsound mind
**Directors and Their Liabilities**

In general, directors are not personally liable for the business of the corporation. This means that they are not personally financially responsible for any losses of the corporation or any contracts or actions of the corporation. This is because a corporation is considered a separate legal person by the law and the directors are protected through limited liability. There are exceptions to this rule, however and directors should familiarize themselves with the exceptions and with liability coverage available through the local municipality.

**Directors’ Duties and Responsibilities**

The duties and responsibilities of the directors and staff of a CDC include, but are not limited to:

- budget preparation and control of finances
- public consultation
- planning and research
- conducting meetings
- maintenance of records
- promotion and fund-raising
- liaison with various levels of industry and government
- developing, accessing and delivering programs
- other strategic initiatives as identified by the directors

**Meetings, committees and Public relations**

The board should conduct regular meetings, scheduled in advance to promote the greatest level of participation. CDC business should be carried out in a timely and consistent manner. CDCs should conduct public meetings and welcome input from community residents to encourage community participation.

Annual general meetings (AGM) should be held at a suitable time and place. AGMs should be well advertised and open to the public. This is an opportunity for the board and the CDC members to demonstrate their accomplishments and present their goals for the future.

**Policies and Procedures**

It is important that a CDC develop sound policies and procedures. These provide guidelines with respect to the operations of the CDC. See Page 29, Section 15 for sample CDC policies.

Policies and procedures are developed to provide:

- guidelines for action to achieve the mission of the organization
- directions for consistent decision making
- a point of reference to precedent setting decisions
Human Resources

A volunteer-run organization often uses its directors and volunteers to carry out its duties and responsibilities. Responsibilities can be delegated to certain individual board members or committees through portfolios. However, the organization may require a staff person or contractor to carry out a portion of the corporation’s business, especially as the size and complexity of projects and initiatives increase.

The CDC board is responsible for setting the terms of reference for all staff positions. It is vital that the CDC first determine the need for staffing and its ability to pay wages, benefits and other associated employment and administrative costs.

The following considerations should be given before hiring any staff:

- Develop a job description.
- Define position requirements.
- Decide on compensation.
- Implement search procedures.
- Identify short list.

See Page 50, Section 16 for an example of an advertisement to hire economic development staff.
The economic development profession is a relatively new field. It combines professional disciplines including geography, business administration, public finance, political economics and urban planning. It can be described as a mixture of research, analysis, planning, organizing and salesmanship.

The individuals or practitioners who work in this field have been called economic development officers, specialists, professionals or simply economic developers.

The roles that are played by an economic development practitioner depend on the communities they work in, the organizations they work for (usually government agencies) and the jobs that need to be done.

According to the Economic Developers Association of Canada (EDAC, 2007, p. 4), the role of the economic developer is to “foster compatible growth and retention of investment and employment.” Economic development practitioners are specialists in economic development and business expansion. They are employed at municipal, regional, provincial and federal levels of the public sector and in the private sector.

Several researchers in Canada have studied community economic development and agree that having a local economic development officer is one of the critical factors to success in local CED. (Bessant and Annis, 2004; Bruce, 2001; Canadian Centre for Policy Alternatives – Manitoba, 2006)

In a report by the Rural Development Institute and Brandon University in 2004 (Bessant and Annis, 2004), it was noted that community development corporations (CDCs) in Manitoba struggle with staffing. Relatively few have full time staff; many have part time staff and many use volunteer committees.
What are the key functions of a CDC or CEDO?

Community economic development agencies are locally driven organizations that allow community members to work together to pursue common goals for a community or region.

“Successful CED is strongly associated with having a local organization with a clear mandate and sufficient resources to engage development issues within the community.” (Markey et al., 2005, p. 125)

Markey’s research also pointed out that there must be long-term commitment to support these local organizations and good planning in order to have effective local CED.

The functions of an effective CED organization vary depending on the needs of the community and direction of the board. Some typical functions of a CDC are described below as they would occur within a CED process. The steps in a CED process are:

- Generate interest in CED and initiate a CED process.
- Research and collect current data.
- Analyze data to determine trends, strengths, gaps and opportunities.
- Develop strategic plans.
- Carry out the activities in the strategic plan and manage the business of the CDC. These activities can be divided into categories such as
  - business development
  - locality development
  - population and labour development
  - sector specific strategies (ex: tourism)
  - community liaison activities
  - community promotion and marketing
- Monitor, review and revise plans.

1. **Generate Interest in CED and Initiate a CED Process**

This can be done in many ways, but can start with one or two key community leaders who identify other members and/or partners to form an initial CED organization like a CDC. These champions are also the key to help build awareness and support for the CED process in a community or region. If you are reading this manual – you are likely one of those leaders.

Champions of CED can generate interest and initiate a CED process in many ways, but this can start with discussions on the need for a CED organization by:

- making presentations to local councils, chamber of commerce and community organizations
- initiating a community forum
- encouraging municipal councils to support the formation of a CDC
To get started, why not host a community-visioning event, which can help to provide initial direction for a new CDC while also helping the organization to define its values and mission?

1.1 Visioning

Does your community have a picture of what it wants to look like in the future? Or will that be left to fate? What will have happened to your community or region in 10 or 20 years? Who will be living in your community and what jobs and activities will they be doing? Will your community be growing? Will there be a diverse range of businesses and industries? Will it be prosperous? Will young people want to live there?

