

Syracuse Real Food Cooperative



Policy Register

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A. Ends

The Syracuse Real Food Cooperative is a sustainable, thriving, cooperative commerce in our local community centered on an excellent grocery store built upon participation and ownership.

B. Executive Limitations Global

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

B1. Staff Relations

With respect to relations with paid and volunteer staff, the General Manager may not cause or allow conditions that are unsafe, unfair, undignified, unsustainable, illegal, or unclear.

- B1.1 The General Manager may not operate the co-op without personnel rules that:
 - B1.1.1 Protect against wrongful conditions;
 - B1.1.2 Clarify rules for staff;
 - B1.1.3 Inform staff that employment is neither permanent nor guaranteed;
 - B1.1.4 Are regularly reviewed and updated to ensure current legal compliance;
 - B1.1.5 Provide for an effective and fair handling of grievances by means of a known procedure, which can be used without bias;
 - B1.1.6 Are adhered to and consistently applied to all employees;
 - B1.1.7 Document job responsibilities;
 - B1.1.8 Document performance evaluation criteria.
- B1.2 The General Manager will not allow staff to be unprepared to deal with emergency situations.
- B1.3 The General Manager will not operate without safety programs, policies and reporting processes including but not limited to injuries.

B2. Planning

With respect to planning the General Manager may not risk financial or business jeopardy or deviate materially from the Board's Ends Policies.

- B2.1 The General Manager may not cause or allow planning or budgeting that contains too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow, subsequent audit trails, and disclosure of planning assumptions.
- B2.2 The General Manager may not cause or allow planning or budgeting that does not project income conservatively and does not constrain budgeted expenses within projected income levels.
- B2.3 The General Manager may not cause or allow planning or budgeting that is inconsistent with Board Policies when making allocations among competing budgetary needs.
- B2.4 The General Manager may not fail to develop a long-term strategy and to derive annual plans from said long-term strategy.
 - B2.4.1 The General Manager may not cause or allow planning or budgeting that does not assess and respond strategically to the competitive situation and market position of the cooperative.
- B2.5 The General Manager may not cause or allow budgeting that provides less for Board prerogatives than is set forth in the Cost of Governance policy.

B3. Financial Condition

With respect to actual, ongoing financial condition and activities, the General Manager may not cause or allow jeopardy to the long-term financial health or working capital of the cooperative or a material deviation from the Board's priorities as established in policy.

- B3.1. The General Manager may not cause the cooperative to incur indebtedness other than trade payables incurred in the ordinary course of doing business.
- B3.2. The General Manager may not use restricted funds for any purpose other than that required by the restriction.
- B3.3. The General Manager may not fail to meet all requirements of contracts, loans or other obligations.
 - B3.3.1 The General Manager may not settle payroll, taxes and other debts in other than a timely manner.
 - B3.3.2 The General Manager may not allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
- B3.4. The General Manager may not allow expenditures to deviate materially from Board stated priorities.
 - B3.4.1 The General Manager may not fail to disclose significant out of the ordinary fiscal activity to the Board.
- B3.5. The General Manager may not fail to generate a net income of at least 1% of sales.
 - B3.5.1 The General Manager may not operate without pricing policies and expense controls.
- B3.6. The General Manager may not fail to maintain sufficient cash to meet financial obligations on time.
- B3.7. The General Manager may not fail to build equity.
- B3.8. The General Manager may not fail to generate growth in sales and member equity.
- B3.9. The General Manager may not fail to maintain financial record keeping systems adequate to meeting Generally Accepted Accounting Principles (GAAP).
 - B3.9.1 The General Manager may not fail to post all transactions, investigate and resolve discrepancies promptly.
 - B3.9.2 The General Manager may not fail to reconcile accounts monthly.
 - B3.9.3 The General Manager may not fail to disclose to the Board and auditor current and material changes in accounting systems or methods.

B3.10. The General Manager may not make capital expenditures, sell capital assets or enter in to leases exceeding \$5,000 (five thousand dollars) in aggregate value. If an emergency situation requires an unplanned purchase of assets above said amount, the General Manager will consult with a Board officer prior to incurrence.

B4. Asset Protection

The General Manager will not fail to adequately protect the cooperative's assets nor allow disrepair, excessive risk, untraceable transactions, or conflict of interest to occur in the management of the cooperative's resources.

