



JUST LOCAL FOOD COOPERATIVE
POLICY
REGISTER

CONTENTS

Last Revised: 24 May 2017

Ends	A – Ends
Executive Limitations	B – Global Executive Constraint B1 – Financial Condition B2 – Planning and Budgeting B3 – Asset Protection B4 – Membership Rights and Responsibilities B5 – Treatment of Consumers B6 – Staff Treatment and Compensation B7 – Communication to the Board B8 – Board Logistical Support B9 – GM Succession
Board Process	C – Global Governance Commitment C1 – Governing Style C2 – The Board’s Job C3 – Agenda Planning C4 – Board Meetings C5 – Directors’ Code of Conduct C6 – Officers’ Roles C7 – Board Committee Principles C8 – Governance Investment
Board-Management Relationship	D – Global Board-Management Connection D1 - Unity of Control D2 – Accountability of the GM D3 – Delegation to the GM D4 – Monitoring GM Performance
Appendices	<i>Suggested appendices include:</i> <i>Bylaws</i> <i>Board Annual Calendar and Monitoring Schedule</i> <i>Committee Charters</i> <i>Monitoring Decision Tree</i>

Policy Type: Ends
Policy Title: A – Global Ends
Last Revised: 15 January 2016

JUST LOCAL FOOD COOPERATIVE VALUES STATEMENT:

Founded on the Seven Cooperative Principles, Just Local Food values:

1. A sustainable, LOCAL food supply;
2. Food education;
3. A respectful and democratic work environment;
4. Direct, positive relationships between farmers, producers, customers, and employees;
5. Social, economic, and ecological justice for all.

JUST LOCAL FOOD COOPERATIVE MISSION STATEMENT:

To be our Community's Favorite Local Food Centric Marketplace

JUST LOCAL FOOD COOPERATIVE VISION STATEMENT:

Just Local Food Cooperative will serve the Chippewa Valley by sustaining our land, our community and our economy.

Policy Type: Executive Limitations

Policy Title: B1 – Financial Condition and Activities

Last revised: 13 July 2016

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

The General Manager will not:

1. Allow sales to decline or be stagnant.
2. Allow operations to generate an inadequate net income.
3. Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. Allow solvency (the relationship of debt to equity) to be insufficient.
5. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
 - a. Unbudgeted expenses exceeding \$5,000 must be approved by the Board of Directors.
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.
10. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

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

The General Manager shall not cause or allow business planning and budgeting to deviate materially from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

The General Manager will not:

1. Create plans or budgets that
 - a. Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities."
 - b. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
 - c. Would result in default under any of the Cooperative's financing agreements or cause the insolvency of the Cooperative.
 - d. Have not been tested for feasibility.
2. 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: 26 September 2016

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

The General Manager will not:

1. Allow equipment and facilities to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
2. Allow unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Allow deposits or investments to be unreasonably risked.
4. Allow inadequate security of premises and property.
5. Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
6. Allow improper usage of members' and customers' personal information.
7. Allow purchasing that is uncontrolled or subject to conflicts of interest.
8. Allow lack of due diligence in contracts.
9. Allow damage to the Cooperative's public image.

Policy Type: Executive Limitations

Policy Title: B4 – Membership Rights and Responsibilities

Last Revised: 19 December 2016

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

The General Manager will not:

1. Create or implement a member equity system without the following qualities:
 - a. The required member equity, or fair share, is determined by the Board.
 - b. Members are informed that equity investments are a) at risk, and b) generally refundable, though the Board retains the right to withhold refunds when necessary to protect the Cooperative's financial viability.
 - c. Equity will not be refunded if such refunds would lead to a net decrease in total member paid-in equity, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.
2. Implement a patronage dividend system that does not
 - a. Comply with IRS regulations.
 - b. Allow the Board to examine a range of options and implications, so the Board can make a timely determination each year concerning how much, if any, of the Cooperative's net profit will be allocated and distributed to members.
 - i. The Board will review potential for patronage dividend at the February Board meeting.