Developing a vision means clearly identifying where you want your community to be in answer to these and many other questions. Before your community develops a vision, remember:

- A community vision can’t be developed by a single person, municipal council or organization.
- Having a community vision doesn’t automatically mean that a community will achieve its dreams.

It is important to have many people involved in discussing and agreeing on what the future of the community should look like. And, it is important to have community wide participation to make the vision a reality.

Famed baseball player, Yogi Berra once said: “If you don’t know where you are going, you might wind up someplace else.” Having a clear vision for your community means, you can take control of where your community is going to wind up. Having a community vision helps steer the actions and guide the decisions that affect the future of the community.

Consider the story of Winkler. In the early 1960s, when the leaders of Winkler were told their community would likely decline and die, they adopted a vision where there would be a job available in the community for every student who graduated from their high school. Today, Winkler has moved from a small prairie town into one of the fastest growing cities in Canada by supporting local entrepreneurship and local investment to drive job growth. Following their vision made the difference.

The Asessippi Parkland Economic Development (APED) region has also demonstrated the positive effects of adopting a CED process. This region is growing, and has demonstrated that strategically working to achieve a vision can have positive rewards. APED won the 2012 Manitoba Capturing Opportunities Economic Innovation Award for its innovative regional approaches to tourism, daycare development, assisted living project, regional immigration strategy and providing ongoing support to entrepreneurs and business.

1.2 Values

When a community really takes a long hard look at its values, it will uncover the basic beliefs of people in the community. It will also reveal the reasons why the community is important to them. Values are the core beliefs that shape the vision people have for their community.
1.3 Mission

The vision describes what the community wants to become, the future the community wants to work toward creating. A community’s mission is like its compass; it lets everyone (community members, business and community leaders, visitors) know what it stands for and where it is headed.

Once the community has agreed on a future vision for the community that incorporates the values of the region, the mission statement becomes the guiding principle by which the organization conducts its business. The mission statement should answer these questions:

• Who are we?
• Why do we exist?
• Who do we serve?
• What do we want to achieve and produce?

Examples of mission statements are:

The _____ CDC is the local economic development agency serving the communities of _______, that will create a sustainable, diverse, economy that respects our communities’ unique environment and values.

_______Economic Development is in the business of providing cost effective innovative service that attracts investment and visitors and provides information, resources and support to our economic and tourism customers.

The _____CDC will advance our economy by fostering a culture of enterprise and innovation, building on our own competitive advantages.

The ____ CDC will promote economic development and growth in the community by co-ordinating and facilitating business and community development activity, which will improve the quality of life for the people in the ______ area.

2. Research and Data Collection

Research to find good quality data and information is important so CDCs can make good decisions for strategic planning. This research, data and information is also important to collect on an on-going basis, to be able to provide businesses and the municipality with information relevant to their needs (ex: municipal infrastructure capacity).

Research can be conducted in many ways:

• internet searches on specific topics
• local survey data
• key stakeholder interviews
• business retention and expansion program
Statistical information about Manitoba communities can be found in a variety of places including:

- Statistics Canada
- Manitoba Bureau of Statistics
- Manitoba Health population report
- industry associations

Through research, the CDC can provide current and effective data that will have a direct impact on planning, negotiations, implementation and development of local projects and initiatives. The type of research may include:

- human, business and natural resource inventory
- labour and market trends
- government programs and services
- local and regional organizations, initiatives and plans

Research can also be used to create:

- community profile of demographic data, analysis of the local economy and community information
- inventories of business listings, business opportunities or vacant buildings and property

### 3. Data Analysis

Data analysis can help CED organizations identify trends and choose activities and projects to address the needs of the region strategically. For example:

- demographic data may show a long term population decline indicating the need for population attraction activities
- business data analysis may indicate supply chain gaps in industries that may be potential business opportunities
- a community profile that lists community infrastructure assets can be sent to prospective investors to attract new industry or generate industry expansions in the region

### 4. Strategic Planning

Planning is done to give shape and focus to the ideas that were uncovered during the data collection and analysis stages. Planning should also include actions to achieve the vision and mission of the organization.

**Strategic Planning**

A strategic plan is like a road map for your community to reach your vision. A strategic plan gives a clear direction of how and where you’re going. Without a plan, you are often in a crisis mode, responding to emergencies and deadlines, doing more but not necessarily doing better.
As mentioned above, your CDC is wise to set time aside to analyze data about your region and trends affecting your community. Decide how this information might affect your region and make plans to address this. Without a strategic plan, your community will lack clear priorities.

The strategic plan should be viewed as a living, breathing document that forms the basis for annual and monthly work plans and periodic evaluations of staff, board and programs. Decisions, from program implementation to fundraising priorities, must be consistent with the strategic plan. The plan must also be flexible enough to respond to new realities.

Community economic development plans should reflect the community’s strengths and opportunities. A plan should also:

- Include strategies that are already established by the local government (ex: the development plan).
- Provide a framework to co-ordinate activities with other community groups and organizations.
- Be proactive and reflect the vision of the community at large, not just the board.
- Contain SMART (Specific, Measurable, Attainable, Realistic and Timely) goals and expectations.

5. Co-ordinate Plans

The CDC strategic plans should complement and fit in with the community’s municipal planning processes such as the local planning district development plan. The CDC should review the municipal development plan to ensure the plans are compatible. The CDC should discuss common goals with member municipality(ies) and co-ordinate activities to address these goals.

