

**POLICY REGISTER OF THE
FREDERICK COUNTY CONSUMERS
COOPERATIVE**

UPDATED ON 09/29/2023

BOARD GOVERNANCE BY POLICY

When policies are created according to Policy Governance, a few board pronouncements can govern even a large and complex organization. Along with the Articles of Incorporation and the Bylaws, these policies cover most all board decisions. Because policies are expressions of values and perspectives, they differ from one board to another. However, the categories are fairly constant. Budgets, short and long range plans, The General Manager creates personnel practices, product selection and all other operational procedures and activities from these policies. Following is an outline of the Board policy register.

Category A: [ENDS](#)

Category B: EXECUTIVE LIMITATIONS

Global Executive Limitation Policy [GLOBAL POLICY](#)

1. Staff Relations & Compensation and Benefits [STAFF RELATIONS & COMPENSATION & BENEFITS](#)
2. Financial Planning [FINANCIAL PLANNING](#)
3. Financial Condition [FINANCIAL CONDITION](#)
4. Asset Protection [ASSET PROTECTION](#)
5. Communication and Support to the Board [COMMUNICATION AND SUPPORT TO THE BOARD](#)
6. Emergency Management Succession [EMERGENCY MANAGEMENT SUCCESSION](#)
7. Customer Service [CUSTOMER SERVICE](#)
8. Ownership [OWNERSHIP](#)
9. Expansion

Category C: BOARD-GENERAL MANAGER RELATIONSHIP

Global Board-General Manager Relationship Policy [GLOBAL POLICY](#)

1. Unity of Control [UNITY OF CONTROL](#)
2. Accountability of the General Manager [ACCOUNTABILITY OF THE GENERAL MANAGER](#)
3. Delegation to the General Manager [DELEGATION TO THE GENERAL MANAGER](#)
4. Monitoring General Manager Performance [MONITORING GENERAL MANAGER PERFORMANCE](#)

Category D: BOARD PROCESS

Global Board Process Policy [GLOBAL POLICY](#)

1. Governing Style [GOVERNING STYLE](#)
2. Board Job Description [BOARD JOB DESCRIPTION](#)
3. Board Agenda Planning and Board Minutes [AGENDA PLANNING AND BOARD MINUTES](#)
4. Officer's Role [OFFICERS' ROLES](#)
5. Board Member Code of Conduct [CODE OF CONDUCT](#)

6. Board Committee Principles [BOARD COMMITTEE PRINCIPLES](#)
7. Relationship to Owners [RELATIONSHIP TO OWNERS](#)
8. Board Recruiting, Development and Expenses [BOARD RECRUITING, DEVELOPMENT, AND EXPENSES](#)
9. Board Advocacy on Public Policy [BOARD ADVOCACY ON PUBLIC ISSUES](#)
Staff Member Serving on the Board (*currently not in use*)

POLICY A: ENDS

The Common Market is a not-for-profit; member owned cooperative serving the Frederick area with high quality natural foods, health products, and household supplies. The Common Market seeks to responsibly serve its community through its products and by offering a path to a sustainable, healthful future through its structure, policies, practices, and shared values (Mission Statement of The Frederick County Consumers Cooperative*).

The FCCC exists in order to achieve the following ends in the local region:

1. A prosperous, just, and vibrant local food economy, connecting local consumers with local food sources.
2. An economically successful and growing business operated on the model of cooperative ownership, serving as a practical alternative to corporate, profit driven, absentee ownership, and fostering the expansion of the cooperative model.
3. A community whose members are educated about food, health and wellness choices, about social and environmental issues in food production, and about the value of cooperatives as an alternative business model.
4. A model for the use of environmental resources that is increasingly sustainable in the products we sell, the business we operate, and the practices we promote and support in the larger community.

Adopted 26 April 2007

Revised 28 January 2010

*The Mission Statement was adopted at the Board of directors meeting on 23 April 1993.

POLICY B: EXECUTIVE LIMITATIONS
GLOBAL POLICY

The General Manager is required to carry out the policies of the Board of Directors. S/he 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 General Manager may neither cause nor allow any practice, activity, decision, or organizational circumstance that is illegal, imprudent, in violation of commonly accepted business practices and professional ethics or in violation of the Cooperative Principles*.

