



POLICY REGISTER

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Policy Type: Ends
Policy Title: A – Global End

Last Revised: August 3, 2015

Until ends policies are developed, the Cooperative's purpose and priorities will remain as previously stated explicitly by the Board or as found implicitly in previously adopted Board documents.

Policy Type: Executive Limitations
Policy Title: B – Global Executive Constraint
Last Revised: August 3, 2015

The General Manager (GM) shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.

Policy Type: Executive Limitations
Policy Title: B1 – Financial Condition and Activities
Last revised: August 3, 2015

B1 will be monitored quarterly.

With respect to the actual, ongoing financial conditions and activities, the General Manager (GM) must not cause or allow the Cooperative to be unprepared for future opportunities, the development of fiscal jeopardy, or key operational indicators to be below average for our industry.

The GM will not:

1. allow sales growth to be inadequate.
2. allow operations to generate an inadequate net income.
3. allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. allow solvency (the relationship of debt to equity) to be insufficient.
5. allow growth in ownership and owner paid-in equity to be insufficient.
6. allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
7. default on any terms that are part of the Cooperative's loans.
8. allow late payment of contracts, payroll, loans or other financial obligations.
9. incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
10. acquire, encumber or dispose of real estate.
11. use restricted funds for any purpose other than that required by the restriction.
12. allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

Expansion Specific Notes

B1.1-B1.6: During stages of construction, the GM will consult the project's sources and uses budget and proforma for specific projections of fiscal goals.

B1.1-B1.10: During stages of construction, the GM will report to the Board the financial condition based on actual performance versus budget.

Policy Type: Executive Limitations
Policy Title: B2 – Business Planning and Financial Budgeting
Last revised: August 3, 2015

B2 will be monitored annually.

The General Manager (GM) must not operate without annual and multi-year budgets and plans that address intentional and improved Ends accomplishment along with avoidance of fiscal jeopardy.

The GM will not:

1. create plans or budgets that
 - a. risk incurring those situations or conditions described as unacceptable in the Board policy “Financial Condition and Activities.”
 - b. omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
 - c. do not address excellence in business systems and operations.
 - d. have not been tested for feasibility.
2. provide less for Board prerogatives during the year than is set forth in the Board budget.

Expansion Specific Notes

During stages of construction the GM will:

1. *determine project feasibility by vetted risk and market assessments.*
2. *develop a pro forma budget that achieves Shared Vision & Ends.*
3. *practice due diligence in contract negotiations.*
4. *exercise due diligence in budgets and plans.*

The GM will do their best to adequately plan and ensure success.

Policy Type: Executive Limitations
Policy Title: B3 – Asset Protection
Last revised: August 3, 2015

B3 will be monitored annually.

The General Manager (GM) shall not allow assets to be unprotected, unreasonably risked, or inadequately maintained.

The GM will not:

1. allow equipment and facilities to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
2. allow the building, property, or equipment to fall below applicable codes and standards.
3. allow unnecessary exposure to liability or lack of insurance protection from claims of liability.
4. allow deposits or investments to be unreasonably risked.
5. allow inadequate security of premises and property.
6. allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
7. allow improper usage of owners' and customers' personal information.
8. allow purchasing that is uncontrolled or subject to conflicts of interest.
9. allow lack of due diligence in contracts.
10. allow damage to the Cooperative's public image.

Expansion Specific Notes

B3.8-B3.9: During stages of construction, the GM will exercise due diligence in any contract.

The GM will seek legal approval in coordinating any capital campaign or loan drive.

The GM will put forth their best efforts to employ every available resource to reach a timely completion of project(s).

Policy Type: Executive Limitations
Policy Title: B4 – Membership Rights and Responsibilities
Last Revised: August 3, 2015

B4 will be monitored annually.

The General Manager (GM) shall not cause owners to be uninformed or misinformed of their rights and responsibilities.

The GM must not:

1. create or implement a member equity system without the following qualities:
 - a. the required member equity, or fair share, is determined by the Board.
 - b. members are informed that equity investments are a) at risk, and b) generally refundable, though the Board retains the right to withhold refunds when necessary to protect the Cooperative's financial viability.
 - c. equity will not be refunded if such refunds would lead to a net decrease in total member paid-in equity, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.
2. implement a patronage dividend system that does not:
 - a. comply with IRS regulations.

- b. allow the Board to examine a range of options and implications, so the Board can make a timely determination each year concerning how much, if any, of the Cooperative's net profit will be allocated and distributed to members.
3. implement a C Share (Class 2 Share, Preferred Share) system that does not:
 - a. comply with state regulations.
 - b. allow the Board to examine a range of options and implications, so the Board can make a timely determination each year concerning how much, if any, dividend will be distributed to participating members and how much, if any, stock will be redeemed.