There are also a variety of other regional plans that the CDC plan should take into consideration to ensure that plans are compatible. For example, the CDC region may be involved in a regional watershed management plan or a regional tourism strategy. The CDC board or staff should be aware of these plans and how the CDC can work in collaboration with these agencies to determine and pursue common goals.

6. Implement Strategies

Implementing strategies means choosing actions and activities that will help the CDC achieve its mission in the best way possible. It is important to choose actions strategically, but they must also match the capacity of the organization and the resources available. Strategies are often categorized into the following areas:

- business development (ex: business expansion, attraction, prospecting and providing business assistance)
- locality development (ex: beautification, zoning)
- labour and human resource development (ex: population attraction)
- sector specific strategies (ex: tourism, housing)
- community liaison activities (ex: co-ordinate community marketing campaign)
• Business Development
  (i) Retention and Expansion
  Some sources claim that up to 80 per cent of new jobs come from business expansion, so the CDC could:
  – Support a program to promote existing business.
  – Facilitate a business retention and expansion program that could help to retain and create new jobs.
  – Promote locally made products through development of local food initiatives such as farmers’ markets and trade fairs.
  – Develop a local business alliance (ex: businesses that work together to form local buying and/or marketing groups, develop joint procurement strategies, form local shopping malls, develop local delivery systems, advocate and develop local loan funds and local investment opportunities).

(ii) Prospecting
  The EDO can help to prospect for new business, investment and resources (ex: funding programs, developers, etc.) with research, promotion and personal contacts. The EDO can gather information to find potential new opportunities for the community by:
  – identifying entrepreneurial opportunities in your region and people in your region who may be looking for a new business idea (ex: Host a young entrepreneur information workshop; connect with recent retirees to discuss potential new business ideas, etc.)
  – networking at local, provincial or national conferences or business gatherings
  – researching business and government publications and/or websites
  – providing local tours or community promotional days
  Other examples of prospecting:
  – attending trade shows to identify new opportunities for the community or region
  – identifying new business opportunities through industry research and networking

(iii) Business Assistance
  The EDO can play a very active role to promote, encourage and assist new and expanding businesses, facilities and industries. This can be achieved through mentorship, business assistance and financial support and/or training. Examples include:
  – Assist entrepreneurs with the development of business plans.
  – Assist entrepreneurs to find other sources of support (ex: provincial or federal programs).
  – Organize or facilitate industry, labour and/or business management courses and seminars.
  – Provide access to small business financing programs (ex: local loan program) or assist in finding appropriate sources of business financing.
  – Facilitate business partnerships (ex: coordinate a project with local investors).
  – Establish a business incubation space to mentor and assist young entrepreneurs and their business growth.
Other roles that the EDO can play to provide business assistance:
– Make contact with potential clients and maintain regular contact with existing clients.
– Act as a liaison between the CED organization board and various levels of government, industry, financial institutions, manufacturers and business.
– Act as a liaison between prospective new business people and the CED organization to advise them of the support available.
– Co-ordinate workshops or information meetings for the business community or public.

• Locality Development
This includes activities that develop the land or infrastructure in a community. Some activities can include:
– Participate in a First Impressions Community Exchange program that helps communities identify ways to improve their community.
– Apply to the Hometown Manitoba program to make improvement to main street businesses and public places.
– Explore the need for industrial park development in your region.
– Identify and act on infrastructure needs of current and potential business and industry.
– Review zoning bylaws with the municipal council to ensure they complement the goals of the community and the CDC.
– Identify housing needs and supply and develop a plan to increase housing options. This can also be part of a population or sector-specific strategy.

• Population and Labour Development
Population and labour development can include a variety of activities intended to attract new people to the community or to help provide the skilled labour to satisfy the business and industry needs of the region. This can include activities such as:
– Develop an immigration attraction and retention strategy to attract skilled labour and potential entrepreneurs to your region.
– Identify the key services that appeal to new or existing resident needs (ex: day care, recreation services) and involve partners to address any gaps in these services.
– Identify former residents of the region and develop a campaign to encourage them to bring their business back home. This could work hand in hand with a homecoming event.
– Develop an incentive program for those looking to relocate their home or business to your community (ex: low cost housing lots, tax deferrals, tax incentives or business loan programs).

• Sector Specific Strategies
Sector specific strategies include any activities that involve a single industry sector. Some examples are:
– Conduct a value chain analysis to identify gaps within specific sectors. This may identify new business opportunities for the region within sectors. (ex: tourism, manufacturing, retail)
– Explore issues around a specific sector with stakeholders of that sector. For example, host a tourism sector stakeholder planning meeting with tourism operators, recreational facilities operators, chambers of commerce, etc. to discuss joint roles and responsibilities within this specific sector plan.
– Identify potential investors for sector-specific projects (ex: a retail business incubator).
– Co-ordinate a regional procurement project. Identify goods and services that local businesses are purchasing outside of the region to see if there are any business opportunities to fill this demand.

• Community Liaison

A CDC can act as a community liaison with both internal and external organizations so that there is a clear, single access point for the flow of information to and from the community. Outside organizations often prefer to deal with one organization in a community and the more effective the point of contact, the greater the potential impact for the community.

For example, when a new grant program becomes available, a local economic development officer (EDO) for a CDC can more effectively find interested stakeholders in a community than the outside agency. They can spread the word through their internal networks, rather than relying on the chance that a mass media message will reach the right people. The granting agency also has a contact point for the community, rather than trying to contact multiple community organizations.

