

Board Policies

January 24, 2020

A: Ends Policies

Willy Street Grocery Co-op will be at the forefront of a cooperative and just society that:

- has a robust local economy built around equitable relationships;
- nourishes and enriches our community and environment; and
- has a culture of respect, generosity, and authenticity.

Last Reported on: September 2019

Initial Adoption: October 12, 2002

Amended: February 8, 2003

Amended: April 4, 2005

Amended: September 16, 2008

Amended: January, 2012

Amended: November 15, 2015

Global Policy B: General Manager Constraint

The General Manager (GM) has an obligation to carry out the vision, the values, the goals, and the preferences of the Board of Directors (Board) as expressed in the Board's Policies. The GM is the means by which the Board achieves its intents and purposes for the cooperative. This implies broad, but never independent powers.

In exercising these powers, the GM shall not cause or allow any practice, activity, decision, organizational circumstance or culture that violates commonly accepted business and professional ethics or commonly held cooperative principles. This includes, but is not limited to, conditions that are illegal, unsafe, imprudent, disrespectful, unfair, or undignified.

Review Date: January

Person Responsible: GM

Initial Adoption: June 12, 2002

Amended: 16 September 2008

Amended: 18 August 2015

Amended: 19 July 2016

Policy B1: Financial Condition and Activities

With respect to the actual, ongoing financial conditions and activities, the General Manager must not cause or allow the Cooperative to become unprepared for future opportunities or the development of fiscal jeopardy, nor for key operational indicators to fall below average for our industry.

Accordingly, the GM shall not fail to:

1. Provide regular, accurate financial reports to the Board that reflect current financial performance against budgeted, historical, and projected performance.
2. Maintain a ratio of current assets to current liabilities of 1.25, unless otherwise directed by the Board.
3. Avoid incurring debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
4. Use restricted funds only for the purpose identified in the restriction.
5. Limit total spending in a given year on all unbudgeted capital expenditures, so as not to exceed 1% of total equity without prior Board approval.
6. Seek approval by the (ownership) membership prior to any decisions to buy or sell the Co-op's buildings or to spend over 10% of total equity on expansion.
7. Generate adequate net income.
8. Properly manage excess cash in order to
 - a. Obtain a fair rate of return
 - b. Preserve co-op's capital
 - c. Maintain sufficient liquidity

Additionally, the GM shall *not*:

9. Allow solvency (the relationship of debt to equity) to become insufficient.
10. Allow owner equity to become insufficient.
11. Default on any terms that are part of the Cooperative's loans.
12. Allow late payment of contracts, payroll, loans or other financial obligations.
13. Allow tax payments or other government ordered payments or filings to become overdue or inaccurately filed.

Review Date: September

Person Responsible: GM

Last Reviewed on: *October 15, 2019*

Amended: 19 July 2016

Amended: 18 June, 2013

Amended: 18 December, 2012

Amended: 17 January, 2012

Amended: 16 September 2008

Amended: June 7, 2004

Initial Adoption: June 12, 2002

Policy B2: Planning and Financial Budgeting

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

Accordingly, the GM shall not fail to:

1. Budget for Owner's Equity in a manner consistent with the Co-op's capitalization needs as determined by the Cooperative's known long term liabilities, financial projections, and anticipated financial needs in order to implement long term strategic plans.
2. Use board input as part of the annual budget process and
3. Obtain approval from the Board on a fiscal year budget
4. Publish and distribute annually to Owners a consolidated version of the budget as approved by the Board.

Review Date: September

Person Responsible: GM

Last Reviewed on October 15, 2019

Amended: 4 December 2018

Amended: 19 July 2016

Amended: 18 June 2013

Amended: 16 December 2008

Amended: 16 September 2008

Amended: December 3, 2002

Initial Adoption: June 12, 2002

Policy B3: Asset Protection Policy

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

The General Manager (GM) shall not fail to:

1. Maintain appropriate internal controls.
2. Cooperate fully with the Co-op's annual financial audit.
3. Maintain physical assets to ensure long life of assets.
4. Maintain insurance that protects the Co-op, which includes but is not limited to: worker's compensation, directors and officers, auto, building, and general liability insurance, and secure a life insurance policy for GM naming the co-op the beneficiary, and review annually (with auditor) to insure properly valued.
5. Prevent misuse of Owners' and customers' personal information.
6. Maintain internal policies governing conflicts of interest.
7. Conduct due diligence in contracts.
8. Maintain the Cooperative's public image.
9. Protect intellectual property and other data or files from loss, theft or significant damage.

