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Contract Overview for Executive Directors

- Contracts, even verbal ones are legally binding – they can be written on napkins, paper, etched in jewelry, etc. (QCC 14.14) – specific clauses must be in writing (QCC 28.9)
- According to the French Charter, section 55, in Quebec, all communication between an employer & an employee must be in French with the exception of an employment contract – it is legally binding in English but it must have a clause saying that “both parties agreed to the contract in English.....”
- Both parties must “consent” to the details of a contract. “Consent” is a matter of perception and can easily be misunderstood
- “consent” cannot be forced – only sign a document if EVERYTHING is understood
- There must be a Board resolution that a specific board member is permitted to sign the contract
- Contract must have a purpose and cannot include any unethical or illegal duties
- If you work with a contract for a specific term (i.e. 3 years) and it goes un-negotiated for a total of 5 years + 1 day = contract automatically renews itself with the current terms = either the employee stays with the terms or it can be renegotiated with new terms however they must remain reasonable
- An employment contract must include two parties or representatives; a company cannot sign a contract
- Written contracts are a matter of choice and are not mandatory – however there is very little room for misunderstanding when things are in writing
- With a written contract it is easier to change working conditions i.e. hours, wages, benefits, etc.
- For a regular employee an HR policy can be included as terms of a contract but NOT FOR A DIRECTOR
- Superior Court ruling in 1994 Garderie Patchou = art 3.6 = CNT does not apply to management except for some basic coverage = criminal offenses, family leaves, absences for family, sickness, accidents, maternity/paternity leave = 79.1; 79.7-79.16; 74.2-74.4; 81.1-81.20 CNT
- Director = Manager = Administration = Employer Representative = NOT A STAFF MEMBER
- QCC 20.88 all employees are expected to act in a honest and ethical manner = grounds for recourse and even dismissal
- Board cannot delegate their responsibilities to the Director that they should handle i.e. signing a union agreement/ sign a contract with a new director/sign for a loan agreement
- Bylaws of a CPE supersede contract details
- Make certain Director’s contract includes liability insurance for management
- Items to include in a director’s contract: salary; how & when paid; bonus; raise; benefits (insurance, parking, cell phone, etc.); vacation pay; paid personal days; renewal clause; professional development options; liability insurance, etc.