Adopted 25 January 2001

* The Seven Cooperative Principles are guidelines by which cooperatives put their values into practice. They were adopted by the International Cooperative Alliance as a Statement of Cooperative Identity. A detailed description of each of the principles is found in Challenges to the Cooperative Board of Directors, which is provided to each board member upon election to the Board of Directors.

- 1st Principle: Voluntary and Open Membership
- 2nd Principle: Democratic Member Control
- 3rd Principle: Member Economic Participation
- 4th Principle: Autonomy and Independence
- 5th Principle: Education, Training, and Information
- 6th Principle: Cooperation among Cooperatives
- 7th Principle: Concern for the Community

POLICY B1: EXECUTIVE LIMITATIONS
STAFF RELATIONS & COMPENSATION & BENEFITS

B.1 The General Manager will not treat staff in any way that is unfair, unsafe, or unclear. The GM will not:

B1.1 Operate without written personnel policies that:

B1.1.1 Clarify rules for staff.

B1.1.2 Provide for fair and thorough handling of grievances.

B1.1.3 Are accessible to all employees.

B1.1.4 Inform staff that employment is neither permanent nor guaranteed.

B1.2 Cause or allow personnel policies to be inconsistently applied, especially to the General Manager him/herself. The HR Manager is empowered to report any such violations directly to the Board of Directors if s/he believes that such violation of store policy is not known by the Board.

B1.3 Enter into any romantic relationship with another employee of the Frederick County Consumer Cooperative.

B1.4 Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.

B1.5 Establish compensation and benefits that are internally or externally inequitable.

B1.6 Change the GM's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

Adopted 26 April 2001

Revised 24 July 2008

POLICY B2: EXECUTIVE LIMITATIONS
FINANCIAL PLANNING

B2. The General Manager shall not cause or allow business planning and budgeting, for any fiscal year or the remaining part of any fiscal year, to deviate materially from the board's Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

The GM will not cause or allow plans that:

B2.1 Risk incurring those situations or conditions described as unacceptable in the board policy "Financial Condition."

B2.2 Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

B2.3 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.

B2.4 Have not been tested for feasibility.

Adopted 26 April 2001

Revised 9 December 2010

POLICY B3: EXECUTIVE LIMITATIONS
FINANCIAL CONDITION

B.3 With respect to operating the cooperative in a sound and prudent manner, the General Manager may not jeopardize the financial health of the cooperative. The General Manager shall monitor and enhance the financial health and working capital of the cooperative.

Accordingly, s/he may not,

B3.1 Fail to operate without internal policies and controls that meet the following benchmarks:

Financial indicator	Benchmark
Current Ratio	1.25:1
Net Income	0.5%
Debt to Equity	2:1
Sales Growth	5%
Labor Expense	24%
Gross Profit Margin	36%

B3.2 Fail to make capital expenditures exceeding \$15,000 in a quarter without Board notification/approval beyond what has been communicated through the financial planning report, ends policy resource allocation and capital planning budgets.

B3.3 Fail to generate an annual audit report from the Board approved auditor that indicates compliance with maintaining adequate financial record keeping systems and controls and with meeting external obligations.

B3.4 Fail to respond to market forces that could affect the success of the store. These forces include new food stores in our trade area, format changes in existing food stores in our trade area, economic trends in our trade area and traffic patterns in immediate vicinity.

B3.5 Incur debt, without Board approval.

B3.6 Acquire, lease, encumber, or dispose of real estate, without Board approval.

Adopted 26 April 2001

FCCC Policy Register as at 09/29/2023

Revised 28 March 2002
Revised 27 March 2003
Revised 17 November 2005
Revised 26 October 2006
Revised 22 March 2007
Revised 24 April 2008
Revised 24 May 2011

POLICY B4: EXECUTIVE LIMITATIONS
ASSET PROTECTION

B4. The General Manager may not fail to adequately protect the cooperative's assets nor allow disrepair, excessive risk, untraceable transactions or conflict of interest to occur in the management of the cooperative's resources.

Accordingly, s/he may not:

B4.1 Allow insurance coverage of stock, building, furniture and equipment to fall below 90% of the replacement value.