Liaison activities can include:
– Co-ordinate community promotion and marketing (publications, business solicitation and website/social media).
– Facilitate planning, co-ordination and implementation of community based initiatives with community stakeholders. Stakeholders often include groups such as service clubs, chambers of commerce, municipal government agencies, tourism associations and education associations.
– Act as a liaison with organizations outside of the community, including provincial and federal government agencies and regional CED organizations.
– Share regular reports in local media on economic development issues and programs.
– Co-ordinate an education program through the schools on issues of common concern (ex: trades training).
– Review current and proposed civic policy to ensure they have a positive impact on economic development.
– Make policy recommendations on civic and economic development.
– Submit reports and recommendations to the CED organization and the municipal councils.
• Community Promotion and Marketing

The CED organization should be highly visible in the community. This helps to promote the work and achievements of the organization and helps to encourage growth and competitiveness. Community visibility is important so that other organizations and communities, governments and businesses are aware of the assets of the community. The EDO should develop a community public relations program. Local community consultations, community visioning and action planning can be part of this public relations program.

Promotion can be accomplished through a wide range of tools, which can include print and electronic media. For example:
- community websites
- social networking such as Facebook or Twitter
- tourism and industrial development brochures, literature and advertising
- newsletters, news releases, etc. to identify timely events or updated information and provide awareness in the community about the economic development organization’s role and impacts

Other examples of promotion:
- promotional brochures, reports and related publications about the community and organization’s programs
- community representation at trade shows and related economic development conferences

• Monitor, Review and Revise Plans

This important stage is often overlooked by busy volunteers for a CDC, but monitoring and evaluating CED plans is essential to knowing if your process has been successful and how you might change or revise it.

The CED organization is usually funded through municipal corporations and should be able to report on its impact on the community. The EDO can help to monitor programs, services and projects, which allows the organizations to judge the effectiveness of its plans and initiatives. This regular review process should be documented throughout the year in an annual report. The monitoring should focus on indicators identified in the planning process. A CED organization can adapt to change more effectively when it closely monitors its outcomes. Monitoring is important and should be done as efficiently as possible, but it should not be a substitute for action.

• Other Functions of the CDC and EDO

There are no rules that govern the roles or functions that a CED organization or EDO must perform. The roles should be determined by the organization’s board based on the priorities of the community. Communities are encouraged to use ingenuity and imagination in determining the most effective initiatives for themselves.

A CDC can also generate revenue by developing and/or owning residential and commercial real-estate, or could take an equity position or partnership in a business venture (if the CED organization is a corporation.)
When there are significant changes to a corporation, it must amend its Articles of Incorporation to reflect those changes. For example, if two municipalities amalgamate, but only one of them supported a CDC prior to the amalgamation, then the existing CDC could amend its Articles of Incorporation to include the entire geographic area of the new municipality. The existing CDC could also amend its articles to change the name of the CDC to reflect the new municipality.

To amend the Articles of Incorporation, the process includes:

- Complete the Companies Office Request for Service (no fee)
- Complete the Companies Office Request for Name Reservation form if the CDC is changing its name. ($45 fee)
- Complete the Companies Office Articles of Amendment form ($175 fee).

Send two copies of the resolutions and 2 copies of each of the completed Companies Office documents, along with a separate cheque for the Name Reservation and the Articles of Amendment to:

Manitoba Agriculture, Food and Rural Development
Attention: Value Added and Rural Economic Advancement
1129 Queens Avenue
Brandon, MB R7A 1L9

Once ministerial approval is in place, MAFRD will forward the documents and cheques directly to the Companies Office.
Amalgamating CDCs

A CDC can join with other CDCs when there is interest in working with neighbouring communities and municipalities on economic development. CDCs could also consider amalgamating if the municipalities they represent have amalgamated.

A regional CDC that represents several communities and municipal corporations can often work more effectively by sharing resources. Sharing human and financial resources can be especially important in municipalities with smaller populations.

If CDCs amalgamate and each of them has a loan program, the funds can also be joined to create a larger loan pool for their region.

To amalgamate two or more CDCs into one new CDC, the board of each CDC must pass a resolution approving the amalgamation.

CDCs must also receive ministerial approval for the new CDC. The steps are:

- Complete the Companies Office Request for Name Reservation form if you are not keeping one of the CDC names – i.e. you are changing the name. ($45 fee)
- Complete the Companies Office Request for Service form. (no fee)
- Complete the Companies Office Filing the Articles of Amalgamation form. ($350 fee)

Each CDC that is amalgamating must attach a letter (Statutory Declaration) that states each of the conditions listed below in Section 179 of The Corporations Act. There is no form for this document. The act states:

“Attached declarations

179(2) The articles of amalgamation shall have attached thereto a statutory declaration of a director or an officer of each amalgamating corporation that establishes to the satisfaction of the Director that

(a) there are reasonable grounds for believing that
   (i) each amalgamating corporation is and the amalgamated corporation will be able to pay its liabilities as they become due, and
   (ii) the realizable value of the amalgamated corporation’s assets will not be less than the aggregate of its liabilities and stated capital of all classes; and

(b) there are reasonable grounds for believing that
   (i) no creditor will be prejudiced by the amalgamation, or
   (ii) adequate notice has been given to all known creditors of the amalgamating corporations and no creditor objects to the amalgamation otherwise than on grounds that are frivolous or vexatious.”
13 Dissolving a CDC

The board of a CDC may decide to dissolve if the corporation is no longer functioning, or it has decided to amalgamate with another CDC. If the CDC has assets and/or a Community Works Loan Program fund, the CDC cannot distribute (ex: give away) any profits or assets without approval from the Manitoba government (by order of the Lieutenant-Governor in Council). This does not apply to the winding up of an insolvent corporation.

