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Policy Type: Ends

Policy Title: A – Global Ends (revised March 2018)

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Roanoke Co+op exists so that our member-owners, customers, and the community benefit from:

- a) Equitable economic relationships
- b) Positive environmental impacts
- c) Healthful foods and products
- d) Inclusive, socially responsible practices
- e) Educational resources

Policy Type: Executive Limitations

Policy Title: B – Global Executive Constraint

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The General Manager must 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 Principles.

Policy Type: Executive Limitations

Policy Title: B1 – Financial Condition and Activities

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With respect to the actual, ongoing financial conditions and activities, the General Manager must not cause or allow the Cooperative to be unprepared for future opportunities, the development of fiscal jeopardy, or key operational indicators to be below average for our industry.

The GM must not:

1. Allow sales growth to be inadequate.
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. Allow growth in ownership and owner paid-in equity to be insufficient.
6. Default on any terms that are part of the Cooperative's financial obligations.
7. Allow late payment of contracts, payroll, loans or other financial obligations.
8. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
9. Acquire, encumber or dispose of real estate.
10. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
11. Use restricted funds for any purpose other than that required by the restriction.
12. 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 –Planning and Financial Budgeting

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

The GM must 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. Do not address excellence in business systems and operations.
  - d. Have not been tested for feasibility.
2. Provide less for Board prerogatives during the year than is set forth in the board budget.

Policy Type: Executive Limitations

Policy Title: B3 – Asset Protection

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

The GM must 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 purchasing that is uncontrolled or subject to conflicts of interest.
7. Allow lack of due diligence in contracts.
8. Allow damage to the Cooperative's public image, goodwill, and credibility.

Policy Type: Executive Limitations

Policy Title: B4 – Membership Rights and Responsibilities

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The General Manager must not allow member-owners to be uninformed or misinformed of their rights and responsibilities.

The GM must not:

1. Allow any individual to become a member-owner unless that individual meets the eligibility requirements described in our Bylaws, and pays the required \$xx equity (or begins an equity payment plan).
2. Create or implement a member-owner equity system without the following qualities:
  - a. Member-owners 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.
  - b. Equity will not be refunded if such refunds would lead to a net decrease in total member-owner paid-in equity at the end of any reporting period, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.
3. 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 member-owners.

Policy Type: Executive Limitations

Policy Title: B5 – Treatment of Customers

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The General Manager must not be unresponsive to customer needs.

The GM must 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

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

The GM must not:

1. Operate without written personnel policies that:
  - a. Clarify rules for staff.
  - b. Provide for fair and thorough handling of workplace conflicts. The board should not be included as a participant in the conflict resolution process.
  - c. Are accessible to all staff.
  - d. Inform staff that employment is neither permanent nor guaranteed.
  - e. Encourage employees to report unethical or illegal behavior.
  - f. Protect against nepotism.
2. Prevent any employee from reporting unethical or illegal activity to the board, or discriminate or retaliate against any employee for reporting unethical or illegal behavior or activity.
3. Cause or allow personnel policies to be inconsistently applied.
4. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
5. Establish compensation and benefits that are internally or externally inequitable.
6. Change the GM's own compensation and benefits, except as those benefits are consistent with a package for all other employees.

Policy Type: Executive Limitations

Policy Title: B7 – Communication to the Board

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

The GM must 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 in an untimely 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. 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 from the Board relevant information from or about key partners including NCG, including (but not limited to): reports about industry trends, operational audits, risk assessment and joint liability, program participation, and member agreements.
5. Withhold an 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.
6. Deal with the Board in a way that favors or privileges certain directors over others except when responding to officers or committees duly charged by the Board.

Policy Type: Executive Limitations

Policy Title: B8 –Board Logistical Support

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

The GM must 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 directors to be without an updated copy of the Policy Register and the Bylaws.
4. Provide inadequate information and notice to member-owners concerning Board actions, meetings, activities and events.
5. Allow insufficient archiving of board documents.

Policy Type: Executive Limitations

Policy Title: B9 – Emergency GM Succession

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To protect the Cooperative from sudden loss of GM services, the GM must not have fewer than two other managers sufficiently familiar with Board and GM issues and processes to enable them to take over with reasonable proficiency as an interim successor.