- B4.1 The General Manager shall not fail to review insurance coverage annually and may not allow insurance coverage of assets including inventory, building, furniture and equipment to fall below replacement value.
- B4.2 The General Manager may not fail to receive, process, or disburse funds under controls sufficient to meet the Board appointed auditor's standards.
- B4.3 The General Manager may not fail to establish a procedure for staff concerns regarding financial affairs of the co-op to be reported to the President of the Board and that such procedures maintain the confidentiality of employees registering concerns.
- B4.4 The General Manager may not fail to protect intellectual property, information, and files from loss or significant damage.
- B4.5 The General Manager may not deposit the cooperative's funds in financial institutions where they are not fully protected.
- B4.6 The General Manager may not allow excessive exposure of the cooperative, the staff, or the directors to claims of liability.
- B4.7 The General Manager may not change the cooperative's name or significantly alter its identity in the community.

B5. Communication And Counsel To The Board

The General Manager may not cause or allow the Board to be uninformed or unsupported in its work.

B5.1 The General Manager shall not let the Board be unaware of relevant trends, public events of the Cooperative, or internal and external changes which affect the assumptions upon which Board policy has been developed including information about members.

B5.2 The General Manager shall not fail to submit timely, concise, accurate, and understandable monitoring data required by Board Policy C4.

B5.3 The General Manager shall not fail to inform the Board, in a timely manner of actual or anticipated non-compliance with Ends or Executive Limitations policies even if the policy is not scheduled for monitoring at that time.

B6. Management Continuity

The General Manager shall not allow the co-op to be unprepared for loss of general management services in planned and unplanned conditions.

- B.6.1 The General Manager shall not fail to establish a “chain of command” familiar with General Manager and Board processes to be used at any time the General Manager is unable to serve due to planned or emergency absence.
- B.6.2 The General Manager shall not fail to document systems and procedures so that the next in charge has access to information needed to meet the co-op’s obligations in a planned or emergency General Manager absence.
- B.6.3 The General Manager shall not fail to ensure that at least one staff member is adequately prepared to be a candidate for General Manager if needed.

B7. Membership

The General Manager shall not cause members to be uninformed, misinformed, unrecognized or without a vital sense of ownership and belonging.

B8. Environment

The General Manager shall not fail to take reasonable measures to ensure that the co-op activities and practices minimize the co-op's negative impact, and maximize the co-op's positive impact, on the environment.

B9. GM Compensation

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the GM shall not cause or allow jeopardy to the financial integrity or to the public image of the Syracuse Real Food Cooperative. Further, without limiting the scope of the previous statement by the following, the GM shall not

B9.1. Change the GM's own compensation and benefits, except, as his or her benefits are consistent with a package for all other employees.

B9.2. Promise or imply permanent or guaranteed employment.

B9.3. Establish current compensation and benefits that deviate materially from the geographical or professional market for the skills employed, except where such a standard is demonstrably exploitive or inadequate.

B9.4. Create obligations over a longer term than funding can reasonably be projected to be available in no event longer than one year and in all events subject to losses in funding or unavailability of funding.

B9.5. Establish or change pension benefits.

Adopted 4 March 2008

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B.10. Expansion

The General Manager shall not fail to be aware of, and plan for, expansion or relocation. In considering, creating and recommending any such plan, the GM may not fail to ensure and demonstrate that:

B.10.1. The expansion helps the co-op achieve its board-stated Ends.

B.10.2. The board is aware of such plans.

B.10.3. The expansion has the support of owners.

B.10.4. The expansion is supported by a business plan that:

B.10.4.a. Includes a mission statement to explain why the expansion is being proposed.

B.10.4. b. Demonstrates the financial viability of the new plan

B.10.4. c. Demonstrates an unmet need in the community that would be addressed by the expansion (using a market analysis or similar tool)

B.10.4.d. Includes a disinterested third party's evaluation of the Plan's assumptions and conclusions.

B.10.4.e. Demonstrates all current operations are fiscally sound, meeting the board's stated financial condition policies, before undertaking significant expansion policies.