Expansion Specific Notes

During times of construction, the GM will communicate with the Membership and present information so that the expansion process is transparent.

During times of construction, the GM will offer opportunities to promote owner engagement (eg. participation in grassroots support for project, feedback on design, help with the city, project committee).

Policy Type: Executive Limitations
Policy Title: B5 – Treatment of Customers
Last Revised: August 3, 2015

B5 will be monitored annually.

The General Manager (GM) must not provide less than exceptional customer service.

The GM must not:

1. be unresponsive to customer needs.
2. operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
3. allow an unsafe shopping experience for our customers.

Policy Type: Executive Limitations
Policy Title: B6 - Staff Treatment and Compensation
Last revised: August 3, 2015

B6 will be monitored annually.

The General Manager (GM) shall not treat staff in any way that is unfair, unsafe, or unclear.

The GM will not:

1. operate without written personnel policies that:
 - a. clarify rules for staff.
 - b. provide for fair and thorough handling of workplace conflict.
 - c. are accessible to all staff.
 - d. inform staff that employment is neither permanent nor guaranteed.

2. cause or allow personnel policies to be inconsistently applied.
3. provide for inadequate documentation, security and retention of all personnel records and all personnel related decisions.
4. establish compensation and benefits that are internally or externally inequitable.
5. change the GM's own compensation and benefits, except as their benefits are consistent with a package for all other employees.

Policy Type: Executive Limitations
Policy Title: B7 – Communication to the Board
Last Revised: August 3, 2015

B7 will be monitored annually.

The General Manager (GM) shall not cause or allow the Board to be uninformed or unsupported in its work.

The GM must not:

1. submit monitoring reports that are untimely or inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
2. report in an untimely manner any actual or anticipated noncompliance with any Board policy, along with a plan for reaching compliance and a proposed schedule regarding follow-up reporting.
3. allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or internal and external changes.
withhold their opinion if the GM believes the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM.
4. deal with the Board in a way that favors or privileges certain directors over others except when responding to officers or committees duly charged by the Board.
5. fail to supply for the Board's consent agenda all decisions delegated to the GM yet required by law, regulation, or contract to be Board-approved.

Policy Type: Executive Limitations
Policy Title: B8 –Board Logistical Support
Last Revised: August 3, 2015

B8 will be monitored annually.

The General Manager (GM) shall not allow the Board to have inadequate logistical support.

The GM must not:

1. provide the Board with insufficient staff administration to support governance activities and Board communication.
2. allow the board to be without a workable mechanism for official Board, officer or committee communications.

3. allow directors to be without an updated copy of the Policy Register and the Bylaws.
4. provide inadequate information and notice to members concerning actions, meetings, activities and events.
5. allow insufficient archiving of Board documents.

Policy Type: Executive Limitations
Policy Title: B9 – Emergency GM Succession
Last revised: September 16, 2015

B9 will be monitored annually.

The General Manager (GM) will protect the Cooperative from sudden loss of GM services.
 The GM must not:

1. have less than one other manager sufficiently familiar with Board and GM issues and processes to enable her/him to take over with reasonable proficiency as an interim successor.

Policy Type: Board Process
Policy Title: C – Global Governance Commitment
Last Revised: August 3, 2015

Acting on behalf of our owners, the Board ensures the success of the cooperative by working together effectively, empowering and holding accountable professional management, providing strategic leadership for our Cooperative, and perpetuating our democratic organization.

Policy Type: Board Process
Policy Title: C1 – Governing Style
Last Revised: August 3, 2015

C1 will be monitored annually.

We will govern in a manner consistent with the Four Pillars of Cooperative Governance (Teaming, Accountable Empowerment, Strategic Leadership, Democracy). In order to do this, we will:

1. be a strategic leader by focusing our vision outward and toward the future.
2. ensure effective systems of delegating authority to professional management, holding the use of that power accountable, and clearly distinguishing between Board and management responsibilities.
 - a. observe the 10 Policy Governance principles [Ownership, Position of Board, Board Holism, Ends Policies, Board Means Policies (Board Process Policies & Board-Management Relationship Policies), Executive Limitations Policies, Policy Sizes, Clarity and Coherence of Delegation, Any Reasonable Interpretation, Monitoring]
3. maintain team discipline, authority and responsibility.
4. practice the habits of a successful democracy.

5. obey all relevant laws and bylaws.

Policy Type: Board Process
Policy Title: C2 – The Board’s Job
Last Revised: April 10, 2017

C2 will be monitored annually.