Review Date: September

Person Responsible: GM

Last Reviewed on October 15, 2019

Amended: 04 December 2018

Amended: 19 July 2016

Amended: 18 June 2013

Amended: 28 September 2009

Amended: 28 April 2009

Amended: 17 March 2009

Amended: 16 September 2008

Amended: June 7, 2004

Initial Adoption: June 12, 2002

Policy B4: Ownership Rights Policy

The General Manager (GM) shall not fail to establish a process for becoming an owner, maintaining ownership, and for owners to understand their rights and responsibilities.

Accordingly, the GM shall not fail to:

1. Keep accurate and current owner records while preventing unauthorized use of owner information.
2. Create and implement a member equity system in which;
 - The board of directors establishes the required member equity or “Fair Share,” which is then voted on by the Owners,
 - Owners are informed when equity is either at risk or generally refundable, though the Board retains the right to withhold refunds when necessary to protect the Cooperative’s financial viability,
 - The participation of our economically diverse community is facilitated by offering both alternative payment plans for purchasing a Fair Share and purchase discounts based on financial need
3. Implement a patronage dividend system that;
 - complies with IRS regulations
 - allows 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.
4. Make available to all Owners an annual report published within 3 months of the receipt of the approved financial audit report.

Review Date: April

Person Responsible: GM

Last Reported on: April 16, 2019

Amended: 6 June 2017

Amended: 19 July 2016

Amended: 27 November 2012

Amended: 17 January 2012

Amended: 16 June 2009

Amended: 16 December 2008

Amended: 16 September 2008

Amended: 18 June 2007

Amended: December 3, 2002

Initial Adoption: June 12, 2002

Policy B5: Treatment of Customers

The General Manager (GM) must be responsive to customer needs.

Accordingly the GM shall not fail to:

1. Implement a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
2. Provide a safe, accessible shopping environment.
3. Provide an environment free of harassment and oppression that fosters accountability for its staff and customers.

Review Date: April

Person Responsible: GM

Last Reported On: April 16, 2019

Amended: 19 July 2016

Amended: 18 August 2015

Amended: 17 January 2012

Amended: 16 September 2008

Amended: July 21, 2003

Initial Adoption: 4 March 2000

Policy B6: Staff Relations and Compensation

With respect to the treatment of paid staff, the General Manager (GM) shall not fail to create and maintain a culture that allows all staff to thrive, and thus the GM may not cause or allow conditions that are oppressive, disrespectful, unfair, or undignified.

Accordingly, the GM shall not fail to:

1. Follow the Co-op's currently approved Employee Handbook. If provisions of the Employee Handbook are in conflict with federal or state law, approved Co-op bylaws or approved Board policies, the respective law, bylaw or policy shall prevail.
2. Ensure that personnel policies are consistently applied.
3. Support our employees and strengthen our Co-op culture and market position by offering highly competitive base compensation combined with comprehensive benefits to eligible employees through our Total Rewards programs.
4. Provide some portion of staff compensation contingent upon the financial performance of the Co-op.
5. Provide for adequate documentation, security and retention of personnel records and all personnel-related decisions.
6. Provide a work environment where staff members are free from harassment on the basis of gender, race, ethnicity, disability, age, sexual orientation, class, and religious affiliation.

Review Date: January

Person Responsible: GM

Last Reviewed on: January 20, 2020

Amended: 21 May 2019

Amended: 19 March 2019

Amended: 16 January 2018

Amended: 19 July 2016

Amended: 18 August 2015

Amended: 17 January 2012

Amended: 16 June 2009

Amended: 16 December 2008

Amended: 17 June 2008

Amended: March 14, 2004

Amended: April 1, 2003

Initial Adoption: June 12, 2002

Policy B7: Communication to the Board

The General Manager must not cause or allow the Board to be uninformed or unsupported in its work. Accordingly, the GM shall not fail to:

1. Submit timely monitoring reports that are accurate and contain operational definitions and verifiable data directly related to each section of policy.
2. Report in a timely 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. Make the Board aware of relevant legal actions, media coverage, trends, public events of the cooperative, or internal and external changes.
4. Supply for the Board's consent agenda all decisions delegated to the GM that are required by law, regulation, or contract to be Board-approved.
5. Advise the Board if the GM believes the Board or one of its members is not in compliance with its own policies on Board (Governance) Process or Board/GM Relationship (Delegation), particularly if the case is detrimental to the work of the GM or the relationship between the GM and the Board.
6. Gather and provide information to the Board as needed and as requested for fully informed Board decisions.
7. Inform the Board should the GM believe that any of the Board's policies should be clarified, amended, deleted or made more specific.