B4.2 Permit cash to be handled in an unsecured manner.

B4.3 Receive, process, or disburse funds under controls insufficient to meet the Board appointed auditor's standards.

B4.4 Allow any one individual including the GM to have complete authority over a financial transaction.

B4.5 Fail to properly maintain building and equipment or to provide for adequate facility and equipment including but not limited to negotiating with the landlord for leases and repairs.

B4.6 Cause nor allow abuse or misuse of the cooperatives assets.

B4.6.1 Cooperative property shall be inventoried according to a set procedure and time line.

B4.6.2 Operational systems and a security system shall be in place to ensure adequate safeguards against theft, loss, or damage of property.

B4.7 Deposit the cooperative's funds in institutions whose Lacey rating is below "B".

B4.7.1 Fail to ensure that the co-op receives competitive terms from financial institutions including an appropriate balance of high returns and low costs.

B4.8 Allow unnecessary exposure of the cooperative, the staff, or the directors to claims of liability.

B4.9 Fail to develop a plan for any emergency or urgent crisis affecting the cooperative. This includes but is not limited to situations regarding fire, severe weather, natural disaster, theft or armed robbery, health and safety issues.

This policy shall be monitored annually by internal report according to the schedule defined in the Board-General Manager Relationship Policy.

Adopted 26 April 2001

Revised 27 June 2002

Revised 24 April 2003

POLICY B5: EXECUTIVE LIMITATIONS
COMMUNICATION AND SUPPORT TO THE BOARD

B5. The General Manager shall not cause or allow the board to be uninformed or misinformed in its work. The General Manager will not allow the Board to have inadequate logistical support.

The GM will not:

B5.1 Submit monitoring data that is untimely, inaccurate, or hard to understand.

B5.2 Report any actual or anticipated noncompliance with any policy of the board in an untimely manner.

B5.3 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.

B5.4 Withhold his/her opinion if the GM believes the Board is not in compliance with its own policies on Board Process and Board-General Manager Relationship, and By-Laws particularly in the case of board behavior that is detrimental to the work relationship between the board and the GM.

B5.5 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.

B5.6 Fail to supply for the Board's consent agenda all decisions delegated to the GM yet required by law, regulation, or contract to be board-approved.

B5.7 Provide the Board with insufficient staff administration to support governance activities and Board communication.

B5.8 Provide inadequate information and notice to members concerning Board actions, meetings, activities and events.

Adopted 28 June 2001

Revised 19 December 2002

Revised 26 January 2006

Revised 23 April 2009

POLICY B6: EXECUTIVE LIMITATIONS
EMERGENCY MANAGEMENT SUCCESSION

B6. The GM may not operate without a plan for emergency management succession.

The GM shall not:

B6.1 Have less than one other manager sufficiently familiar with Board and GM issues and processes to enable her/him to serve with reasonable proficiency

B6.2 Fail to establish and document systems and procedures so that others can find information needed to meet the co-op's obligations in a planned or emergency GM absence.

This policy shall be monitored annually by internal report according to the schedule defined in the Board-General Manager Relationship Policy.

Adopted 28 June 2001
Revised 23 April 2009

POLICY B7: EXECUTIVE LIMITATIONS
CUSTOMER SERVICE

B7. The General Manager may not fail to ensure that our owners and our customers receive high value in our products and services.

The GM will not:

B7.1 Be unresponsive to customer needs.

B7.2 Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.

B7.3 Allow an unsafe shopping experience for our customers.

Additionally, the GM may not fail to:

B7.4 Ensure that all merchandising and marketing practices be honest and non-manipulative.

Adopted 28 June 2001

Revised July 2005

Revised 11 August 2012

POLICY B8: EXECUTIVE LIMITATIONS
OWNERSHIP

B8. The General Manager may not fail to establish, maintain and promote a vital ownership program that builds a sense of ownership among owners.

B.8.1 The General Manager will not allow owners to be uninformed or misinformed of their rights and responsibilities.

B.8.2 The General Manager will not change the Board-determined owner equity requirements or owner benefits.

B.8.3 The General Manager may not allow unauthorized use of the membership information.

