

Clintonville Natural Foods Cooperative
DBA Clintonville Community Market
Policy Register
June 2010

The Board shall, in due time, create a “policy register”. The Board (BOT) and the General Manager (GM) shall adhere to the register as it is approved. The document will consist of four sections:

- A: Ends
- B: General Manager Limitations
- C: Board/General Manager Relationship
- D: Board Process

The policy, as it is being formed, will be made available to the membership and general public in the CCM space and online. An effort will be made to integrate existing Board documents into the policy register so that a single binding document is created.

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A: Ends

Global Ends: Clintonville Community Market (CCM) provides access to natural, organic and local foods as well as sustainably and ethically crafted products. We are committed to democratic, cooperative and justice-driven practices as a market, educational center and advocate for our local community and our bioregion. We promote individual wellness, social justice for all people, and a living economy where agriculture and the natural world that sustains it are respected. Our Staff, Member-Owners, Neighbor and Shoppers participate through the Cooperative in a range of good practices whose effects ripple outward, building a more just, healthy and sustainable Columbus and growing a better future everywhere. [Adopted 1/26/10]

- A1** Build the member-owner base in involvement and loyalty, in accordance with the Cooperative Principles, as we maintain an atmosphere where non-members also feel welcome.
- A2** Serve as a transformative force in our community and work to serve as an alternative sustainable business model that nurtures social and economic well-being in an environmentally sensitive manner.
- A3** Provide a respectful and safe work environment in which fairly compensated employees have a strong sense of ownership in the success of the Cooperative.
- A4** Create and sustain an ever-widening circle of community members with healthier and more environmentally restorative lives, in an atmosphere that encourages communication and discourse.
- A5** Provide access to high quality, reasonably priced food, with an emphasis on local, minimally processed and ethically produced foods.

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B: General Manager Limitations

B1: Customer Service/Relations: With respect to interactions with customers, the General Manager may not cause or allow conditions, procedures, or decisions that are unsafe, unprofessional, or unnecessarily intrusive.

B1.1 The General Manager may not operate without written customer service policies that clearly communicate to staff expectations for staff-customer interactions, outline means for establishing and reinforcing a culture of service, and solicit and consider customer opinions regarding preferences, product requests, complaints and suggestions.

B2: Employee/Human Relations: With respect to paid staff, volunteers and interns, the General Manager may not cause or allow conditions, procedures, or decisions that are unsafe, unprofessional, or unnecessarily intrusive.

B2.1 The General Manager may not operate without written employee policies that clearly communicate to staff expectations for job responsibilities, outline means for establishing and reinforcing a culture of service, evaluate job performance, in manner that satisfies requirements of both the UFCW contract and the cooperative principles. *(Revisit at next BOT meeting)*

B3: Business Planning and Financial Budgeting:

The General Manager shall not cause or allow business planning and budgeting, for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board's Ends priorities, or risk financial jeopardy.

B3.1 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.

B4: Financial Conditions: The General Manager may not jeopardize the long-term financial health of the Cooperative. The General Manager shall not fail to monitor, and regularly report on the financial health and working capital of the Cooperative.

B5: Assests: The General Manager shall not allow assets to be unprotected, unreasonably risked, or inadequately maintained.-The GM will not:

B5.1 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.

B5.2 Allow unnecessary exposure to liability or lack of insurance protection from claims of liability.

B5.3 Allow inadequate security of premises and property.

B5.4 Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.

i. Allow improper usage of members' and customers' personal information.

B5.5 Allow uncontrolled purchasing or purchasing subject to conflicts of interest.

B5.6 Allow lack of due diligence in contracts.

B5.7 Cause damage to the Cooperative's public image.

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B: General Manager Limitations
(cont.)

B9: Communication and Support to the Board: The General Manager shall not cause or allow the Board to be uninformed or unsupported in its work.

The GM will not

- B9.1** Submit monitoring reports that are untimely, inaccurate, or hard to understand.
- B9.2** Report any actual or anticipated noncompliance with any policy of the Board in an untimely manner.
- B9.3** Allow the Board to be unaware of relevant trends, public events of the Cooperative, or internal and external changes which may affect Board policy.
- B9.4** 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.
- B9.5** Deal with the Board in a way that favors or privileges certain Board members over others except when responding to officers or committees duly charged by the Board.
- B9.6** 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.

B10: Management Continuity: To protect the Board from sudden loss of GM services, the GM shall not 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.

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C: Board-General Manager Relationship

Global Board-General Manager Relationship Policy: The Board will view General Manager performance as identical to organizational performance. The Board's only official connection to the operational aspects of the Cooperative, its achievements, and conduct will be through the General Manager. All authority and accountability of staff as far as the Board is concerned is considered the authority and accountability of the General Manager.

C1: Unity of Control: 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.

C2: Delegation to the General 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. 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, decisions, take all actions, establish all practice and develop all activity.

C3: Monitoring General Manager Performance: The Board will systematically and rigorously monitor and evaluate the GM's job performance.

- C3.1** Monitoring is how the Board determines the degree to which the GM is following Board policies. Information that does not directly relate to Ends or Executive Limitations policies is not monitoring information.
- C3.2** The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses 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 criteria.
- C3.3** In every case, the 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 will always judge with a "reasonable person" test rather than with interpretations favored by individual directors or by the Board as a whole.
- C3.4** The GM is compliant with a policy if he/she presents a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
- C3.5** The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method but will ordinarily follow the schedule outlined in the Board Annual Calendar.
- C3.6** The Board's annual evaluation of the General Manager, based on a summary of monitoring reports received from June through May, will be completed by July. The Board will make its decisions concerning the evaluation and the employment contract no later than July 31.
- C3.7** The Board will complete the GM compensation process no later than August 15.
- C3.8** At the end of the evaluation process, the General Manager may submit additional data updating the monitoring of any policy and may suggest changes in policy, however performance will be compared to existing policy, not proposed policy.