Adopted 24 March 2008

C. Board-General Manager Relationship

The Board's only official connection to the operational aspects of the cooperative, its achievements, and conduct will be through the General Manager.

C1. Unity of Control

Only decisions of the Board acting as a body are binding on the General Manager.

- C1.1 Decisions or instructions of individual Board members, officers, or committees are not binding on the General Manager except in rare instances when the Board has specifically authorized such exercise of authority.
- C1.2 In the case of Board members or committees requesting information or assistance without Board authorization, the General Manager can refuse such requests that in the General Manager's opinion require an unreasonable amount of staff time, funds or are disruptive.

C2. Accountability of the Manager

The Board authorizes and holds the General Manager accountable for all operational achievements and conduct of the co-op in accordance with the Board's policies.

- C2.1. The Board will give direction only to the General Manager or her designee.
- C2.2. The Board will refrain from evaluating either formally or informally, any staff other than the General Manager.
- C2.3. The Board will view General Manager performance as identical to organizational performance, so that organizational accomplishment of Board stated Ends Policies and compliance with Board stated Executive Limitations policies will be viewed as successful General Manager performance.

C3. Delegation to the Manager

The Board will instruct the General Manager through written Ends policies to be achieved, and Executive Limitations policies to be complied with, allowing the General Manager to use any reasonable interpretation of these policies.

C3.1 The Board will develop Ends policies instructing the General Manager to achieve certain results.

C3.2 The Board will develop Executive Limitations policies that limit the latitude the General Manager may exercise in choosing the organizational means.

C3.3 As long as the General Manager uses a reasonable interpretation of the Board's Ends and Executive Limitations policies, the General Manager may make all further policies and decisions, take all actions, establish all practice and develop all activity.

C3.4 The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and General Manager domains thus changing the latitude of choice given to the General Manager.

C3.4.1 When making such a change, the Board will specify the expected compliance date.

C3.4.2 As long as any particular Ends and/or Executive Limitation policies are in place, the Board will respect and support the General Manager's choices that comply with the policies.

C4. Monitoring General Manager Performance

The General Manager's job performance will be systematically and rigorously monitored against, and solely against, the achievement of Board Ends Policies, and compliance with Board Executive Limitations Policies.

- C.4.1 Monitoring is to determine the degree to which Board policies are being met. Only data that does this will be considered monitoring data.
- C.4.2 The Board will acquire monitoring data by one or more of the following three methods.
 - C4.2.1 Internal report, in which the General Manager provides compliance information to the Board.
 - C4.2.2 External report, in which an external, disinterested, third party chosen by the Board assesses and reports compliance with policies directly to the Board.
 - C4.2.2.1 The Board will hire the auditor and receive the report from the annual audit of the co-op's financial statements. The annual audit shall assess compliance with Board policies on financial conditions and asset protection as noted in the monitoring schedule.
 - C4.2.3 Direct inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
- C.4.3 In every case, the standard for compliance shall be any reasonable interpretation of the Board policy being monitored.
- C4.4 Monitoring reports shall:
 - C4.4.1 Include, without limitation the General Manager's interpretation and data/facts for each part of the policy clearly focused on the policy. Statements of compliance alone, without data, will not be accepted.
 - C4.4.2 Include the date, and name of person preparing.
 - C4.4.3 Include the complete text of the policy being monitored.
 - C4.4.4 Be clearly labeled and separated from other information and reports.
 - C4.4.5 Provide a conclusion of in or out of compliance.
 - C4.4.6 In cases of non-compliance, provide an explanation and plan for compliance.
- C.4.5 All policies that instruct the General Manager will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any specified method, but will ordinarily depend upon a routine schedule.
 - C.4.5.1 The monitoring schedule is as follows:

General Manager Policies

Policy Name	Type and Frequency of Report	Monitoring Report Due Date
B8. Environment	Internal Annual	January
B3. Financial Condition	Internal Quarterly (also External, Annual in Oct)	February, May, August, and November
B1. Staff Relations	Internal Annual	March
B.2. Planning	Internal Annual	July & December
B6. Management Continuity	Internal Annual	April
B5. Communication and Counsel to the Board	Internal Annual	June
B4. Asset Protection	Internal Annual;	Sept
B7. Membership	Internal Semi- Annual	April (and Oct)

