



BOARD POLICY REGISTER

CONTENTS

Ends	A – Ends
Executive Limitations	B – Global Executive Constraint B1 – Financial Condition B2 – Planning and Budgeting B3 – Asset Protection B4 – Membership Rights and Responsibilities B5 – Treatment of Consumers B6 – Staff Treatment and Compensation B7 – Communication to the Board B8 – Board Logistical Support B9 – GM Succession B10 – Environment
Board Process	C – Global Governance Commitment C1 – Governing Style C2 – The Board’s Job C3 – Agenda Planning C4 – Board Meetings C5 – Directors’ Code of Conduct C6 – Officers’ Roles C7 – Board Committee Principles C8 – Governance Investment

Board-
Management
Relationship

D – Global Board-Management Connection
D1 - Unity of Control
D2 – Accountability of the GM
D3 – Delegation to the GM
D4 – Monitoring GM Performance

Appendices

Bylaws
Board Annual Calendar and Monitoring Schedule
Committee Charters
Conflict of Interest Disclosure form
Monitoring Decision Tree
Statement on the Cooperative Identity
4 Pillars of Cooperative Governance article
Policy Governance Quick Guide

Policy Type: Ends
Policy Title: A – Global End
Last Revised: November 15, 2016

Because of all that we do, Concord Food Co-op’s owner-members, customers and community will benefit from:

1. A wide variety of high quality natural and organic foods and environmentally sound products at fair prices.
2. Support for environmentally and socially responsible producers and suppliers, especially for local and regional products where available within our price and quality standards.
3. A workplace where staff is valued, supported, respected and compensated fairly.
4. A pleasurable and friendly place to shop, with customer service that is cheerful, courteous and knowledgeable.
5. Information on health and nutrition, on social, political and economic issues related to food and household products, and on the value of consumer control through the cooperative system.
6. A successful cooperatively owned business.

Policy Type: Executive Limitations
Policy Title: B – Global Executive Constraint
Last Revised: November 15, 2016

The General Manager must 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: November 15, 2016

With respect to the actual, ongoing financial conditions and activities, the General Manager 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 must 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. Default on any terms that are part of the Cooperative's loans.
7. Allow late payment of contracts, payroll, loans or other financial obligations.
8. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
9. Acquire, encumber or dispose of real estate.
10. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
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).

Policy Type: Executive Limitations
Policy Title: B2 –Planning and Financial Budgeting
Last revised: November 15, 2016

The General Manager 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 must 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.

Policy Type: Executive Limitations

Policy Title: B3 – Asset Protection

Last revised: November 15, 2016

The General Manager must not allow assets to be unprotected, unreasonably risked, or inadequately maintained.

The GM must 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 unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Allow deposits or investments to be unreasonably risked.
4. Allow inadequate security of premises and property.
5. Fail to develop a plan to prepare for disasters.
6. Fail to ensure accurate and current member records, including equity payments and eligibility for benefits and voting.
7. Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
 - a. Allow improper usage of members’ 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.

Policy Type: Executive Limitations

Policy Title: B4 – Membership Rights and Responsibilities

Last Revised: November 15, 2016

The General Manager must not allow members to be uninformed or misinformed of their rights and responsibilities.

The GM must not:

1. Fail to ensure that the process and benefits of becoming a member in the Cooperative is clear and available to everyone.
2. Fail to provide opportunities for members to participate in the cooperative.
3. Fail to hold an annual meeting and prepare a written annual report to members.
4. Fail to disseminate at least annually a report of the Cooperative's financial resources and how those resources have been translated into services.
5. Fail to ensure effective communication of the vision and mission of the Cooperative to the members.
6. 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. Repurchase membership shares if such repurchase would lead to a significant net decrease in total Member Deposits, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.
7. Implement a patronage refund system that does not
 - a. Comply with IRS and any other applicable 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.

Policy Type: Executive Limitations

Policy Title: B5 – Treatment of Customers

Last Revised: November 15, 2016

The General Manager must not be unresponsive to customer needs.

The GM must not:

1. Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
2. Allow an unsafe or unpleasant shopping experience for our customers.

Policy Type: Executive Limitations
Policy Title: B6 - Staff Treatment and Compensation
Last revised: October 20, 2021

The General Manager must not treat staff in any way that is unfair, unsafe, or unclear.

The GM must not:

1. Operate without written personnel policies that:
 - a. Clarify rules for staff.
 - b. Provide for fair and thorough handling of workplace conflicts. The board should not be included as a participant in the conflict resolution process.
 - c. Are accessible to all staff.
 - d. Inform staff that employment is neither permanent nor guaranteed.
 - e. Encourage employees to report unethical or illegal behavior.
2. Prevent any employee from reporting unethical or illegal activity to the board or discriminate or retaliate against any employee for reporting unethical or illegal behavior or activity.
3. Cause or allow personnel policies to be inconsistently applied.
4. Fail to provide a positive work environment free from all types of harassment and discrimination, with tools, resources, and support for excellent job performance; channels for staff input and involvement in operational improvements; staff recognition and appreciation; staff development and growth.
5. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
6. Establish compensation and benefits that are internally or externally inequitable.
7. Fail to plan for and demonstrate reasonable progress towards a living wage standard.
8. Change the GM's own compensation and benefits, except as those benefits are consistent with a package for all other employees.