Review Date: July

Person Responsible: GM

Last Reported on: July 16, 2019

Last Amended: 19 July 2016

Amended: 17 January 2012

Amended: 16 September 2008

Amended: April 1, 2003

Initial Adoption: June 12, 2002

Policy B8: Board Logistical Support

The General Manager must not allow the Board to have inadequate logistical support.

The GM must not:

1. Fail to provide the Board with sufficient 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.

Review Date: July

Person Responsible: GM

Last Reported on: July 16, 2019

Initial Adoption: 19 July 2016

Policy B9: Management Continuity

The General Manager (GM) shall not operate without a written plan for management continuity.

Accordingly, the GM shall not fail to:

1. Have at least one other manager sufficiently familiar with Board and GM issues and processes to enable them to take over with reasonable proficiency as an interim successor.
2. Inform the Board of this management continuity plan.
3. Systematically plan for the continuity of key management positions.

Review Date: January

Person Responsible: GM

Last Reported on: January 2020

Amended: 19 July 2016

Amended: 17 January 2012

Amended: 16 September 2008

Amended: September 17, 2007

Initial Adoption: June 12, 2002

Policy C1: Governance Accountability

We will strive for governance accountability in the following ways:

1. Act as strategic leaders by focusing our vision outward and toward the future.
2. Ensure effective systems of delegating authority to professional management, holding the use of that authority accountable, and clearly distinguishing between board and management responsibilities.
3. Maintain team discipline, authority and responsibility.
4. Practice the habits of a successful democracy.
5. Obey all relevant laws and bylaws.

Review Date: June

Person Responsible: Board President or appointee

Last Reported on: June 18, 2019

Initial Adoption: July 19, 2016

Policy C2: The Board's Job

In order to govern successfully, we will:

- Practice, protect, promote and perpetuate a healthy democracy for our Cooperative.
- Hire, compensate, delegate responsibility to, and hold accountable a General Manager.
- Use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.
- Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
- Rigorously monitor operational performance in the areas of Ends and Executive Limitations, while monitoring Board performance in the areas of Board Process and Board-Management Relationship.
- Perpetuate the Board's leadership capacity using ongoing education and training, robust recruitment, qualification and nomination processes, and fair elections.
- Perform other duties as required by the bylaws or resulting from limitations on GM authority.

Review Date: June

Person Responsible: Board President

Last Reported On: June 18, 2019

Initial Adoption: July 19, 2016

Policy C3: Relationship to Owners

The ownership of the Cooperative includes all persons who have met the ownership requirements contained in the bylaws of the Cooperative.

The Board obtains its authority from and represents the owners.

The relationship with owners is a primary function of the Board and the Board is responsible for seeking and encouraging Owner communication and feedback.

The Board shall report regularly to the owners on its activities and decisions, including an annual report at the end of each fiscal year.

Review Date: April

Person Responsible: Board Appointee

Last Reported on: April 16, 2019

Amended: 16 July 2019

Amended: 19 July 2016

Amended: 17 January 2012

Amended: 16 September 2008

Amended: March 8, 2005

Initial Adoption: June 12, 2002

Policy C4: Board Meetings

Board meetings are for the task of getting the Board's job done. To that end:

1. The Board of Directors will hold regular meetings no less frequently than once per quarter and will provide advanced notice of its meetings to owners. All Board meetings shall have an agenda published a week in advance, except in unforeseen circumstances that prevent such notice.
2. Board meeting time is used only for work that is the whole Board's responsibility, and will avoid committee issues, operational matters, personal concerns and other topics that are not the highest and best use of our time.
3. Meetings will be open to the membership except when executive session is officially called:
 - i. We may occasionally use executive session 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.
 - ii. The President shall conduct an annual review each July of executive sessions from the previous 12 months and shall, with majority approval of the Board, make minutes from executive sessions public. If executive sessions from the previous 12 months are not made public they shall remain confidential.
4. The Board shall make available to owners or guests present at Board meetings a description of a code of conduct.
5. We will seek consensus through discussion. We will then finalize and document decisions through the use of motions, seconds and majority vote.

NOTES:

The board should incorporate the following into supplemental governance docs such as the board job description or elsewhere:

- i. Board members shall prepare for and attend meetings and participate productively in the discussion and decision-making. A Board member who is absent from three meetings of the Board in any 12 month period may be removed by a two-thirds vote of the Board. (part of BoD JD)
- ii. Meetings of the Board of Directors are open to owners except for the portions held in executive session in accordance with section 3 of this policy. Owners can address the Board during the Announcements and Staff/Owner Input portion of the meeting. It is expected that:
 1. Each person will state their name and Owner number
 2. Each speaker will be allotted three minutes. The Vice President or designee will enforce time limitations.
 3. Guests will address the Board with their comments.