B.8.4 The General Manager shall not fail to implement a patronage rebate system, following all applicable laws and bylaws, such that

B8.4.1 The Board can make a timely determination each year concerning how much, if any, of the co-op's net profit will be distributed to owners based on the General Manager's recommendation and rationale.

B8.4.2 The General Manager will not fail to provide the recommendations for the August Board meeting.

B8.4.3 The Board will not fail to decide on patronage rebate distribution of net profit to owners by September 1st.

B8.4.4. The General Manager will not fail to issue owner rebates by December 1st.

Adopted 28 June 2001
Revised 25 August 2005
Revised 26 January 2006
Revised December 2008
Revised 23 April 2009

POLICY B9: EXECUTIVE LIMITATIONS
EXPANSION

B9. The General Manager will be aware of, plan for, and execute business expansion opportunities. In so doing, the GM shall not:

B9.1 Fail to demonstrate how the expansion helps the co-op attain its ends

B9.2 Fail to inform the Board of expansion possibilities and activities

B9.3 Fail to present a sound plan that:

- a. Demonstrates financial viability
- b. Demonstrates unmet business potential in the community
- c. Demonstrates input and support from current Owners
- d. Is validated by a third-party's acceptance of the plan's assumptions and conclusions

Adopted 22 May 2014

POLICY C: BOARD-GENERAL MANAGER RELATIONSHIP
GLOBAL POLICY

Board/General Manager Relationship Policies describe the relationship between The Board and the General Manager. The Board's only official connection to the operational organization of The Common Market (herein after known as The Operation, The Organization, or adjectivally as operational or organizational) is through the General Manager. There is no official connection between individual board members and the General Manager.

Adopted 25 January 2001

POLICY C1: BOARD – GENERAL MANAGER RELATIONSHIP
UNITY OF CONTROL

C1. Only official decisions and policies of the Board are binding on the General Manager.

C1.1 Decisions or instructions of individual directors, officers, or committees are not binding on the General Manager except in rare instances when the Board has specifically authorized this power.

C1.2 In the case of directors or committees requesting information or assistance without Board authorization, the General Manager can refuse any requests that, in the General Manager's opinion, may disrupt operations or that require too much staff time or resources.

Adopted March 2001
Revised 19 December 2002
Revised 26 April 2007
Revised 24 June 2010
Revised 23 February 2023

POLICY C2: BOARD – GENERAL MANAGER RELATIONSHIP
ACCOUNTABILITY OF THE GENERAL MANAGER

C2. The General Manager is accountable for achieving the Ends and operating the organization within the Executive Limitations.

C2.1 The Board will view organizational accomplishment of Ends and organizational operation within Executive Limitations as successful General Manager performance.

C2.2 The Board will not instruct or evaluate any employee other than the General Manager.

Adopted March 2001

Revised 26 April 2007

Revised 24 June 2010

Revised 23 February 2023

POLICY C3: BOARD – GENERAL MANAGER RELATIONSHIP
DELEGATION TO THE GENERAL MANAGER

C3. The Board delegates authority to the GM through written Ends and Executive Limitations policies.

C3.1. 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.

C3.2. The Board will respect and accept the GM's choices as long as those choices are based on reasonable interpretations of Board policies.

C3.3. If the Board changes an Ends or Executive Limitations policy, the change only applies in the future.

Adopted March 2001
Revised 24 June 2010
Revised 24 February 2011
Revised 26 May 2022
Reviewed 27 April 2023

POLICY C4: BOARD – GENERAL MANAGER RELATIONSHIP
MONITORING GENERAL MANAGER PERFORMANCE

C4. The Board will systematically and rigorously monitor and evaluate the General Manager’s job performance. Monitoring is how the Board determines the degree to which the GM is following board policies. Information that does not directly relate to Ends or Executive Limitations policies is not monitoring information.

C4.1 The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses interpretations and compliance information to the Board; (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies (e.g., the audit); or (c) by direct Board inspection, in which a designated director or committee assesses compliance with the policy criteria.

C4.2 In every case, the standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but will always judge with a “reasonable person” test rather than with interpretations favored by individual directors or by the Board as a whole.

C4.3 The GM is compliant with a policy if they present a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.