Board Policies

Policy Name	Type and Frequency of Report	Monitoring Report Due Date
D5 Code of Conduct	Annual (written) Quarterly (verbal)	February
D1 Governing Philosophy	Annual (written)	December
D6 Committee Principles	Annual (written)	April
D2 Board Job Description	Annual (written)	May
D4 Chair's Role	Annual (written)	June
D7 Relationship to Members	Annual (written) Quarterly (verbal)	September
D3 Board Agenda Planning	Annual (written) Monthly (verbal)	October
D8 Cost of Governance	Annual (written)	November
C Board/GM Relationship	Annual (written)	March

D. Board Process Global Policy

The purpose of the Board, on behalf of the cooperative members, is to act as trustees for the members and to ensure that the cooperative accomplishes what it should while avoiding unacceptable actions and situations. The Board will specify its expectations through written governing policies.

D1. Governing Style

The Board will govern with an emphasis on 1) outward vision rather than internal preoccupation, 2) encouragement of diversity in viewpoints, 3) strategic leadership more than administrative detail, 4) clear distinction of Board and General Manager roles, 5) collective rather than individual decisions, 6) future rather than past or present, and 7) pro-activity rather than reactivity.

D1.1 The Board as a group is responsible for excellence in governance. The Board will use the expertise of individual Board members to enhance the abilities of the Board as a body rather than to substitute individual judgments for the Board's values. The Board as a whole will be responsible for fulfilling Board commitments and therefore, will allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling Board commitments.

D1.1.1 Each member of the Board is responsible for effective Board leadership including meeting preparation and participation.

D1.1.2 Each Board member is responsible to support the Board Chair's right to interpret and enforce Board Process policies.

D1.1.3 The Board will initiate policy, not merely react to staff initiatives.

D1.2 The Board will direct, control, and inspire the cooperative through careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the long-term goals and Ends of the Cooperative, not on administrative or operational means.

D1.2.1 The Board will provide whatever discipline it needs to govern with excellence. Discipline will apply to attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. Continual Board development will include orientation of new Board members and periodic discussions of process improvement.

D1.2.2 The Board will monitor and discuss the Board's process and performance at each meeting and prepare an annual report that will compare Board activity and discipline to Board Process and Board-General Manager Relationship policies.

This policy will be monitored by internal report annually in March.

Adopted 22 June 2005

D2. Board Job Description

The job of the Board is to represent the members in determining and demanding appropriate organizational performance.

- D.2.1 The Board will produce and maintain a linkage between the cooperative and the members.
- D.2.2 The Board will produce written governing policies that, at the broadest levels, address categories of decisions.
 - D2.2.1 Ends - Organizational outcomes, recipients, and their relative worth. (what good, for whom, at what cost).
 - D2.2.2 Executive limitations - Constraints on the General Manager's authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - D2.2.3 Board-General Manager Relationship - How power is delegated and its proper use monitored; the General Manager's role, authority and accountability.
 - D2.2.4 Board Process - Specifications on how the Board conceives, carries out and monitors its own work.
- D.2.3 The Board will produce assurance of performance by monitoring compliance with its policies.
 - D2.3.1 The Board will assess the General Manager's performance by monitoring its policies on Ends and Executive Limitations.
 - D2.3.2 The Board will assess and improve its own performance by regular assessment of compliance with Board policies on Board Process and Board-General Manager Relationship.
 - D2.3.2 The Board will appoint the auditor and receive the audit report directly from the auditor.
 - D2.3.2.1 The auditor's role will be defined by the Board but will generally be limited to auditing.
 - D2.3.2.2 The auditor will report on performance compared to Financial Conditions and Asset Protection policies including but not limited to: disclosure of critical accounting practices and policies; alternative treatments of financial information that have been discussed with management; and material communications between auditor and management.
- D2.4 The Board will ensure perpetuation of a governing body that provides effective leadership over time and irrespective of individual directors.
 - D2.4.1 The Board will identify, recruit and develop qualified, skilled candidates throughout the year for appointment as needed and for future elections.
 - D2.4.2 The Board will seek director candidates according to the following qualifications:
 - D2.4.2.1 Dedicated to the cooperative, its member owners, and its mission
 - D2.4.2.2 Have a propensity to think in terms of systems and context
 - D2.4.2.3 Honest & have independent judgment, courage, & willing to act in good faith
 - D2.4.2.4 Able and eager to deal with values, vision, and the long term.