Policy Type: Board Process

Policy Title: C – Global Governance Commitment

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Acting on behalf of our owners, the Board ensures the success of the cooperative by working together effectively, empowering and holding accountable professional management, providing strategic leadership for our cooperative, and perpetuating our democratic organization.

Policy Type: Board Process

Policy Title: C1 – Governing Style

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We will govern in a manner consistent with the Four Pillars of Cooperative Governance (Teaming, Accountable Empowerment, Strategic Leadership, Democracy). In order to do this, we will:

1. Be a strategic leader by developing insight and foresight to set direction and facilitate movement in that direction.
2. Ensure effective systems of delegating authority to professional management, holding the use of that power accountable, and clearly distinguishing between board and management responsibilities.
  - a. Observe the 10 Policy Governance principles (Ownership, Position of Board, Board Holism, Board Means Policies, Clarity and Coherence of Delegation, Ends Policies, Executive Limitations Policies, Policy Sizes, Any Reasonable Interpretation, Monitoring)
3. Maintain team discipline, authority and responsibility.
4. Practice the habits of a successful democracy.
5. Obey all relevant laws and bylaws.

Policy Type: Board Process

Policy Title: C2 – The Board’s Job

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In order to govern successfully, we will:

1. Practice, protect, promote and perpetuate a healthy democracy for our Cooperative.
  - a. Establish and maintain communication with member-owners, educating ourselves on diverse needs and perspectives, and reporting on the Board’s activities and decisions. (added April 2023)
2. Hire, set compensation for, delegate responsibility to, and hold accountable a General Manager.
  - a. Use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.
3. Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
4. Rigorously monitor operational performance in the areas of Ends and Executive Limitations.
5. Regularly evaluate our own Board performance in the areas of Board Process and Board-Management Relationship.
6. Perpetuate the Board’s leadership capacity using ongoing education and training, a robust recruitment, qualification and nomination process and fair elections.
7. Perform other duties as required by the bylaws or because of limitations on GM authority.

Policy Type: Board Process

Policy Title: C3 – Agenda Planning

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We will follow a strategic multi-year workplan 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 workplan, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in our Board-Management Relationship policies.
2. Board meeting agendas 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: C4 – Board Meetings

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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, personal concerns and other topics that are not the highest and best use of our time.
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, 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 majority vote.
4. A relaxed version of Robert's Rules of Order is observed except where the Board has superseded them with policy statements. Minutes will be recorded.
5. If we must make a decision outside of a regular meeting, that decision must be unanimous and affirmed in writing by all directors. We will include a record of that decision in the minutes of the next regular meeting.

Policy Type: Board Process

Policy Title: C5 – Directors' Code of Conduct

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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 member-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-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. Every director will immediately report any actual or potential conflicts of interest to the whole board.
  - c. 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.
  - d. A director who applies for employment at the Cooperative must first resign from the Board.
3. Directors may not attempt to exercise individual authority over the organization.
  - a. When interacting with the GM or employees, 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, 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.

Policy Type: Board Process

Policy Title: C6 – Officers' Roles

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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 functions well and in accord with our policy agreements.
  - 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.
4. The vice-president will perform the duties of the president if the president is unable to do so.
5. The treasurer is responsible for supporting the board in all finance-related board work.
  - a. The treasurer will lead the Board's process for creating and monitoring the Board's (not the Cooperative's) budget.
  - b. The treasurer will facilitate the Board's understanding of the financial condition of the Cooperative.
  - c. In addition, the treasurer will authorize any financial activities required by the board to be executed by management, such as an audit or financial review.
6. The secretary will make sure the Board's documents are accurate, up to date, and appropriately maintained.
  - a. The secretary will write the draft and final versions of any new policy or committee charter.
  - b. In addition, the secretary will fulfill all signatory requirements of the state and our bylaws.
  - c. In accordance with our bylaws, the Secretary will certify by her/his signature the results of voting in all elections and referenda put to the membership of the Co-op.

Policy Type: Board Process

Policy Title: C7 – Board Committee Principles

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

1. Committees will reinforce and support Board holism.
  - 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 GM.

Policy Type: Board Process

Policy Title: C8 – Governance Investment

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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 superior capability.
  - 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 member-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.

Policy Type: Board-Management Relationship

Policy Title: D – Global Board-Management Connection

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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

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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.

Policy Type: Board-Management Relationship

Policy Title: D2 – Accountability of the GM

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The GM is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the GM

1. The Board will view GM performance as identical to organizational performance so that organizational accomplishment of 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.

