

Plainfield Co-op

Policy Register

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Policy Type: Executive Limitations

Policy Title: A – Ends

Last Revised: May 2014

The Plainfield Co-op will:

1. Distribute healthy, affordable food and other good.
2. Actively seek local producers and growers, and support the local and regional economy
3. Sustain the environment through its operations and the products it offers.
4. Increase awareness of cooperative principles and of other cooperative businesses.
5. Foster awareness about the quality and source of our food.
6. Build connections that are essential for a vibrant community.

Policy Type: Executive Limitations
Policy Title: B – Global Executive Constraint
Last Revised: January 2010

The Management Collective (MC) 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

Policy Type: Executive Limitations
Policy Title: B1 – Financial Condition and Activities
Last Revised: April 2015

With respect to the actual, ongoing financial conditions and activities, the MC shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from board priorities established in Ends policies.

Further, without limiting the scope of the previous statement, the MC will not:

1. Allow sales to decline or be stagnant.
2. Allow operations to generate an inadequate net income.
3. Allow liquidity, or the ability to meet cash needs in a timely and efficient fashion, to be insufficient.
4. Allow solvency, or the relationship of debt to member/owners' equity, to be insufficient.
5. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
6. Acquire, encumber or dispose of real estate.
7. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
8. Allow late payment of contracts, payroll, loans or other financial obligations.
9. Use restricted funds for any purpose other than that required by the restriction.
 - a. Use member dues income for purposes other than capital improvements.
10. Allow financial record keeping systems to be inadequate or out of conformity with GAAP (Generally Accepted Accounting Practices).
11. Spend more than \$5,000 on equipment or building repairs at any one time or over any three month period without board approval.
12. Fail to notify the board at the next regular meeting of any funds borrowed under the Co-op's line of credit.
13. Donate more than \$500.00 in any one-year period to a single individual or organization without obtaining prior approval of the Board.

Policy Type: Executive Limitations
Policy Title: B2 – Business Planning and Financial Budgeting
Last Revised: January 2010

The Management Collective 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, risk financial jeopardy, or fail to be derived from a multiyear plan.

The MC will not cause or allow plans that:

1. Risk incurring those situations or conditions described as unacceptable in the board policy "Financial Condition and Activities."
2. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Plan expenditures in any fiscal year that would result in default under any of the cooperative's financing agreements or cause the insolvency of the cooperative.
4. Have not been tested for feasibility.
5. Provide less for board prerogatives during the year than is set forth in the Governance Investment Policy.

Policy Type: Executive Limitations

Policy Title: B3 – Asset Protection

Last Revised: December 2011

The Link shall not allow assets to be unprotected, unreasonably risked, or inadequately maintained.

Further, without limiting the scope of the previous statement,

The MC will not allow:

1. 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. Unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Inadequate security of premises and property.
4. Data, intellectual property, or files to be unprotected from loss, theft or significant damage.
 - a. Improper usage of members' and customers' personal information.
5. Uncontrolled purchasing or purchasing subject to conflicts of interest.
6. Damage to the Co-op's public image.
 - a. Including, but not limited to providing a tobacco-free Co-op zone.

Policy Type: Executive Limitations

Policy Title: B4 – Membership Rights and Responsibilities

Last Revised: July 2015

1. The Management Collective will not fail to inform or will not misinform members of their rights and responsibilities.
2. The Management Collective will not:
 - a. Change the equity payments owed by members from the amounts set forth in the Bylaws and approved by the Board.
 - b. Implement a patronage dividend system that does not: comply with the Internal Revenue Code or IRS regulations.
 - c. Determine or pay a patronage dividend that has not been approved in advance by the Board.

Policy Type: Executive Limitations
Policy Title: B5 – Treatment of Consumers
Last Revised: October 2016

The Management Collective will not be unresponsive to customer needs.

The MC will not:

1. Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
2. Allow an unsafe shopping experience for our customers.
3. Fail to follow safe food handling procedures.

Policy Type: Executive Limitations
Policy Title: B6 - Staff Treatment and Compensation
Last Revised: January 2010

The Management Collective will not treat collective members or other staff in any way that is unfair, unsafe, or unclear.

The MC will not:

1. Operate without written personnel policies that:
 - a. Clarify rules for staff
 - b. Provide for fair and thorough handling of grievances
 - c. Are accessible to all employees
 - 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 personnel records and all personnel related decisions.
4. Establish compensation and benefits that are internally or externally inequitable.
5. With respect to employment, compensation, and benefits to employees, consultants, contract workers the MC shall not cause or allow jeopardy to financial integrity or to public image.