To dissolve a CDC, the board must provide the following information to the minister of Agriculture, Food and Rural Development:

• declaration of the corporation’s solvency
• a copy of an audited financial statement for the latest fiscal year
• copy of the resolution authorizing the dissolution and distribution of assets ratified by two-thirds of the shareholders at a duly authorized meeting
• a listing of any objectors to such a resolution
• a solicitor’s opinion with respect to the legality and compliance to The Corporations Act and related legislation or acts in the dissolution of the CDC

Send two copies of these documents to:
Manitoba Agriculture, Food and Rural Development
Attention: Value Added and Rural Economic Advancement
1129 Queens Avenue
Brandon, MB R7A 1L9

Upon review and approval by Manitoba government, documentation is returned for filing at the Companies Office.
CDCs are required to file an Annual Return of information each year to the Companies Office that confirms details about the corporation, such as the contact information and an updated list of the directors of the corporation. If a CDC does not file this information for two consecutive years, the Companies Office dissolves it. A dissolved CDC may be revived using the process found at www.companiesoffice.gov.mb.ca/instruction_sheets/revival_e.pdf.

To revive a CDC, the board must provide the following:

- Member Municipal Corporations must pass a resolution of consent to revive the CDC.
- Complete the Companies Office Request for Service form (no fee).
- Complete the Companies Office Request for Name Reservation form if the corporation was dissolved more than 180 days before the revival process ($45 fee).
- Complete the Companies Office Articles of Revival form ($120 fee).
- Fill out Annual Return of Information for the year(s) that the company has not filed an annual return ($50 per year, with a maximum of $150 for three years).
  - NOTE: If a CDC has been dissolved for more than three years, a return must be filed for each of the last three years only.

Send two copies (one original) of the municipal council(s) resolution along with two copies of all of these completed documents, plus separate cheques in the appropriate amounts for the Request for Name Reservation, (if needed), the Articles of Revival and the appropriate annual return(s) to:

Manitoba Agriculture, Food and Rural Development
Attention: Value Added and Rural Economic Advancement
1129 Queens Avenue
Brandon, MB R7A 1L9
Sample CDC or CEDO Policy Manual

__(Insert Name)___
Community Development Corporation
Policy Manual

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Composition of Board

Intention: To describe how directors are selected.

Policy: The board of directors of the ________________ Community Development Corporation shall be selected in a manner consistent with the bylaws of the corporation. As well:

• There shall be no more than ___(ex: 12)____ members.
• The Town of ______________ shall appoint _____(ex: four)_____ members. _____(ex: one)_____ of these members shall be a member of the ______________ Chamber of Commerce.
• The Rural Municipality of ______________ shall appoint _____(ex: four)_____ members. _____(ex: one)_____ of these members shall be a member of the ______________ Chamber of Commerce.
• Additional board members may be selected by the appointed municipal and town members.
• Members appointed by the Town of ______________ and the R.M. of ______________ may be, but are not required to be, elected councillors.
• The process used by the R.M. of ______________ and the Town of ______________ to select their appointees shall be determined by each individual council.
• The regular term for a director of the board of the ________________ CDC shall be three years.
• The board of directors has the option to invite representatives of other organizations to sit on the board as non-voting, ex-officio members.

Procedure:

• The Town of ______________ and the R.M. of ______________ shall appoint or reaffirm their previous appointments on an annual basis.
• Directors may appoint new directors on an as-needed basis.
• The membership of the board of directors shall be declared at the annual general meeting of the ________________ CDC.

Adopted:

Exceptions:

To be reviewed:
Board Decision Making

**Intention:** To determine that, while board members may, and should, freely discuss and express differing opinions during board meetings, the board shall speak to the community with one voice.

Policy: A motion passed by the board of directors shall be supported by all members of the board of directors.

**Procedure:**
- The board shall select and follow a standard process for conducting meetings (ex: Roberts Rules of Order). A copy of these guidelines shall be made available to all directors.
- The chair is responsible for ensuring that opportunity is provided during meetings for open, frank discussion and debate.
- Members may register their dissent to a motion in the minutes of the meeting.
- Board members who do not follow this policy may be asked to resign their positions.

**Adopted:**

**Exceptions:** Exceptions to this policy may be allowed when one believes that the board is making decisions contrary to its own bylaw or to the laws of Manitoba and Canada.

**To be reviewed:**
Committees: Formation, Dissolution, Reporting

**Intention:** Allow the board to form and dissolve committees while maintaining appropriate lines of authority and accountability.

**Policy:** The board may, from time to time, constitute such committees as it deems necessary to help the directors oversee the affairs of the corporation and shall prescribe the duties of any such committee. Committee activities must correlate to the goals and objectives of the corporation as outlined in the corporate mandate and strategic plan.

**Procedure:**
- Committee reports shall be included in all meeting agendas.
- Committee mandates shall be prescribed by the board of directors.
- Committee activities must be approved by the board of directors.
- Committees may be formed by the board to deal with specific projects or issues or to address ongoing activities or projects.
- Each committee formed shall include one active sitting member of the board of directors.
- Committees may be formed or dissolved through a formal motion of the board of directors.
- Committees will not make financial or other commitments without the approval of the board.
- The board may choose to allocate a budgeted amount to a specific committee for a specific purpose.
- Committees shall conduct all financial transactions through the ________________ CDC using financial procedures outlined by the ________________ CDC.