Policy Title: B7 – Communication to the Board
Last Revised: November 15, 2016

The General Manager must not cause or allow the Board to be uninformed, misinformed, 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.
4. Withhold his/her 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.
5. 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.

Policy Type: Executive Limitations
Policy Title: B8 –Board Logistical Support
Last Revised: November 15, 2016

The General Manager must 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 Board actions, meetings, activities and events.
5. Allow insufficient archiving of board documents.

Policy Type: Executive Limitations
Policy Title: B9 – Emergency GM Succession
Last revised: November 15, 2016

The GM must not operate without an Emergency Succession Plan which shall be provided to the Board and key staff, and which shall include “chain-of-command” direction; next-in-charge familiarity with the Board; access to key information; coaching of a staff for successor GM; and systematic development of skills of department and area managers.

Policy Type: Executive Limitations
Policy Title: B10 –Environment
Last Revised: November 15, 2016

The GM must not allow activities and practices that unduly damage the environment.

The GM must not:

1. Fail to minimize the release of pollutants.
2. Fail to reasonably minimize the creation of waste through reduction, re-use, and recycle and ensure waste disposal through safe and responsible methods.
3. Fail to reasonably minimize the use of non-renewable energy through improved efficiency and conservation.

Policy Type: Board Process
Policy Title: C – Global Governance Commitment
Last Revised: November 15, 2016

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: November 15, 2016

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 (Ends Policies, Ownership, Board Process Policies, Board Holism, Board-Management Relationship Policies, Governance Position, Limitations Policies, Policies/Decisions Come in Sizes, 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: November 15, 2016

In order to govern successfully, we acknowledge we obtain our authority from the member-owners and have the fiduciary and legal responsibility to represent their best interests. We will:

1. Practice, protect, promote and perpetuate a healthy democracy for our Cooperative as a whole.
 - a. Obtain adequate and appropriate information on member-owners to understand their values and needs, and make informed policy decisions.
 - b. Report periodically to the member owners on the board’s role, activities, and decisions.
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. Contract with an auditor to conduct an annual audit or review.
6. Perpetuate the Board’s leadership capacity using ongoing education and training, a robust recruitment, qualification and nomination process and fair elections.
7. 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: November 15, 2016

We will follow a strategic multi-year workplan 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 workplan, 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 15, 2016

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 executive session is officially called.
 - a. We may use executive session as needed to deal with confidential matters, as long as the purpose of the session is stated. When possible, announcement of the executive session should be on the published agenda.
3. We will seek consensus through discussion. We will then finalize and document decisions by majority vote.

Policy Type: Board Process
Policy Title: C5 – Directors’ Code of Conduct
Last Revised: November 15, 2016

We each commit ourselves to ethical, professional 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.

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 will prepare for, attend, and participate fully in all Board meetings and 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 majority vote of the remaining Board.

Policy Type: Board Process

Policy Title: C6 – Officers' Roles

Last Revised: November 15, 2016

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 make decisions that are consistent with Board Process and Board-Management Relationship policies in order to facilitate the Board's functioning.
 - b. The president will chair and set the agenda for Board meetings.
 - c. The president plans for leadership (officer) perpetuation.
 - d. The president may represent the Board to outside parties.
4. The vice-president will perform the duties of the president in her/his absence.
5. The treasurer will
 - a. facilitate the Board's understanding of the financial condition of the Cooperative.
 - b. lead the annual review and Board approval of the budget.
6. The secretary will make sure the Board's documents are accurate, up to date, and appropriately maintained.

Policy Type: Board Process
Policy Title: C7 – Board Committee Principles
Last Revised: November 15, 2016

We will use Board committees only to help us accomplish our job in accordance with applicable By-law provisions.

1. Committees will reinforce and support Board holism.
 - a. In particular, committees help the whole Board move forward when they research alternatives and bring back options and information.
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.
 - a. We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the GM.

Policy Type: Board Process
Policy Title: C8 – Governance Investment
Last Revised: November 15, 2016

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 endangering the 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.
3. We will develop the Board’s annual budget in a timely way in consultation with the GM so as to not interfere with the development of the Cooperative’s annual budget.

Policy Type: Board-Management Relationship
Policy Title: D – Global Board-Management Connection
Last Revised: November 15, 2016

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: November 15, 2016

Only officially passed motions of the Board are binding on the GM.

1. Decisions or instructions of 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 Title: D2 – Accountability of the GM

Last Revised: November 15, 2016

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

1. The Board will view GM performance as identical to organizational performance so that organizational accomplishment of Ends and organizational operation within Executive Limitations 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: November 15, 2016

The Board delegates authority to the 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 & Evaluating GM Performance

Last Revised: November 15, 2016

The Board will systematically and rigorously monitor and evaluate the GM's job performance 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.
3. The Board will accept that the GM is compliant with a policy if he/she 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 a summary of monitoring reports received during a 12-month period during the co-op's fiscal year. The Board will make its decisions concerning the evaluation no later than *November 30th*.