Policy Type: Executive Limitations
Policy Title: B7 – Communication and Support to the Board
Last Revised: December 2011

The Management Collective shall not cause or allow the board to be uninformed or unsupported in its work.

The MC will not:

1. Submit monitoring data that is untimely, inaccurate, or hard to understand.
2. Report any actual or anticipated noncompliance with any policy of the board in an untimely manner.
3. Allow the Board to be unaware of relevant trends, public events of the Cooperative, or internal and external changes which affect the assumptions upon which Board policy has previously been submitted.
4. Fail to advise the board if, in the MC's opinion, 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 Link.
5. Deal with the Board in a way that favors or privileges certain board members over others except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.
6. Fail to supply for the board's consent agenda all decisions delegated to the MC yet required by law, regulation, or contract to be Board-approved.

Policy Type: Executive Limitations
Policy Title: B8 – Board Logistical Support
Last Revised: January 2010

The Management Collective will not allow the Board to have inadequate logistical support.

The MC will 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 Board Members 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.

Policy Type: Executive Limitations
Policy Title: B9 – Emergency Link Succession
Last Revised: December 2011

To protect the board from sudden loss of Link services, the Link shall not have less than one other collective member sufficiently familiar with board and collective 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: January 2012

Acting on behalf of our members, the board ensures that our cooperative produces benefit and value, while avoiding unacceptable actions and situations.

Policy Type: Board Process

Policy Title: C1 – Governing Style

Last Revised: January 2010

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

1. Focus our vision outward and toward the future
2. Observe the 10 Policy Governance principles
3. Maintain group discipline, authority and responsibility
4. Clearly distinguish board and management collective roles
5. Encourage diverse viewpoints
6. Obey all relevant laws and bylaws.

Policy Type: Board Process
Policy Title: C2 – The Board's Job
Last Revised: January 2010

In order to govern successfully, we will:

1. Create and sustain a meaningful relationship with member-owners.
2. Delegate responsibility to and hold accountable a Management Collective. Although normally the MC manages its own hiring, the Board may hire or fire staff members if it sees the need or if called upon by the MC. It is a power in reserve that may be called upon when other means have broken down.
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.
4. Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
5. Regularly monitor operational performance in the areas of Ends and Executive Limitations, and board performance in the areas of Board Process and Board-Management Relationship.
1. 6. Perpetuate the board's leadership capacity using ongoing education, training and recruitment.

Policy Type: Board Process
Policy Title: C3 – Agenda Planning
Last Revised: January 2010

We will follow an annual agenda that focuses our attention upward and outward.

3. Our annual governance cycle will run from January to December.
4. We will create, and modify as necessary, an annual calendar that includes the items mentioned in this policy, membership meetings, Board training schedule, monitoring schedule, and the MC evaluation as outlined in our Board-Management Relationship policies.
5. Throughout the year, we will attend to consent agenda items as expeditiously as possible.
6. We will limit the amount of meeting time taken up by monitoring reports, discouraging discussion unless the reports indicate policy violations, or the policy criteria themselves need review.

Policy Type: Board Process
Policy Title: C4 – Board Meetings
Last Revised: March 2009

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 and personal concerns.
2. Meetings will be open to the membership except when executive session is officially called.
 - a. We may occasionally use executive session to deal with confidential matters, such as personnel matters, litigation and real estate issues, 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 use a consensus process.
4. The meeting agenda will be determined by the board president, and may be modified at the meeting by a decision of the board.

Policy Type: Board Process
Policy Title: C5 – Directors’ Code of Conduct
Last Revised: June 2014

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 Co-op, 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 Co-op’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 co-op except as procedurally controlled to assure openness, competitive opportunity and equal access to “inside” information.
 - b. 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 decision.
 - c. A director who applies for employment must first resign from the board.
 - d. Directors may not attempt to exercise individual authority over the organization.
 - e. When interacting with the MC or other employees, directors must carefully and openly recognize their lack of authority.
 - f. 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.
3. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving board service.
4. Directors will prepare for and attend board meetings and trainings.
5. 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.

Policy Type: Board Process
Policy Title: C6 – Officers' Roles
Last Revised: August 2013

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

1. No officer has any authority to supervise or direct the MC.
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 board meetings and set and finalize the agenda for board meetings and pass it to the Link who will post it on the bulletin board and email it to the board and MC.
 - 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 perform the following duties:
 - a. Lead the board's process for creating and monitoring the board's budget.
 - b. Prepare the financial overview report for the annual member's meeting.
 - c. Provide technical assistance to the MC, if requested by the Link.
 - d. Provide financial expertise and advice to the Board in carrying out their financial oversight responsibilities.
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: January 2010

We will use Board committees only to help us accomplish our job.