C4.4 In evaluating non-compliance, the Board will consider the severity, implications, and trends, as well as the GM’s explanation and plan to achieve compliance.

C4.5 The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method but will ordinarily follow the schedule outlined in the Board Annual Calendar.

Adopted March 2001
Revised 28 January 2010
Revised 24 June 2010
Revised 24 February 2011
Reviewed 16 December 2021
Revised 24 August 2023

POLICY C5: BOARD – GENERAL MANAGER RELATIONSHIP
ANNUAL EVALUATION OF AND COMPENSATING THE GENERAL
MANAGER

C5. The Board will compensate the General Manager in a way that honors their value to the co-operative and demonstrates the Board’s commitment to equitable treatment.

C5.1 The Board’s annual evaluation of the General Manager, based on a summary of monitoring reports received from July through June, will be made at the July meeting through a review of the GM policy monitoring chart. The Board will make its decisions concerning GM compensation no later than the August meeting. The Board will complete the GM compensation process no later than the September meeting.

C5.2 The Board will establish a compensation package that is equitable, competitive in our market, and sustainable for the cooperative.

C5.3 The Board will use a strategic process to establish the value of the GM’s compensation, and we will complete this process in a timely manner.

Adopted 24 August 2023

D. BOARD PROCESS
GLOBAL POLICY

The purpose of the Board, on behalf of the cooperative's member-owners, is to see to it that the cooperative 1) achieves its Ends (appropriate results for appropriate people at appropriate costs) and 2) avoids unacceptable actions and situations (Executive Limitations).

Adopted 25 January 2001

Revised 11 November 2010

POLICY D1: BOARD PROCESS
GOVERNING STYLE

D1. The Board will govern in a way that emphasizes empowerment and clear accountability.

D1.1 In order to do this we will:

- D1.1.1 Focus our vision outward and toward the future.
- D1.1.2 Maintain group discipline, authority and responsibility
- D1.1.3 Clearly distinguish Board and General Manager roles
- D1.1.4 Encourage diverse viewpoints
- D1.1.5 Obey all relevant laws and bylaws.
- D1.1.6 Lead strategically more than focus on administrative detail.
- D1.1.7 Be proactive rather than reactive.
- D1.1.8 Be the initiator of policy, not merely a reactor to staff initiatives.

D1.2 Each member of the Board shares the responsibility for effective board leadership, including meeting participation.

D1.3 The Board will direct, control, and inspire the organization through careful establishment of broad written policies reflecting the Board's values and perspectives about ends to be achieved and means to be avoided.

Adopted 23 August 2001
Revised 8 October 2009
Revised 11 November 2010
Reviewed 26 August 2021

POLICY D2: BOARD PROCESS
BOARD JOB DESCRIPTION

D2. The job of the Board is to represent the member-owners in determining and requiring appropriate organizational performance; to direct and inspire the cooperative; and to practice, protect, promote, and perpetuate a healthy democracy for the cooperative.

D2.1 The Board will produce written governing policies that, at the broadest levels, address each of the following categories of organizational decision:

- Ends - Organizational outcomes, recipients, and their relative worth. (What good, for whom, at what cost?)
- Executive limitations - Constraints on the manager's authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place
- Board-General Manager Relationship - How power is delegated and its proper use monitored, the manager's role, authority, and accountability
- Board Process - Specifications on how the Board conceives, carries out, and monitors its own work

D2.2 The Board will hire, set compensation for, and delegate responsibility to a General Manager; and produce assurance of the General Manager's performance by monitoring its policies on Ends and Executive Limitations.

D2.3 The Board will assess and improve its own performance by regular assessment of compliance with board policies on Board Process and Board-General Manager Relationship. Furthermore, the Board will perpetuate its leadership capacity using a robust recruitment, qualification, and nomination process; thoughtful appointments; fair elections; and ongoing education and training.

D2.4 The board will monitor these policies on an annual basis by assessing compliance. Questions and discussion should be allowed from all Board members during annual policy assessments.

D2.5 If the Board deems itself partially compliant or non-compliant with a given policy, the situation must be explained and a plan approved to remedy the situation. The Board may vote to delegate the task of monitoring to outside experts, when necessary.