- D2.4.2.5 Able and willing to participate assertively in discussions and abide by Board decisions and the intent of established policies.
- D2.4.2.6 Willing to operate in a group decision-making environment, to share power in group process, and to delegate areas of decision making to others
- D 2.4.3 The Board will present a group of qualified candidates to the members and provide opportunities for members to learn about the candidates.
- D 2.4.4 The Board will plan and oversee the election process, ensuring a fair process, accessible to the members.
- D 2.4.5 The Board may delegate these tasks, but the full Board remains responsible for perpetuation of effective governance.

This policy will be monitored by internal report annually in March.

Adopted 22 June 2005

D3. Agenda Planning

To accomplish its job with a governance philosophy consistent with Board policies, the Board will follow an annual agenda that annually re-explores Ends and links with members, continually improves Board performance through Board education, and ensures rigorous monitoring.

- D3.1. The Board's annual governance cycle will start in June with the development of its agenda for the next fiscal year. The Board calendar will include all Board events such as membership meetings, Board training, monitoring schedule, and review of specific policies. The calendar will be reviewed on a regular basis.
- D3.2. At the end of each Board meeting, the Board's current policy discussion and the annual calendar will provide the basis for determining the broad outlines of the next meeting's agenda.
 - D3.2.1 The Board President will ensure preparation of an agenda for Board meetings allowing flexibility to include emerging issues and recommendations of additional items by individual directors.
 - D3.2.2. The Board may modify the agenda at the beginning of the meeting.
 - D3.2.3. General Manager monitoring reports will be included on the agenda for discussion if
 - D3.2.3.1 Monitoring reports show policy violations,
 - D3.2.3.1 Policy criteria are to be debated, or
 - D3.2.3.1 Directors have objections to the monitoring reports, including potential non-compliance, substandard reporting, unreasonable interpretation of policy, factual inaccuracies, or questions that help to determine if concerns are valid objections.
 - D3.2.4. The agenda and all written statements and reports will be included in the next Board packet.

This policy will be monitored by internal report annually in June and at the end of every Board meeting by oral comment.

Adopted 22 June 2005

D4. President's Role

The president ensures Board compliance with its policies and represents the Board to outside parties as appropriate.

- D.4.1 The job of the President is to ensure that the Board functions effectively, follows its own policies, and adheres to obligations legitimately imposed upon the Board from outside the Cooperative.
- D4.2 The President assures the integrity of the Board's process.
- D4.3 The President assures the integrity of the Board's relationship with the General Manager.
- D.4.4 The President may make decisions on behalf of the Board that fall within or are consistent with Board policies on Governance Process and on the Board-General Manager Relationship. The President is authorized to use a reasonable interpretation of these policies.
 - D.4.4.1 The President's authority does not extend to making decisions or interpreting Ends and Executive Limitations policy areas, each of which is within the purview of the General Manager.
 - D.4.4.2 The President's authority does not extend to supervising, terminating, or otherwise directing the General Manager.
- D.4.5 The President is empowered to chair Board meetings with all the commonly accepted power of that position (e.g. ruling, recognizing)
 - D.4.5.1 Meeting discussion content will only be those issues which, according to Board policy, clearly belong to the Board to decide,.
 - D.4.5.2 Deliberation will be timely, fair, orderly, inclusive and thorough, but also efficient, limited to time and kept to the point.
 - D.4.5.3 Roberts' Rules are observed except where the Board has superseded them with policy statements.
- D.4.6 The President will ensure a smooth transition to the next president.
 - D.4.6.1 The President will ensure sufficient documentation and organization of Board practices.
 - D.4.6.2 The President will prepare at least one person to be qualified to serve as president in emergency or planned succession.
- D.4.7 The President may delegate this authority but remains responsible for its use.

This policy will be monitored by internal report annually in June and at the end of every Board meeting by oral comment.