Policy Type: Board-Management Relationship

Policy Title: D3 – Delegation to the GM

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

1. As long as the GM uses any 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.
2. The Board will respect and accept the GM'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 – Evaluating the GM

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The Board will systematically and rigorously monitor and evaluate the GM's job performance compared to expectations set forth in Board policies.

1. The Board's policy monitoring process is the foundation of our annual evaluation of the GM.
  - a. In January of each year the Board will review a summary of the monitoring reports received during the previous 12 months. Based on that review, the Board will present an evaluation letter to the GM. That letter will constitute our full evaluation, and it will be delivered no later than February 28.
2. 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.
3. 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.
4. The Board will accept that the GM is compliant with a policy if the monitoring report includes a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
5. 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.

# APPENDICES

**Code of Conduct Agreement  
For Roanoke Co+op Board of Directors**

Note: This form is to be completed by all directors at least annually, preferably within one month following board elections and shall be updated as circumstances require.

I agree to abide by Board Policy C5 Code of Conduct and any subsequent changes the board makes to that policy. I understand that if, in the opinion of 2/3 of co-op directors, I have violated the letter or spirit of the Code of Conduct, I shall resign my position on the board immediately and shall not seek to cause continued disruption to the co-op and the co-op board for that action.

According to Article VI, Section 7.2 of the Cooperative Bylaws, I have an affirmative duty to disclose my actual and potential conflicts of interests. These are listed below. I understand that I have a duty to disclose any additional conflicts that may arise and to abide by board policy regarding participation in matters under consideration by the board.

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\_\_\_\_\_  
Signature of Director/Candidate

\_\_\_\_\_  
Date

## **Attendance and Payment of Stipend Policy**

### **Attendance**

Members of the Roanoke Co+op Board of Directors are expected to attend—either in person or virtually—every monthly board meeting. These meetings will be held on the third Monday of each month from 5:30 to 7:30 pm. If a situation arises which prevents a member from attending the meeting, they will contact the board secretary 24-hours in advance of the meeting by telephone, email, texting or in person. It is understood that an emergency (such as hospitalization) may make this impossible, in which case the member will notify the secretary at their earliest convenience.

Board members are also expected to attend meetings of committees to which they belong, as well as the annual board retreat.

### **Stipends**

Board members will be paid a monthly stipend (\$150 for members; \$225 for vice-president, treasurer and secretary; and \$250 for president) if they attend the monthly board meeting or notify the secretary in advance of an impending absence. No stipend will be paid for a member who does not notify the secretary ahead of meeting time.

Stipends are also paid for attending committee meetings (\$45 for chair; \$30 for members). Committee chairs will notify the secretary directly after each committee meeting and provide a list of the names of those in attendance.

No stipends are paid for the board retreat.

### **Payment**

After each board meeting, the secretary will compute stipend amounts for each board member-- including amounts for the monthly meeting as well as for committees. The secretary will then forward a stipend list to the Co+op Finance Manager with copies to general manager and operations manager. Finance Manager will issue the checks.

As of January 2023

# Board Committees and Charters

## Bylaws Review and Reconciliation Committee

The purpose of this committee is to review Roanoke Co+op's Charter and Bylaws in order to determine if they are up to date, reflect our current practices, governance policy, and are in compliance with state law.

## Education Committee

(see next page)

## Electronic Documents Committee

The purpose of this committee is to keep open, efficient, and secure communication available, electronically. The group will work with the store operations and outside sources to achieve this end.

## Nomination Committee

The purpose of this committee is to solicit and qualify nominees for board elections, and to develop an application and screening process.

## COMMITTEE CHARTER

### COMMITTEE: BOARD EDUCATION

DATE CHARTERED: 12/19/22

END OF TERM: 12/19/23

Chair: Gayle Havens

Members: Sandy Taylor, Leila Tomasone, Ron Marsh

The job of the Board Education Committee will be to:

1. Craft an annual education plan for the Board, based on the Board's stated priorities.
  - For January 2023 through January 2024, the focus of this education should be "Future Growth" and "the Univ. of Wisconsin initiative project on board practices & performance management"
2. Gather educational resources (articles, books, speakers, videos, etc) that will help the Board learn about our priority topics.
3. As directed by the board chair, provide a brief verbal or written report to the board about the activities of this committee.