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D: Board Process

Global Board Process Policy: The purpose of the Board, on behalf of the Cooperative members, is to act as trustees for the members-owners and to ensure that the Cooperative produces benefit and value, while avoiding unacceptable actions and situations. The Board will specify its expectations through written governing policies.

D1: Governing Style: We will govern in a way that emphasizes empowerment and clear accountability. In order to do this, we will:

- D1.1** Focus our vision outward and toward the future
- D1.2** Observe the 10 Policy Governance principles
- D1.3** Maintain group discipline, authority and responsibility
- D1.4** Each member of the Board shares the responsibility for effective Board leadership including meeting preparation and participation.
- D1.5** Clearly distinguish Board and General Manager roles
- D1.6** Encourage diverse viewpoints
- D1.7** Obey all relevant laws and bylaws.

D2: Board Job Description: In order to govern successfully, we will:

- D2.1** Create and sustain a meaningful relationship with member-owners.
- D2.2** Hire, compensate, delegate responsibility to, and hold accountable a General Manager.
- D2.3** Have expectations in the form of written governing policies that realistically address the broadest levels of all organizational decisions and situations. We will write these policies in the form of Ends, Executive Limitations, Board Process, and Board-Management Relationship, as described in the Policy Governance principles.
- D2.4** Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
- D2.5** 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.
- D2.6** Perpetuate the Board's leadership capacity using ongoing education, training and recruitment.

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D: Board Process
(cont.)

D3: Board Annual Agenda Planning: To accomplish its job with a governance style consistent with Board policies, the Board will follow an annual agenda that annually re-explores Ends, develops member linkage, and continually improves Board performance.

- D3.1** The Board's annual governance cycle will start in November 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.
 - i. The Board Chair will produce an agenda for Board meetings allowing flexibility to include emerging issues and recommendations of additional items by individual directors and member-owners.
 - ii. The Board may modify the agenda at the beginning of the meeting.
 - iii. General Manager monitoring reports will be included on the agenda for discussion as needed.

D4: Officers' Roles: We will elect officers in order to help us accomplish our job.

- D4.1 No officer has any authority to supervise or direct the GM.
- D4.2 Officers may delegate their authority but remain accountable for its use.
- D4.3 The president ensures the Board acts consistently with Board policies.
 - i. The president is authorized to use any reasonable interpretation of the provisions in the Board Process and Board-Management Relationship policies.
 - ii. The president will chair and set the agenda for Board meetings.
- D4.4 The vice-president (Chair) will perform the duties of the president in her/his absence.
- D4.5 The treasurer will lead the Board's process for creating and monitoring the Board's budget
 - i. In addition, the treasurer will oversee the financial affairs of the Cooperative and filing of all required reports and returns via the Finance Committee. **Committee description to be added.**
- D4.6 The secretary will make sure the Board's documents are accurate, up to date, and appropriately maintained.
 - i. In addition, the secretary will submit the minutes to the CCM office, within a week of their approval, for their distribution at the Market.

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D: Board Process
(cont.)

D6: Code of Conduct: We each commit ourselves to ethical and lawful conduct.

D6.1 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.

D6.2 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.

- i. 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.
- ii. 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.
- iii. 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.

D6.3 Directors may not attempt to exercise individual authority over the organization.

- i. When interacting with the GM or employees, directors must carefully and openly recognize their lack of authority.
- ii. 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.

D6.4 Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.

D6.5 Directors will prepare for and attend all Board meetings and trainings.

D6.6 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.

D6.7 A violation of the Code of Conduct is cause for removal from the BOT pursuant to the Bylaws.

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D: Board Process
(cont.)

D7: Committee Principles: We will use Board committees only to help us accomplish our job.

D7.1 Committees will reinforce and support the wholeness of the Board.

- i. In particular, committees help the whole Board move forward when they research alternatives and bring back options and information.

D7.2 Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.

D7.3 The Board will establish, regularly review and control committee responsibilities in written committee charters.

- i. We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the GM.

D8: 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.

D8.1: The Board's fundamental accountability is to the member owners including fiduciary and legal responsibility.

D8.2: The Board shall always act in the best interests of the Cooperative as a whole. To make informed policy decisions, the Board must understand the values and needs of the member owners. The Board must, therefore, obtain adequate and appropriate information on the member owners.

D8.3: The Board shall communicate periodically to the member owners on its role, its activities and its decisions.

- i. The Board will build and sustain a sense of ownership, pride and loyalty among members.
- ii. The Board will ensure the effective communication of the vision and mission of the Cooperative to the members.

D8.4: The Board is responsible for ensuring that the process and benefits of becoming a member in the Cooperative is clear and available to everyone.

D8.5: The Board will ensure that the Cooperative meets all requirements of law and bylaws for relationship with members including holding an annual meeting and preparing a written annual report to the members.

D8.6: The Board has delegated some specific responsibilities for implementing linkage with members to the General Manager in Policy B1.

D8.7: The Board shall ensure that bylaws are current, complied with and meet the needs of the Cooperative. As needed the Board shall propose bylaw amendments to the members for approval.

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D: Board Process
(cont.)

D9: Cost of Governance: We will invest in the Board's governance capacity.

- D9.1 We will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
- D9.2 We will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
 - i. We will use training and retraining liberally to orient new directors and candidates for membership, as well as to maintain and increase existing directors' skills and understanding.
 - ii. We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
 - iii. We will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
 - iv. We will use professional and administrative support.
- D9.3 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 **[TBD]**.