D2.6 The Board will perform other duties as required by the bylaws or that may arise due to constraints on the General Manager's authority.

Adopted 23 August 2001
Revised 12 December 2002
Revised 28 August 2003
Revised 24 June 2010

FCCC Policy Register as at 09/29/2023

Revised 11 November 2010

Revised 24 February 2022

Revised 23 February 2023

POLICY D3: BOARD PROCESS
AGENDA PLANNING AND BOARD MINUTES

D3. To accomplish its job with a governance style consistent with board policies, the Board will develop its monthly meeting agenda by referring to its annual calendar. The calendar will 1) incorporate a re-exploration of ends annually and 2) reflect continual improvement of board performance through incorporation of board education/training. To ensure that its actions are duly recorded in a manner that reflects the legal nature of its deliberations as representatives of the member-owners of the cooperative, the Board will take minutes of every monthly board meeting.

D3.1 The Board's annual governance cycle will align with the co-operative's fiscal year and commence with the development of a draft annual calendar for the year. The Board Secretary will be responsible for developing the draft annual calendar. The calendar will show all board events, including membership meetings, regularly scheduled board meetings, and board recruitment and training activities. It will also include the monitoring schedule for all policies and the GM evaluation and compensation process. The calendar will be reviewed and updated as needed.

D3.2 The Board minutes for each meeting and the annual calendar will provide the basis for determining the broad outlines of the next meeting's agenda.

D3.2.1 Prior to the next meeting, the Board President will review the minutes of the previous meeting, determine unresolved action items from previous meetings, and will solicit all directors and the General Manager for input to the agenda. The President will determine relevancy and priority for discussion, and produce a draft agenda for the next board meeting. Urgent items brought to the attention of the Board President up to the time that the draft agenda is sent to the General Manager for insertion into the read-ahead package may be added to the agenda.

D3.2.2 Items not needing discussion may be included on a "consent agenda."

D3.2.3 The agenda will be considered "draft" until it is approved by the directors at the beginning of the Board meeting.

D3.3 The minutes will document the date and time of the Board meeting, Board members in attendance and not in attendance, all motions made, any conflicts of interest or abstentions from voting, when the meeting began and ended, and who recorded the minutes.

D3.4 The Secretary of the board is responsible for ensuring that minutes are taken at each monthly board meeting and for ensuring that minutes are archived and available

as the legal record of board meetings. The Secretary may delegate minute taking to another board member or to an individual approved by the board.

Adopted 23 August 2001

Revised 28 March 2002

Revised 25 September 2003

Revised March 2005

Revised 23 April 2009

Revised 11 November 2010

Reviewed 26 May 2022

Revised 15 June 2023

POLICY D4: BOARD PROCESS

OFFICERS' ROLES

1 - President's Role

The Board President assures the integrity of the Board's process and the integrity of the Board's relationship with the General Manager. Occasionally the President represents the Board to outside parties.

- 1.1 The President's job is to ensure the Board behaves consistently according to its own policies and by-laws and those legitimately imposed upon it from outside the organization.
- 1.2 The President is authorized to make decisions falling within Board policies on Governance Process and Board-General Manager Relationship, except where the Board specifically delegates portions of this authority to others. The President is authorized to use any reasonable interpretation of the provisions in these policies.
- 1.3 The President has the following responsibilities:
 - 1.3a Chair/facilitate Board meetings, with authority to maintain order and flow of process, and to direct that process in a fair, open, and timely manner.
 - 1.3b Represent the Board in announcing board-stated positions, other than in specifically authorized instances.
- 1.4 The President may delegate the authority outlined in this policy but remains accountable for its use.
- 1.5 The President has no individual authority to make decisions about Board policies on Ends or Executive Limitations.
- 1.6 The President has no individual authority to supervise the General Manager.
- 1.7 The President ensures a smooth transition to his/her successor in office.
- 1.8 The President will chair the Executive Committee consisting of the other officers.

2 – Vice-President's Role

The Vice-President's role is to help the Board maintain the relationship between the Board and the Owners.