**Adopted:**

**Exceptions:**

**To be reviewed**
Strategic Planning

Intention: Ensure that the board undergoes an annual planning process and that board activities are consistent with the wishes and desires of the community at large.

Policy: That the _________________CDC go through an annual strategic planning process that includes community consultation; that the budget of the _________________ CDC be developed together with the strategic planning process.

Procedure:
- Each year, the board must set aside time and budget to conduct a strategic plan.
- Prior to the strategic planning process, the board shall consult the community.
- The community consultation process may change from year to year (e.g., surveys, public meetings, focus groups).
- The strategic plan, once developed, must be made available to the public.

Adopted:

Exceptions:

To be reviewed:
Spending and Signing Authority

Intention: Establish and maintain appropriate controls over the finances of the ______________________CDC

Policy: The signing authority consists of three board members and requires that cheques be signed by two of the three signing authorities. Board members with signing authority must be active members of the ____________ CDC. The EDO may not serve as a signing authority.

Procedure:
• Signing authorities will be designated at the annual general meeting.
• One of the signing authorities shall be the chair.
• One of the signing authorities shall be the treasurer.

Adopted:

Exceptions: In the event of an extended absence, the board may designate an additional signing authority. Accounts established for event specific purposes may include a non-board committee member as a signing authority.

To be reviewed
Conflict of Interest – Board Members

**Intention:** Ensure that board members act in the interests of community and do not benefit from an undisclosed actual, or perceived, direct or indirect, pecuniary gain.

**Policy:** The board adheres to the bylaws of the corporation regarding director conflict of interest as stated below:

19. Conflict of Interest

Where, during any meeting, there arises:

(a) a matter in which a director or any of his dependants has a direct or indirect pecuniary interest (as defined in the *Municipal Council Conflict of Interest Act*)

(b) a matter involving the direct or indirect pecuniary interest of any person, corporation, subsidiary of a corporation, partnership or organization to whom or which a director or any of his dependants has a direct or indirect pecuniary liability

The director shall:

(a) disclose the general nature of the direct or indirect pecuniary interest or liability

(b) withdraw from the meeting without voting or participating in the discussion

(c) refrain at all times from attempting to influence the matter

**Procedure:**

**Adopted:**

**Exceptions**

**To be reviewed**
Community Works Loan Fund Policy

**Intention:** Operate the Community Works Loans Program (CWLP) in a professional, fiscally responsible manner.

**Policy:** Community works loans shall be made available to eligible applicants, based on the recommendation of the loans committee and a decision of the board of directors.

**Procedure:** The following is the procedure for the Community Works Loans Program:

- Applicants must complete a CWLP application and provide a business plan with their application.
- An application fee of $50 is required.
- The EDO will present the application to the loans committee for review.
- The EDO and the loans committee will determine what, if any, further information is required.
- The EDO will conduct a credit check if deemed appropriate by the loans committee.
- The loans committee will present the loan application to the board on the record.
- If the board approves the loan, a letter of offer will be composed, outlining the terms of the loan.
- If the board denies the loan, a letter of decline will be composed, outlining the reasons for the decline. The applicant has the option to reapply if requirements outlined by the board can be satisfied.
- If the loan is approved, the EDO will:
  - meet with the applicant to complete the appropriate forms (general security agreement, etc.)
  - develop an amortization and payment schedule
  - register the loan
  - arrange, whenever possible, for payments to be made through direct withdrawal
- The EDO will issue a yearly statement to each loan recipient.
- Applications for CWLP will remain confidential until the loan is approved.
- The names of the loan recipients may be made public for program promotional purposes with the permission of the recipient.
- The following details how to collect overdue loan payments:
- Whenever possible, loan payments will be arranged using an automatic withdrawal system
- In the event that one loan payment is missed, the EDO shall phone the recipient to remind him/her that payment is due.
• In the event that two loan payments are missed, the EDO shall present the information to the board of directors. The board may choose to:
  – arrange for the EDO and/or the loan committee to meet with the recipient to determine the reason for the missed payments.
  – if necessary, renegotiate the terms of the loan
  – send a formal letter requesting payment
  – In the event that three loan payments are missed and the loan recipient has not made arrangements for repayment, or has not responded to previous communications, then the board will send, by registered mail, a letter indicating that if payment is not received within 30 days, then the loan will be cancelled and the security seized.
  – If the loan recipient has not responded to the registered letter, then the board will, with the support of the appropriate authorities, seize the security and such action will be noted in the loan registry.

Adopted:

Exceptions: Interest-only, or principle-only, payments can be negotiated on a case-by-case basis.

To be reviewed: annually
Hiring and Firing

Intention: Provide a clear process for both the hiring and firing of employees or service contractors.

Policy: The board of directors is responsible for the recruitment and termination of all employees or contracted services.

Procedure:

• The board may appoint a committee to develop and establish a hiring process. The final approval rests with the board as a whole.

• Involving other staff or outside community members may be part of the hiring process.

• The employer-employee relationship shall be outlined in an employment contract.

• There shall be a probationary period of six months.

• Prior to the end of the probationary period, the board of directors will review the employees' performance to determine suitability for regular employment. The employee will then be advised concerning continued employment.