Review date: June

Person Responsible: Board Vice President
Last Reported on: June 18, 2019

Amended: 19 July 2016
Amended: 21 April, 2015
Amended: 17 January, 2012
Amended: 16 March, 2010
Amended: 21 October 2008
Amended: 16 September 2008
Amended: November 20, 2006
Amended: March 8, 2005
Amended: December 3, 2002
Initial Adoption: June 12, 2002

Policy C5: Directors' Code of Conduct

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 they reasonably believe 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.
 - There will be no self-dealing or any conducting 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.
 - At the first meeting of the newly seated Board, at the beginning of the fiscal year, all directors 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.
 - 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.
 - 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.
3. Directors may not attempt to exercise individual authority over the organization.
 - When interacting with the GM or employees, individual directors must carefully and openly recognize their lack of authority.
 - 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. If it is determined that a Director has acted against the best interest of the Co-op or has violated the Director's code of conduct outlined in this policy, the Director may be removed by a 2/3 vote of the Directors present at a Board Meeting pursuant to Bylaw 5.7 Section 3."

Review date: July

Person Responsible: Board Vice President

Last Reported on: 3 March 2019

Amended: 3 March 2019

Amended: 15 May 2018

Amended: 25 April 2017

Amended: 19 July 2016

Amended: 17 January, 2012

Amended: 21 October 2008

Amended: 16 September 2008

Amended: March 8, 2005

Amended: July 21, 2003

Amended: December 3, 2002

Initial Adoption: June 12, 2002

Policy C6: Officers' Roles

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.
 - e. The President is the Board's designated representative for all contacts with the General Manager regarding matters affected by board policies, matters about which the GM requests guidance, or matters the GM wishes to share with the board, unless the board directs otherwise.
4. The Vice-President will perform the duties of the president in her/his absence.
5. The Treasurer will assist in the development of the Board's governance budget. In addition, the treasurer will facilitate the Board's understanding of the financial condition of the Cooperative.
6. The Secretary will record the Board's meeting minutes, and will ensure the Board's documents are accurate, up to date, and appropriately maintained. The Secretary will also make relevant and appropriate documents available to members.

Review date: July

Person Responsible: Board Vice President

Last reported on: March 19, 2019

Amended: 19 July 2016

Amended: 16 September 2008

Amended: March 8, 2005

Amended: April 21, 2004

Amended: December 3, 2002

Initial Adoption: June 12, 2002

(Former Policy D5- President's Role Survey)

Policy C7: Board Committee Principles

We will use Board committees only to help us accomplish our job. Board committees shall focus on policy, unlike GM committees that focus on implementing policy.

1. Committees will reinforce and support Board holism. In particular, committees will 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. We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the GM. Board committee charters may stipulate roles and involvement of staff support and membership as deemed necessary or helpful to the accomplishment of the committee's purpose.
4. Board Committees are initiated and sunsetted by majority vote of the Board.
5. Committee membership consists of Board member(s) and volunteers recruited from the full Co-op membership. No more than 4 Board members can serve on any one committee at a time.
6. A Chairperson shall be elected by the committee members and serves for a term of one year. Duties of the Chair include:
 - Facilitating meetings
 - Setting the meeting agenda and annual calendar
 - Reporting progress and recommendations to the Board
7. Board Committees will strive to identify Committee members representative of the Co-op's ownership. At a minimum the Board will announce the formation of each new Committee in the Reader and on the Co-op's website. The published announcement will solicit the possible involvement of interested owners, especially those with a particular expertise helpful to the Committee.
8. Owners and non-owners interested in becoming committee members are required to complete a Board Committee Member Application form and be formally approved by a majority vote of the Board. The application form will include an estimated number of hours of service for each committee. The duration of the term will be determined by the committee charter or as recommended by the board.
9. Non-Board Committee members will receive a 15% discount on purchases each month they serve on a committee.

10. A majority of the committee shall constitute a quorum for the transaction of business.

11. The minutes of each Committee meeting will be posted in the appropriate places by the Board Secretary.

Review date: July

Reference: Bylaw 5.14

Person Responsible: Board Vice President

Last Reviewed: July 16, 2019

Amended: 6 June 2017

Amended: 19 July 2016

Amended: 21 July 2015

Amended: 21 May 2013

Amended: 17 January 2012

Amended: 16 September 2008

Amended: March 8, 2005

Amended: December 3, 2002

Initial Adoption: June 12, 2002

Policy C8: Governance Investment

We will invest in the Board's governance capacity.