- 2.1 The Vice-President will chair the Board Development Committee to ensure that the election and Board Development process follows the Board's policies.
- 2.2 The Vice-President will be the liaison between the Board and the GM to ensure that all special events like Owner Appreciation Days and special meetings are structured in a way that helps the Board do its work.
- 2.3 In accordance with our bylaws, the Vice-President will perform the duties of the President in her/his absence.
- 2.4 The Vice-President will serve on the Executive Committee with the other officers.

3 – Treasurer's Role

The Treasurer's role is to help ensure that the Board creates and follows good policy relating to the financial condition of the cooperative and the Board itself.

- 3.1 The Treasurer will create and monitor the Board's (not the co-op's) budget in accordance with policy D.8 and the by-laws; and monitor it throughout the year; and present any changes throughout the year.
- 3.2 The Treasurer will chair any committee charged with researching financial policies, or with hiring an auditor.
- 3.3 The Treasurer will approve Board member expenses for payment.
- 3.4 The Treasurer will receive, review and present to the Board the results of the annual financial audit by an independent auditor.
- 3.5 The Treasurer will serve on the Executive Committee with the other officers.

4 - Secretary's Role

The Secretary's role is to ensure the integrity of the Board's documents.

- 4.1 The Secretary will be responsible for assuring that: a) Directors and Board associates (General Manager, other designated staff, etc.) receive a complete meeting packet before each meeting; b) all meeting minutes are accurate and well-formatted; and c) all Board documents (electronic and paper) are safely archived for an appropriate length of time.

- 4.2 The Secretary will assure that the policy register is updated to reflect changes approved by the board of directors, that policies are coherent and adhere to the Policy Governance model, and that the latest electronic and print version are distributed to the directors and GM.
- 4.3 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
- 4.4 The Secretary will maintain a record of Directors' attendance and Directors' and GM monitoring reports throughout the year.
- 4.5 The Secretary will serve on the Executive Committee with the other officers.

Adopted 23 August 2001
Revised 9 October 2008
Revised 11 November 2010
Revised 22 July 2021

POLICY D5: BOARD PROCESS
CODE OF CONDUCT

The board commits itself and its members to ethical and businesslike conduct, including proper use of authority and appropriate behavior when acting as board members.

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 any reasonable 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 year, every director will complete and sign the Code of Conduct Agreement form and will verbally report to the whole Board all actual and potential conflicts. Every director will immediately report any subsequent actual or potential conflicts 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.
 - e. 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.
 - f. Any director who is also a paid employee will resign from the Board if and when their employment ends. Staff members who serve on the Board should resign from the Board if they are subject to disciplinary action for any reason. Any Staff member who is a direct report to the GM, or promoted to a direct report to the GM position must resign from the Board.
 - g. Directors who are paid employees will not be included in decisions and discussions on GM compensation, bonuses or other benefits. However, they may provide input into GM performance measures.
 - h. Directors who are paid employees may not serve on the Executive Committee.
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.
 7. Any director who does not follow the code of conduct policy can be removed from the Board by a majority vote of the remaining Board.

Adopted: 23 August 2001

Revised: 24 July 2003, 27 May 2004, 17 November 2005, 26 January 2006, April 2008, 23 July 2009, 24 June 2010, 11 November 2010, 25 July 2019, 10 March 2022.

Signed

Printed Name

Date

POLICY D6: BOARD PROCESS
BOARD COMMITTEE PRINCIPLES

This policy applies only to committees that are formed by Board action, whether or not they include non-Board members. Furthermore, the Board will use such committees only to help carry out its responsibilities and never to interfere with delegation from the Board to the General Manager.

1. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes which are carefully stated.
2. Board committees may not exercise authority over staff.
3. Board committee activities must be monitored by a Board Officer serving on the committee.
4. The Board will establish, regularly review, and control committee responsibilities in written Board-approved committee charters. A committee charter will carefully state the committee's expectations and authority.

Adopted 23 August 2001

Revised 24 May 2007

Revised 11 November 2010

Revised 23 February 2012

Reviewed 23 June 2022

Revised on 27 July 2023

**POLICY D7: BOARD PROCESS
RELATIONSHIP TO OWNERS**

The Board obtains its authority from and represents the Owners. The Board is responsible for linkage with the Owners. The relationship with the Owners is the Board's primary relationship. The Board has fiduciary and legal responsibility to the Owners.