• The probationary period may be extended by up to three months in exceptional circumstances. The employee will be notified in writing of the extension.

• Staff can be dismissed for one of the following reasons:
  – during the probationary period, when it becomes evident that the employee is not suited to this particular job
  – when a permanent employee consistently fails to perform their job properly (ex: unsatisfactory evaluation, repeated warnings by their supervisor)
  – theft of property or money
  – commission of a felony
  – sexual or verbal harassment of children/fellow employees or board members
  – misuse of centre funds
  – insubordination
  – gross incompetence (actions which costs the centre time and money)
  – inappropriate sharing of confidential information
  – being under the influence of restricted drugs or alcohol during work hours.
  – chronic absenteeism
  – bona fide abolition of this position

• At the end of the probationary period, when the employee has become a member of the regular staff, the employer may terminate the employee with approval from the board of directors:
  – without cause, by giving up to one month's notice, or up to one month's pay in lieu of notice for every three years of employment
  – with cause, by giving notice, or pay in lieu of notice, based on the centre's pay schedule and ensuring all necessary documentation is in order
– otherwise, without notice, or pay in lieu of notice, and with cause (ex: verifiable gross misconduct)

**Adopted:**

**Exceptions:** Exceptions to this process may be made when individual or corporations are contracted to complete short-term specific tasks.

**To be reviewed**
Lines of Communication

Intention: Clarify and formalize the roles and lines of communication between the staff, the board and the community.

Policy: The immediate supervisor of the economic development officer (EDO) is the chair of the board. The chair upon his or her discretion will refer matters to the board as a whole. Members of the board individually do not have supervisory authority over the staff.

Procedure:

- The first point of contact between the EDO and the board of directors shall be the chair. Should the chair not be available, the second point of contact shall be the vice-chair.
- The chair and the EDO will meet or communicate on a regular basis.
- The chair and the EDO will meet or communicate prior to any meeting of the board of directors.
- The chair and the EDO will develop an ongoing work plan for the EDO congruent with the strategic directives of the CDC.
- The EDO will present a report of activities to each meeting of the board of directors.
- The chair shall review any reports to be presented to the board of directors prior to meetings of the board of directors.
- The treasurer shall review all financial reports, including petty cash reports and expense claims prior to regular meetings of the board of directors.
- The EDO shall ensure clients are aware that any interactions or discussions between them may be shared with the chair of the board of directors.

Adopted:

Exceptions:

To be reviewed
Performance Appraisals: Staff

**Intention:** Provide a tool for communication between staff and board. Give staff the appropriate feedback required to encourage them to keep learning and improving job performance.

**Policy:** Formal performance appraisals will take place:
- after the six month probationary period
- annually, prior to the employees employment anniversary date
- at any time deemed appropriate with notice to the board or employee

**Procedure:**
- The performance appraisal will be required prior to any increment in salary or benefits or contract extension.
- Directors will be provided with the opportunity to provide input into the appraisal content and process.
- The performance appraisal shall include learning and performance objectives for the next year.
- A formal process shall be developed for performance appraisals.

**Adopted:**

**Exceptions**

**To be reviewed**
Staff Overtime

**Intention:** Manage personnel costs and ensure that staff members maintain an appropriate work/life balance.

**Policy:**
Staff will work for 35 hours per week but pay is based on 40 hours per week. The five hours difference will be banked, per week, to allow for circumstances when staff needs to work beyond the regular work week.

**Procedure:**
- Overtime taken and owed must be reconciled every month and presented to the board.
- No more than five days (40 hours) are to be banked.
- Banked overtime must be taken within six months.
- Overtime is taken in time only.

**Adopted:**

**Exceptions**

**To be reviewed**
Leave – Staff Members

Intention: Establish policies for staff leave.

Policy:
Leave can be granted to staff in four circumstances: sickness, vacation, unpaid, maternity/paternity

Procedure:
Sickness
– Sick days can be accumulated at a rate of 1 ¼ days per month.
– The maximum time that can be accumulated is 90 days.
– A doctor’s certificate is required for leave of three days or more.
– Accumulated sick leave has no cash value and will not be paid out at the end of term of employment.

Vacation
– As outlined for the Town of _________________________ and the Rural Municipality of __________________________ and the laws of Manitoba.

Leave without pay
– In extenuating circumstances, the board may grant a term of leave without pay.

Maternity/ Paternity
– Leave for maternity or paternity shall be the same as outlined for employees of the Town of _________________________ and the Rural Municipality of __________________________ and the laws of Manitoba.

Adopted:

Exceptions

To be reviewed
Conflict of Interest – Staff Members

**Intention:** Ensure that staff members act in the interests of community and that no staff members benefit from an undisclosed actual or perceived direct or indirect pecuniary gain.

**Policy:** Employees must not, directly or indirectly:

- Place themselves in a situation in any official matter where there is a private or personal interest that would raise questions about how objective their actions or decisions are in the matter.
- Undertake outside employment, a business transaction or other private arrangement for personal profit or have any financial or other personal interest that is, or may appear to be, in conflict with the performance of their duties.
- Seek or receive personal or private gain by granting preferential treatment to any persons while performing the employee’s duties.
- Seek or accept personal or private gain from the use of information acquired during the course of their duties, based upon confidential or non-public information.
- Use or permit the use of local government property to promote or serve their personal or private interests, unless they authorized to do so.
- Solicit or accept fees, gifts or other benefits that are connected directly or indirectly with the performance of their public service duties, from any individual, organization or corporation, other than:
  - the normal exchange of gifts among friends
  - the normal exchange of hospitality between persons doing business together
  - tokens exchanged as part of protocol
  - the normal presentation of gifts to persons participating in public functions

**Procedure:**

- Similar to board members, staff members must:
  - Disclose the general nature of the direct or indirect pecuniary interest.
  - Withdraw from any meeting or discussion regarding the matter.
  - Refrain at all times from attempting to influence the matter.
  - Understand that failure to disclose this information is grounds for immediate dismissal.