In order to govern successfully, we will:

1. practice, protect, promote and perpetuate a healthy democracy for our Cooperative.
2. hire, compensate, delegate responsibility to, and hold accountable a General Manager.
 - a. use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.
3. assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
4. rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship.
5. perpetuate the Board’s leadership capacity using the following:
 - a. ongoing education and training
 - b. a robust recruitment, qualification, and nomination process
 - c. fair elections
6. perform other duties as required by the bylaws or because of limitations on GM authority.

Policy Type: Board Process
Policy Title: C3 – Agenda Planning
Last Revised: October 9, 2017

C3 will be monitored annually.

We will follow a strategic multi-year work plan and annual agenda that focuses our attention upward and outward.

1. We will create, and modify as necessary, an annual calendar that includes tasks and events related to our multi-year work plan, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in our Board-Management Relationship policies.
2. Board meeting agendas will be determined by the Board president, and may be modified at the meeting by a majority vote of the Board.

Policy Type: Board Process
Policy Title: C4 – Board Meetings
Last Revised: November 13, 2017

C4 will be monitored annually.

Board meetings are for the task of getting the Board's job done.

1. We will use Board meeting time only for work that is the whole Board's responsibility. We will avoid committee issues, operational matters, personal concerns and other topics that are not the highest and best use of our time.
2. Meetings will be open to the membership except when a closed meeting is officially called. We may occasionally use closed meetings to deal with confidential matters, as long as the purpose of the session is stated. When possible, announcement of the closed meeting should be on the published agenda.
3. We will seek consensus through discussion. We will then finalize and document decisions through the use of motions, seconds and majority vote.

Policy Type: Board Process
Policy Title: C5 – Directors' Code of Conduct
Last Revised: January 18, 2018

C5 will be monitored annually.

We each commit ourselves to ethical, businesslike and lawful conduct.

1. Every director is responsible at all times for acting in good faith, in a manner which she/he reasonably believes to be in the best interests of the Cooperative, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
2. Directors must demonstrate unconflicted loyalty to the interests of the Cooperative's owners. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other Boards or staffs, and the personal interest of any director acting as an individual consumer or member.
 - a. There will be no self-dealing or any conduct of private business or personal services between any director and the Cooperative except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.
 - b. At a new director's first Board meeting, he/she will complete the "Conflict of Interest Disclosure" form, and will verbally report to the whole Board the potential conflicts. Any subsequent potential conflicts will be reported to the whole Board immediately.
 - c. When the Board is to decide on an issue about which a director has an unavoidable conflict of interest, that director shall abstain from the conversation and the vote.
 - d. A director who applies for employment must first resign from the Board.
 - e. (Include if your Cooperative allows employees to serve on the Board) Any director who is also a paid employee has the same duties and responsibilities as any other director, and has the additional duty of clearly segregating staff and Board responsibilities. Any director who is also a paid employee will resign from the Board if and when their employment ends.
3. Directors may not attempt to exercise individual authority over the organization.
 - a. When interacting with the GM or employees, directors must carefully and openly recognize their lack of authority.

- b. When interacting with the public, the press, or other entities, directors must recognize the same limitation and the inability of any director to speak for the Board except to repeat explicitly stated Board decisions.
- 4. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
- 5. Directors are expected to prepare for, attend, and participate fully in all Board meetings and required trainings.
- 6. Directors will support the legitimacy and authority of the Board's decision on any matter, irrespective of the director's personal position on the issue.
- 7. Any director who does not follow the code of conduct policy can be removed from the Board by a 2/3 majority vote of the remaining Board.

Policy Type: Board Process
Policy Title: C6 – Officers' Roles
Last Revised: May 8, 2017

C6 will be monitored annually.

We will elect officers in order to help us accomplish our job.

- 1. No officer has any authority to supervise or direct the GM.
- 2. Officers may delegate their authority but remain accountable for its use.
- 3. The president ensures the Board acts consistently with Board policies.
 - a. The president is authorized to use any reasonable interpretation of the provisions in the Board Process and Board-Management Relationship policies.
 - b. The president will chair and set the agenda for Board meetings and will preside at all meetings or appoint a temporary chairperson.
 - c. The president plans for leadership (officer) perpetuation.
 - d. The president may represent the Board to outside parties.
 - e. The president shall sign as president, with the secretary, all notes, deeds, conveyances of real estate, and all certificates of stock.
- 4. The vice-president will perform the duties of the president in his/her absence.
 - a. The vice-president shall, in the absence or disability of the president, perform the duties of the president.
- 5. The treasurer will lead the Board's process for creating and monitoring the Board's (not the Cooperative's) budget.
 - a. The duties of the treasurer may be delegated by the Board of Directors to other persons.
 - b. The treasurer shall receive and disburse all funds of the association.
 - c. The treasurer shall keep a complete record of all financial transactions of the association and perform such other duties pertaining to the office of treasurer, as may be required by the Board of Directors.
 - d. The treasurer shall submit to the annual meeting a complete and detailed financial report of the year's business, and other special reports as requested by the Board of Directors.
- 6. The secretary shall ensure that the Board's documents are accurate, up to date, and

appropriately maintained.