Policy Type: Executive Limitations
Policy Title: B5 – Treatment of Customers
Last Revised: 14 February 2017

The General Manager shall not be unresponsive to customer needs.

The General Manager 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.

Policy Type: Executive Limitations
Policy Title: B6 - Staff Treatment and Compensation
Last revised: 24 September 2017

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

The General Manager will not:

1. Operate without written personnel policies that:
 - a. Clarify rules for staff.
 - b. Provide for fair and thorough handling of grievances in a way that does not include the board as a participant in the grievance process.
 - c. Are accessible to all staff.
 - 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. Change the General Manager's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

Policy Type: Executive Limitations
Policy Title: B7 – Communication to the Board
Last Revised: 16 May 2017

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

The General Manger will not

1. Submit monitoring reports that are untimely or inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
2. Report any actual or anticipated noncompliance with any Board policy, along with a plan for reaching compliance, in an untimely manner.
3. Allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or internal and external changes.
4. Withhold his/her opinion if the GM believes the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM.
5. Deal with the Board in a way that favors or privileges certain Board members over others except when 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 Coordinating Team yet required by law, regulation, or contract to be Board-approved.

Policy Type: Executive Limitations
Policy Title: B8 –Board Logistical Support
Last Revised: 17 June 2016

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

The General Manager 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.
5. Allow insufficient archiving of Board documents.

Policy Type: Executive Limitations

Policy Title: B9 – Emergency Development Coordinator Succession

Last revised: 11 August 2016

To protect the Board from sudden loss of General Manager services, the General Manager shall not have less than one other manager sufficiently familiar with Board issues and processes to enable her/him to take over with reasonable proficiency as an interim successor.

Policy Type: Board Process
Policy Title: C1 – Governing Style
Last Revised: 26 September 2016

The Board 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.
 - a. Ends Policies
 - b. Ownership
 - c. Board Process Policies
 - d. Board Holism
 - e. Board-Management Relationship Policies
 - f. Governance Position
 - g. Limitations Policies
 - h. Policies (Decisions) Come in Sizes
 - i. Any Reasonable Interpretation
 - j. Monitoring
3. Maintain group discipline, authority and responsibility.
4. Clearly distinguish Board and General Manager roles.
5. Encourage diverse viewpoints.
6. Obey all applicable laws and bylaws.

Policy Type: Board Process
Policy Title: C2 – The Board’s Job
Last Revised: 26 September 2016

In order to govern successfully, the Board will:

1. Create and sustain meaningful relationships with owners, community and staff.
2. Delegate responsibility to and hold accountable a General Manager. (See D. Board Management Relationship Policies)
3. Have expectations in the form of written governing policies that realistically address the broadest levels of all organizational decisions and situations. These policies will be written 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 manner that honors our commitment to empowerment and clear distinction of roles.
5. Rigorously and continuously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship.
6. Perpetuate the Board’s leadership capacity through ongoing education, training and recruitment.
7. Perform other duties as required by the bylaws as necessary for the benefit of the cooperative.

Policy Type: Board Process
Policy Title: C3 – Agenda Planning
Last Revised: 26 September 2016

The Board will follow a strategic multi-year work-plan and annual agenda that focuses our attention upward and outward.

1. We will create, and modify as necessary, an annual calendar that includes tasks and events related to our multi-year work-plan, ownership meetings, Board training schedule, monitoring schedule, and the General Manager evaluation as outlined in our Board-Management Relationship policies.
2. Throughout the year, we will attend to consent agenda items as expeditiously as possible.
3. We will limit the amount of meeting time taken up by Executive Limitations 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: 26 September 2016

Board meetings are for the task of executing the Board's job as required in the bylaws and policies of the cooperative.

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 ownership except when executive session is officially called. 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.
3. We will seek consensus through discussion. We will then finalize and document decisions through the use of motions, seconds and consensus minus one.
4. The meeting agenda will be determined by the Board president, and may be modified at the meeting by a majority vote of the Board.