1. We will make sure that Board skills, processes, and resources are sufficient to allow us to govern with excellence.
2. We will incur governance costs prudently, and not at the expense of endangering the co-op's financial health and achievement of its ends.
 - 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 so as to not interfere with the development of the Cooperative's annual budget. In no case will we complete this work later than June.

Review date: January

Person Responsible: Board Vice President

Last Reported On: January 2020

Amended: 14 December 2018 (Decision Recorded in the January 15, 2019 board minutes)

Amended: 19 July 2016

Amended: 22 September 2015

Amended: 17 January 2012

Amended: 16 September 2008

Amended: March 8, 2005

Initial Adoption: December 3, 2002

Policy C9: Board Compensation

Board members will receive reasonable compensation contingent on fulfillment of their responsibilities as outlined in the Board of Director job descriptions. Officers of the Board that are not owner-elected Board members will not receive compensation under this policy.

Compensation is calculated based on the anticipated number of monthly hours spent fulfilling Board member duties as outlined in the job descriptions multiplied by an appropriate living wage. The Board shall review compensation on an annual basis to ensure it remains reasonable.

Compensation will be issued in monthly installments, and will come from the Board's annual governance budget.

Directors will receive reimbursement for reasonable, documented expenses related to Board activities, including:

1. child-care, elder-care, or pet care expenses incurred due to participation in Board activities;
2. copying, printing, and similar administrative expenses;
3. travel, lodging, and meal costs incurred outside of Dane County when traveling as a designated representative of WSGC on official business.

Review date: January

Person Responsible: GM

Last Reviewed on: 15 January 2019

Amended: 31 January 2017

Amended: 19 July 2016

Amended: Via email from April 3-10, 2015

Amended: 23 September 2014

Amended: 15 April 2014

Amended: 21 May 2013

Amended: 16 September 2008

Amended: October 16, 2006

Amended: March 8, 2005

Initial Adoption: September 20, 2004

Policy C10: Policy Development

1. The Board shall continually evaluate and amend its policies, as needed, in an orderly manner.
2. The Board shall follow an open and recognizable procedure for adding to or amending existing policy, and creating new policy:
 - a. The Board will review regularly scheduled reports to ensure that the Co-op is in compliance with existing policies.
 - b. The Board will schedule time to review existing policies to see if they are sufficient or are in need of revising or updating.
3. Policy issues may be delegated to the appropriate committee by a majority vote of the Board.
4. The Board may establish work priorities for the appropriate committee to review and/or revise policy.

Review date: April

Person Responsible: Board Vice President

Last Reported on: April 16, 2019

Amended: July 19, 2016

Amended: March 17, 2015

Initial Adoption: January 17, 2012

Global Policy D: Board - Management Connection

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

Review Date: July

Person Responsible: Board President

Amended: 19 July 2016

Policy D1: Unity of Control

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.

Review Date: April

Person Responsible: Board Appointee

Last Reviewed on: April 16, 2019

Initial adoption: 19 July 2016

Policy D2: Accountability of the GM Policy

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 achievements of the 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.

Review Date: July

Person Responsible: Board President

Last Reviewed on: July 16, 2019

Initial adoption: 19 July 2016

Policy D3: Delegation to the General Manager

The Board delegates authority to the GM through written Ends and Executive Limitations policies.

As long as the GM adheres to a 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.

The Board will respect and accept the GM's choices as long as those choices are based on reasonable interpretations of Board policies.

If the Board changes an Ends or Executive Limitations policy, the change only applies in the future.

Review Date: July

Person Responsible: Board President

Last Reviewed on: July 16, 2019

Initial adoption: 19 July 2016

Policy D4: Monitoring GM Performance

- The Board will systematically and rigorously monitor and evaluate the GM's job performance compared to expectations set forth in Board policies.
- 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.
- In every case, the Board's standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but we will always judge with a "reasonable person" test rather than with interpretations favored by individual directors or by the Board as a whole.
- The Board will accept that the GM is compliant with a policy if they present a reasonable interpretation and adequate data demonstrating accomplishment of that interpretation.
- 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.
- The Board's annual evaluation of the General Manager will be based on the fiscal year's annual monitoring report schedule/check sheet, and be completed no later than July of the new fiscal year, and before the newly elected Board members are seated.

Review Date: July

Person Responsible: Board President or Appointee

Last Reported on: July 16, 2019

Amended: 25 April 2017

Amended: 19 July 2016

Amended: 17 January, 2012

Amended: April 16, 2007

Amended: July 17, 2006

Amended: December 1, 2003

Amended: April 1, 2003

Initial Adoption: June 12, 2002