1. The Board obtains its authority from the Owners and has the fiduciary and legal responsibility to represent their best interests. The Board shall always act in the best interest of the cooperative as a whole.
 - 1.1 To make informed policy decisions, the Board must understand the values and needs of the Owners. The Board must, therefore, obtain adequate and appropriate information about the Owners.
2. The Board shall report periodically to the Owners on its role, its activities and its decisions.
 - 2.1 At least annually, the Board shall disseminate a statement of its values and a report of the cooperative's financial resources and how those resources have been translated into services.
 - 2.2. The Board will build and sustain a sense of ownership, pride and loyalty among the Owners.
 - 2.3 The Board will ensure the effective communication of the vision and mission of the cooperative to the Owners.
3. The Board will ensure that the member fee structure provides adequate capital for the cooperative.
 - 3.1. The Board is responsible for ensuring that the process and benefits of becoming an Owner in the Co-op are clear and available to everyone.
4. The Board will ensure that the cooperative meets all requirements of law and its bylaws in regards to its relationship with the Owners including holding an annual meeting and preparing a written annual report for the Owners.

Adopted 23 August 2001
Revised 11 November 2010
Revised 25 August 2022
Reviewed 24 August 2023

POLICY D8: BOARD PROCESS
BOARD RECRUITING, DEVELOPMENT, AND EXPENSES

The Board will invest in its governance capacity through the provision of training, budget commitments and Board development.

1. The Board will offer sufficient and timely training to Directors for governing.
 - 1.1. Training will be used liberally to orient and prepare new Directors.
 - 1.2. Training will be provided to maintain and increase the skills of existing Directors.
2. The Board will prudently incur costs for governance and Board operation.
 - 2.1. The Governance line item of the annual CCFC budget shall include adequate funding for expenses including, but not limited to: Board Meeting Expense; Board Development; Board Training; Board Insurance; Misc. Board Expenses; and Board Compensation.
 - 2.2 In establishing Board compensation, the Board will ensure that
 - a. compensation to Board members is reasonable and equitable;
 - b. compensation to Board members is directly linked to their official roles and responsibilities on the Board; and
 - c. all decisions relating to compensation of Board members will be appropriately communicated to the member-owners.
3. The Board will conduct an annual campaign through its Board Development Committee to educate owners about Board responsibilities and recruit owners to be candidates for the Board of Directors.
 - 3.1. The Board will populate the Board Development Committee (BDC) per the annual calendar.
 - 3.2. The BDC will present and conduct the annual campaign, with the Board's approval, resulting in an elected slate of new Directors.

Adopted 23 August 2001
Revised 20 December 2001
Revised 24 May 2007
Revised 26 March 2009

FCCC Policy Register as at 09/29/2023

Revised 11 November 2010
Reviewed 24 March 2022
Revised on 27 April 2023

POLICY D9: BOARD PROCESS
BOARD ADVOCACY ON PUBLIC ISSUES

The Board may take actions to educate members about and influence public policy and government regulations on behalf of its owners.

1. Issues and actions shall be derived from the Ends policy. Issues chosen will be widely representative of the ownership, and will involve laws, regulations, and policies that either may help the Cooperative to better serve Owners interests or may harm the Cooperative's ability to serve Owners effectively. Issues and actions will be consistent with operational goals and strategies as defined by the General Manager.
2. The Board shall direct a committee to pursue issues in two phases.
 - a. Research phase: First, the Board shall determine if a particular issue merits further research. If it is so determined, the Board will direct the Advocacy Committee to gather information, consider and evaluate different viewpoints, and suggest strategies for actions.
 - b. Action phase: Second, the committee will present a report to the Board, and the Board will then determine if the issue should be supported. If so, the Board may direct the committee to implement actions or may take action itself.

An advocacy project will cease when the Board advocacy committee declares its efforts complete or when the Board votes by simple majority to halt the project.

Adopted 24 June 2010
Revised 11 November 2010
Revised 26 September 2013
Reviewed 23 September 2021
Reviewed 22 September 2022
Reviewed 28 September 2023