Policy Type: Board Process
Policy Title: C5 – Directors’ Code of Conduct
Last Revised: 26 September 2016

The Board Directors each commit themselves 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 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 owner.
 - a. There will be no self-dealing or any conduct of private business or personal services between any director and the Cooperative except as procedurally controlled to assure openness, competitive opportunity and equal access to “inside” information.
 - b. 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.
 - c. A director elected by consumer owners who applies for employment must first resign from the Board.
 - d. 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. Any director who is also a paid employee will resign from the Board if and when their employment ends.
3. Directors may not attempt to exercise individual authority over the organization.
 - a. When interacting with the workers and owners, directors must carefully and openly recognize their lack of authority.
 - b. When interacting with the public, the press, or other entities, directors must recognize the same limitation and the inability of any director to speak for the Board except to repeat explicitly stated Board decisions.
4. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
5. Directors will prepare for and attend all Board meetings and trainings.
6. Directors will support the legitimacy and authority of the Board’s decision on any matter, irrespective of the director’s personal position on the issue.
7. Any director who does not follow the code of conduct policy can be removed from the Board by a 2/3 majority vote of the remaining Board.

Policy Type: Board Process
Policy Title: C6 – Officers’ Roles
Last Revised: 26 September 2016

The Board will elect officers in order to help us accomplish the responsibilities of our job.

1. No officer has any authority to supervise or direct the General Manager
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 and set the agenda for Board meetings.
 - c. The president plans for leadership (officer) perpetuation.
 - d. The president may represent the Board to outside parties.
4. The vice-president will perform the duties of the president in her/his absence.
5. The treasurer will lead the Board’s process for creating and monitoring the Board’s (not the Cooperative’s) budget. In addition, the treasurer will facilitate the Board’s understanding of the financial condition of the Cooperative.
6. The secretary will make sure the Board’s documents are accurate, up to date, and appropriately maintained.
 - a. The secretary will maintain both a digital and physical record of documents

Policy Type: Board Process
Policy Title: C7 – Board Committee Principles
Last Revised: 26 September 2016

The Board will use Board committees only to help us accomplish the responsibilities of our job.

1. Committees will reinforce and support the wholeness of the Board. 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. We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the General Manager.

Policy Type: Board Process
Policy Title: C8 – Governance Investment
Last Revised: 26 September 2016

The Board will invest in our governance capacity.

1. We will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
2. We will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
 - a. We will use training and retraining as necessary to orient new directors and candidates for membership, 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 necessary to ensure our ability to listen to owner viewpoints and values.
 - d. We will use professional and administrative support as necessary.
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.

Policy Type: Board-Management Relationship
Policy Title: D – Global Board-Management Connection
Last Revised: 11 August 2016

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

Policy Type: Board-Management Relationship

Policy Title: D1 – Unity of Control

Last Revised: 11 August 2016

Only officially passed motions of the Board are binding on the General Manager.

1. Decisions or instructions of individual directors, officers, or committees are not binding on the Coordinating Team 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 Coordinating Team can refuse any requests that, in the Coordinating Team'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 Coordinating Team
Last Revised: 11 August 2016

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

1. The Board will view General Manager performance as identical to organizational performance so that the Cooperative's accomplishment of Board-stated ends and avoidance of Board-proscribed means will be viewed as successful General Manager performance.
2. The Board will not instruct or evaluate any individual employee.

Policy Type: Board-Management Relationship
Policy Title: D3 – Delegation to the Coordinating Team
Last Revised: 11 August 2016

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

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

Policy Type: Board-Management Relationship
Policy Title: D4 – Monitoring Coordinating Team Performance
Last Revised: 11 August 2016

The Board will systematically and rigorously monitor and evaluate General Manager's job performance.

1. Monitoring is how the Board determines the degree to which the General Manager is following Board policies. Information that does not directly relate to Ends or Executive Limitations policies is not monitoring information.
2. The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the General Manger 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.
3. In every case, the standard for compliance will be any reasonable interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness and will always judge with a "reasonable person" test not the interpretations favored by individual directors.
4. The General Manager is compliant with a policy if he/she presents a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
5. The Board will monitor all policies that instruct the General Manager. 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.