Adopted 22 June 2005

D5. Board Members' Code of Conduct

The Board commits itself to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

- D5.1 An individual member is responsible at all times for discharging his/her duties in good faith in a manner which she/he reasonably believes to be in the best interests of the Co-op and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
 - D5.1.1 Board members must represent no conflicting loyalty to the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. This accountability supersedes the personal interest of any director acting as an individual consumer of the organization's services.
- D5.2 Board members must avoid any conflict of interest with respect to their fiduciary responsibility.
 - D5.2.1 An individual member shall be under an affirmative duty to disclose their actual or potential conflicts of interest in any matter under consideration by the Board. Members having such an interest may not participate in the decision of the matter, nor, unless otherwise determined by the Board, in the discussion of the matter.
 - D5.2.2 Unless otherwise provided for in the bylaws, an individual member shall not, during her/his term of office, be a party to a contract for profit with the Co-op differing in any way from the business relations accorded each member.
 - D5.2.2.1 Board members and officers shall be prohibited from receiving loans from the co-op.
 - D5.2.3 Board members must not use their positions to obtain for themselves, family members or close associates employment within the organization or a business relationship with the co-op.
- D5.3 Board members may not attempt to exercise individual authority over the Cooperative except or representation of the Board or the Cooperative as explicitly set forth in Board policies.
 - D5.3.1 Board members' interaction with the General Manager or with staff must recognize the lack of authority in any individual director or group of Board members except as noted above.
 - D5.3.2 Board members' interaction with the public, press or other entities must recognize the same limitation and the similar inability of any director or Board members to speak for the Board.
 - D5.3.3 Board members will make no judgment of the General Manager or staff performance except as that performance is assessed against explicit Board policies by the official process.
 - D5.3.4 Neither the Board nor individual Board members will meet with staff members to discuss conditions of employment.

- D5.4 An individual member shall maintain confidentiality as needed to protect the Co-op's interests and financial viability. Directors shall not discuss disputed or confidential corporate actions, policies, or issues with Co-op members, employees, or the general public unless the Board decided that such information is no longer confidential. All issues related to personnel, real estate, business strategies and goals, pending litigation, and details of the Co-op's financial status will be considered sensitive issues subject to confidentiality unless or until full disclosure is approved by the Board as a whole. The expiration of term of office, by termination or otherwise, does not terminate this obligation.
- D5.5 Individual members shall contribute productively to the Board's work.
- D5.5.1 Board members should regularly attend and actively participate in the Board's meetings, training sessions and retreats.
 - D5.5.2 Board members should come to Board meeting prepared to participate responsibly by having read all meeting materials.
 - D5.5.3 Board members have a responsibility to express one's own opinion.
 - D5.5.4 Board members shall respect the rights of others to communicate their ideas free from interruption and without intimidation. Board members should listen respectfully to the opinions of others and to honor divergent opinions.
 - D5.5.6 Board members must accept group decisions as legitimate.
 - D5.5.7 Board members should share responsibility for group behavior and productivity.
 - D5.5.8 Board members should not dominate Board meeting time, nor expect the Board to deal with topics that are not appropriate for Board.
 - D5.5.9 Board members shall support the Board chair on Board discipline and Board accountability.
- D5.6 An individual member may disagree with a policy approved by or action taken by the majority of the Board. However, once action is taken he/she will support that policy or action as being the considered judgment of the Board.
- D5.6.1 An individual member shall have the right to present further evidence and argument to the Board for further consideration.
- D5.7 Any Board member who does not follow the Board conduct policy shall resign from the Board if requested to do so by a two-thirds (2/3) majority vote of the remaining Board.
- D5.8 Any Board member who is also a paid employee has the same duties and responsibilities as any other Board member and in addition has the duty of ensuring segregation of staff and Board responsibilities.
- D5.8.1 A Board member who is also a paid employee is responsible to the membership as a whole and not a Board representative of staff.
 - D5.8.2 A Board Member who is also a paid employee has attendant responsibilities to adhere to the code of conduct policy at all times, including in the work environment.
 - D5.8.3 If the Board Member who is also a paid employee becomes subject to employee performance concerns such as written warnings or probationary status due to substandard performance of his/her duties at the Co-op, the Board

president has the discretion to require that the Board member take a leave of absence from the Board until his/her performance improves and s/he is no longer subject to said performance concerns. If the job performance results in termination of paid employment at the Co-op, the Board Member will resign from the Board.