**Adopted:**

**Exceptions:**

**To be reviewed:**
Office Expenses

**Intention:** Provide appropriate monitoring of expenses while giving staff flexibility and ability to deal with day-to-day and short-term expenses.

**Policy:** Establish a petty cash fund of $___________ to be used at the discretion of the staff for normal office expenses.

**Procedure:** Staff will balance and provide a petty cash report each month with supporting receipts.

**Adopted:** (when and by whom)

**Exceptions**

**To be reviewed**
Staff Expenses

Intention: Provide guidelines for general and out of pocket expenses for staff members.

Policy: Reimburse staff for the following expenses:

- mileage – at the rate paid by the town and municipality
- accommodation – with receipts, with prior approval, of the chair of the board of directors
- out-of-pocket expenses for office supplies with receipt
- meals – with receipts – not including alcohol and not exceeding

<table>
<thead>
<tr>
<th>Meal</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>breakfast</td>
<td>$______</td>
</tr>
<tr>
<td>lunch</td>
<td>$______</td>
</tr>
<tr>
<td>dinner</td>
<td>$______</td>
</tr>
</tbody>
</table>

Procedure:

- Staff will submit their expenses to the treasurer of the board prior to each meeting or as requested by the chair or treasurer
- Travel outside the region (within _____ kilometres) will require pre-approval by the chair of the board.

Adopted:

Exceptions:

To be reviewed
Client Confidentiality

**Intention:** Clarify the nature of the relationship between the board and staff of the __________ CDC and its clients.

**Policy:** All matters relating to the CDC, including client consultations with the economic development officer, shall be known and disclosed to the board, and the board and the EDO will treat this information as confidential.

**Procedure:**
- Clients shall be informed during their first consultation that information relating to their proposed or existing project or enterprise may be disclosed to the board as a whole but only to the board.
- All discussion relating to individual projects, business proposals, loans or information that could be deemed proprietary must be held in-camera.
- Members must declare real or potential conflicts of interest prior to discussion of them.

**Adopted:** (when and by whom)

**Exceptions:** The EDO may appeal to the chair when s/he believes that disclosure may result in a conflict of interest or jeopardize a specific project or enterprise.

**To be reviewed:**
Hiring of Professional Services

Intention: Outline the process whereby professional or contract services are obtained by the ________________ CDC.

Policy: Establish a fair, competitive and transparent process for the hiring of professional services.

Procedure:

Legal and Accounting
- Auditing and legal services shall be approved by a motion of the board during the annual general meeting.
- The board may seek tenders for the provision of such services.

Consultants/Contract
- Consultants must be selected through a competitive process that includes the development of a call for proposals.
- The board or a committee of the board will refer the proposals and make a recommendation to the board as a whole.
- A contract must be drawn between the CDC and the consultant. It should include:
  - project objectives and anticipated outcomes
  - project deliverables and timelines
  - circumstances under which the contract may be cancelled or invalidated
  - language referring to the ownership of the information or materials produced as a result of the contract

Adopted:

Exceptions: In what are deemed to be outstanding circumstances the board may, through ____________, circumvent the competitive process.

To be reviewed:
**Policy on Exemptions to Policies**

**Intention:** Identify the process whereby the board of directors can determine exemptions to policies.

**Policy:** In some instances, the reasons and processes for policy exemption are identified in the policy itself. In all other circumstances, exemptions to a policy shall be made only with a majority 75 per cent vote of the board of directors during a formal meeting of the board of directors. Notice of the meeting, must be given to all board members as outlined in the corporate bylaws. Included in the notice will be an agenda outlining the specific policy and the proposed exemption.

**Adopted:**

**To be reviewed:**
Sample Economic Development Officer (EDO) Job Advertisement

The __________ CDC is seeking a qualified, dedicated, enterprising and results-oriented leader for the position of economic development officer. The chosen person will have the ability to work effectively with potential investors, developers, other levels of government, community organizations, local business groups and council.

The economic development officer reports directly to the chief administrative officer, and receives advice from a board of directors. This position will be responsible for business development, job creation, tourism and immigration. This person will take appropriate action to retain existing businesses, encourage local expansion, entice new businesses to locate in the community and market __________ area as a place to live, visit, work and do business.

The ideal person will have experience in creating dynamic relationships with developers, business leaders and senior government officials. Ideally, the person will possess the following:

- a degree or diploma in business, marketing, economics, community development or a related field with complimentary experience
- a minimum of five years of related experience
- proven ability to develop and implement comprehensive development strategies
- excellent public speaking and presentation skills, along with superior information

The _________________ CDC offers an excellent wage and benefit package that will reward the successful candidate for their qualifications, experience and past successes.
References


For more information, call Manitoba Agriculture, Food and Rural Development at 204-726-6293 in Brandon, or email mbagriprocessing@gov.mb.ca.

Prepared by Manitoba Agriculture, Food and Rural Development