- a. The duties of the secretary may be delegated by the Board of Directors to other persons.
- b. The secretary shall ensure that all notices are communicated as required by law.
- c. The secretary shall ensure that a complete record is kept of the meetings of the association, and of the Board of Director's meetings.
- d. The secretary shall ensure that such secretarial reports at the annual member meeting and other meetings of members are submitted, as requested by the Board of Directors.
- e. The secretary shall sign as secretary, with the president, all notes, deeds, conveyances of real estate, and all certificates of stock. If the corporation has a seal the secretary shall affix the corporate seal to all documents requiring it.

Policy Type: Board Process
Policy Title: C7 – Board Committee Principles
Last Revised: September 4, 2017

C7 will be monitored annually.

The Board will establish committees for the sole purpose of assisting with the work of the Board.

1. Committees will support the Board in its work by researching information and presenting options to the Board.
2. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
3. The Board will establish, regularly review and control committee responsibilities in written committee charters.
4. We will carefully state expectations for committees so that committee work will not conflict with the authority delegated to the GM.

Policy Type: Board Process
Policy Title: C8 – Governance Investment
Last Revised: September 16, 2015

C8 will be monitored annually.

We will invest in the Board's governance capacity.

1. We will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
2. We will incur governance costs prudently, though not at the expense of development and maintenance of superior capability.
 - a. We will use training and retraining liberally to orient new directors and Board candidates, as well as to maintain and increase existing directors' skills and understanding.
 - b. We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.

- c. We will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
 - d. We will use professional and administrative support as necessary.
3. We will develop the Board's annual budget in a timely way so as to not interfere with the development of the Cooperative's annual budget. In no case will we complete this work later than May.

Policy Type: Board-Management Relationship
Policy Title: D – Global Board-Management Connection
Last Revised: August 3, 2015

The Board's sole official connection to the operations of the Cooperative will be through the General Manager.

Policy Type: Board-Management Relationship
Policy Title: D1 – Unity of Control
Last Revised: February 13, 2017

D1 will be monitored annually.

1. Decisions of or instructions by individual directors, officers, or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power.
2. In the case of directors or committees requesting information or assistance without Board authorization, the GM can refuse any requests that, in the GM's opinion, may disrupt operations or that require too much staff time or resources.

Policy Type: Board-Management Relationship
Policy Title: D2 – Accountability of the GM
Last Revised: March 13, 2017

D2 will be monitored annually.

The General Manager (GM) is the Board's only link to operational achievement and conduct.

1. The Board will view GM performance as identical to progress toward organizational performance. Progress toward the Co-op's "Ends" within Executive Limitations of the Policy register will be viewed as successful GM performance.
2. The Board will not instruct or evaluate any employee other than the GM.

Policy Type: Board-Management Relationship
Policy Title: D3 – Delegation to the GM
Last Revised: August 3, 2015

D3 will be monitored annually.

The Board delegates authority to the General Manager (GM) through written Ends and Executive Limitations policies.

1. As long as the GM uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the GM is authorized to establish all further policies, practices and plans for the cooperative.
2. The Board will respect and accept the GM's choices as long as those choices are based on reasonable interpretations of Board policies.
3. If the Board changes an Ends or Executive Limitations policy, the change only applies in the future.

Policy Type: Board-Management Relationship
Policy Title: D4 – Monitoring GM Performance
Last Revised: June 11, 2018

D4 will be monitored annually.

The Board will systematically and rigorously monitor and evaluate the job performance of the General Manager (GM) compared to expectations set forth in Board policies.

1. The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses policy interpretations and compliance information to the Board; (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or (c) by direct Board inspection, in which a designated director or committee assesses compliance with the policy.
2. In every case, the Board's standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but we will always judge with a "reasonable person" test rather than with interpretations favored by individual directors or by the Board as a whole.
3. The Board will accept that the GM is compliant with a policy if s/he presents a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
4. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.
5. The Board's annual evaluation of the General Manager, based on the summary of monthly monitoring reports printed in the Annual Monitoring Table (AMT), will be completed by the end of contract. Both the president and the secretary will sign off on the Annual Monitoring Table.