This policy will be monitored by internal report annually in September and at the end of every Board meeting by oral comment.

Adopted 22 June 2005

D6. Board Committee Principles

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and so as never to interfere with delegation from the Board to the General Manager.

D.6. 1 Board committees will help the Board do its job, and will not help, advise or exercise authority over management.

D6.1.1. Committees will assist the Board chiefly by preparing policy alternatives and implications for Board deliberation.

D6.1.2 Board committees cannot exercise authority over staff and, in keeping with the Board's focus on the future, Board committees will not ordinarily have direct dealings with current staff operations. The Board will not impede its direct delegation to the General Manager by requiring approval from a Board committee before an executive action.

D.6. 2 Board committees may not speak or act for the Board except when formally given such authority for specific purposes without an adequate timeline and designated resources. Expectations and authority will be carefully stated and will not conflict with authority delegated to the General Manager.

D.6. 3 To avoid over-identification with an organizational part rather than the whole a Board committee that has helped the Board create policy on some topic will not be used to monitor organizational performance on the same topic.

D.6. 4 A committee is a Board committee only when it is formed by Board action, whether or not the directors sit on the committee and whether or not the committee includes non-Board members. This policy does not apply to committees formed under the authority of the General Manager.

This policy will be monitored by internal report annually in September.

Adopted 22 June 2005

D7. Relationship To Member Owners

The Board obtains its authority from and represents the member-owners. The Board is responsible for maintaining a linkage with member owners.

- D.7.1 The Board's fundamental accountability is to the member owners including fiduciary and legal responsibility.
- D 7.2 The Board shall always act in the best interest of the cooperative as a whole.
 - D.7.2.1 To make informed policy decisions, the Board must understand and have adequate and appropriate information on the values and needs of the member-owners with respect to the SRFC.
- D7.3 The Board shall communicate periodically to the member owners on its role, its activities and its decisions.
 - D.7.3.2. The Board will strive to foster a sense of ownership, pride and loyalty among members.
 - D.7.3.3 The Board will strive to foster the effective communication of the vision and mission of the cooperative to the members.
- D.7.4 The Board will ensure that the member equity program contributes adequate capital for the cooperative.
- D7.5 The Board will ensure that the cooperative meets all requirements of law and bylaws for relationships with members including meetings and reports.
- D7.6 The Board has delegated some specific responsibilities for implementing linkage with members to the General Manager in Policy B7.
- D7.7 The Board shall ensure that Bylaws are current, complied with and meet the needs of the cooperative.

This policy will be monitored by Board report annually in December.

Adopted 22 June 2005

D8. Cost of Governance

The Board will ensure that the cooperative invests in the Board's governance capacity.

D8.1. Board skills, supports and methods will be sufficient to assure governing with excellence.

D8.1.1. Education and training will be used to orient new directors and Board candidates as well as to maintain and increase skills of existing directors. This may include the use of consultants, attendance at conferences, purchasing resources, and workshops.

D8.1.2. Outside monitoring assistance will be arranged as needed so the Board can exercise confident control over organizational performance.

D8.1.3. The Board will ascertain member viewpoints and values through use of methods such as surveys, forums, focus groups and meetings.

D8.2. Governance costs will be prudently incurred in support of governing excellence.

D8.2.1. The Board shall authorize an annual amount for governance expenses in conjunction with the cooperative's yearly budget.

This policy will be monitored by internal report annually in December.

Adopted 22 June 2005

Change Table

<u>Date</u>	<u>Policy Changed</u> (Letter, number, and Name)	<u>Change type</u> (addition, deletion, revision, other)	<u>Comment</u>
7/24/2006	Policy Monitoring Chart	Revision	Revised BOD monitoring reports from 2 per month to 1 per month. Established written reporting requirement.
9/25/2006	Policy B3.9	Addition	Added sections B3.9.2 and B3.9.3
1/22/2007	Ends	Written	General Ends policy established.
8/26/2007	Policy D5.2	Revision	Revised the language regarding business relations to clarify that board members are required to behave no differently than regular members.
3/4/2008	Policy B9	Addition	
3/24/2008	Policy B10	Addition	
3/24/2008	Ends Statement	Revision	Revised the language and refined the scope of the statement.