1. Committees will reinforce and support the wholeness of the board.
 - 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 MC.

Policy Type: Board Process
Policy Title: C8 – Governance Investment
Last Revised: January 2017

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 quality governance capability.
 - a. We will use training and retraining liberally to orient new directors and board candidates for membership, as well as to maintain and increase existing directors' skills and understandings.
 - 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 so as to not interfere with the development of the Cooperative's annual budget. In no case will we complete this work later than the November Board meeting.

Policy Type: Board Process
Policy Title: C9 - Endorsements
Last Revised: March 2016

The Plainfield Food Co-op's Board of Directors may choose to lend its endorsement to issues deemed relevant and in accordance with the Co-op's Ends Policies, and Cooperative Principles.

Co-op Endorsement: The Board may choose to lend its endorsement to some issues that have a direct impact on our mission or our role as a cooperative.

Endorsement by the Board should always read "Endorsed by the Board of Directors, Plainfield Food Co-op".

Endorsement requests may be brought to the board by any member/owner, the Management Collective, or a member of the board. These requests should be accompanied by written material providing relevant background and justification for an endorsement. Advocates for the proposed endorsement may be invited by the board to make a presentation at their regularly scheduled meeting. Such presentations will be on the agenda, duly warned.

Whether the board decides to endorse or not to endorse, a written explanation of its rationale shall be entered into the minutes of the meeting at which that decision was made.

Endorsement by the Board may include any or all of the following:

- Lending the Co-op Board's name to publicity concerning the issue;
- Member-owner forums or lectures on the issue;
- Informational pamphlets available in the store;
- Tabling priority;
- Signs in the store;
- Newsletter articles;
- Testimony before legislative bodies and/or boards of authority.

Endorsement of any issues must be by consensus with no more than one Board member standing aside. This does not include Board members who stand aside because of a conflict of interest.

The Board will not endorse any issue that is not in accordance with the Co-op's Ends Policies or the Cooperative Principles.

The Board may choose not to endorse an issue that is poorly articulated or deemed to be of questionable ethics.

The Board may also choose not to endorse any issue that the majority of the board believes does not have the support of a majority of the Co-op member-ownership.

The Board of Directors does not support or endorse individual candidates for political office.

Policy Type: Board-Management Relationship

Policy Title: D – Global Board-Management Connection

Last Revised: January 2010

The board's sole official connection to the operations of the cooperative will be through a Link to be established by the MC.

Policy Type: Board-Management Relationship

Policy Title: D1 – Unity of Control

Last Revised: January 2017

Only official actions of the board are binding on the MC.

1. Decisions or instructions of individual directors, officers, or committees are not binding on the MC 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 MC can refuse any requests that, in the MC'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 MC's Link
Last Revised: March 2017

The Link is the board's only link to operational achievement and conduct. The Link is a member of the Management Collective. The Link will be selected by joint agreement of the Management Collective and the Board.

1. The board will view Link performance only in relation to the responsibilities outlined in the Link job description
2. The board and MC will jointly establish and conduct Link performance evaluations annually.
3. The board will not instruct or evaluate any employee other than the Link.

Policy Type: Board-Management Relationship

Policy Title: D3 – Delegation to the MC

Last Revised: January 2017

The board delegates authority to the MC through written Ends and Executive Limitations policies.

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

Policy Type: Board-Management Relationship
Policy Title: D4 – Monitoring MC Performance
Last Revised: February 2012

Systematic and rigorous monitoring of MC job performance will be solely against the only expected MC job outputs: organizational accomplishment of board policies on ends and organizational operation within the boundaries established in board policies on Executive Limitations.

1. Monitoring is how the board determines the degree to which the MC is following board policies. Information that does not directly relate to Ends or Executive Limitations policies is not monitoring information.
2. The board will view MC performance as identical to organizational performance so that the Co-op's accomplishment of board-stated ends and avoidance of board-proscribed means will be viewed as successful MC performance.
3. The board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the MC 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.
4. In every case, the standard for compliance will be any reasonable MC 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.
5. The MC is compliant with a policy if a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation is presented.
6. The board will monitor all policies that instruct the MC. The board can monitor any policy at any time by any method but will ordinarily follow the schedule outlined in the Board Annual Calendar.
7. The Board's annual evaluation of the Management Collective, based on a summary of monitoring reports received from January 1st through December 31st, will be completed by January 31st. The Board will make its decisions concerning the evaluation and the management structure no later than February 28th.