



PEOPLE'S FOOD CO-OP
NATURAL FOODS MARKET & DELI

BOARD POLICIES

ENDS POLICIES.....2	EXECUTIVE LIMITATIONS.....25
<i>ENDS INCLUSIVE</i>	<i>GLOBAL EXECUTIVE CONSTRAINT</i>
E.1 PRODUCTS & SERVICES	L.1 TREATMENT OF MEMBERS
E.2 COOPERATIVE COMMUNITY	L.2 TREATMENT OF STAFF
E.3 COLLECTIVE ACTION	L.3 FINANCIAL PLANNING AND BUDGETING
E.4 INSTITUTIONAL AND STRUCTURAL RACISM AND OPPRESSION	L.4 FINANCIAL CONDITION AND ACTIVITIES
E.5 EDUCATION	L.5 EMERGENCY GENERAL MANAGER SUCCESSION
E.6 MODEL WORKPLACE	L.6 ASSET PROTECTION
E.7 REMEMBERING PFC HISTORY	L.7 COMPENSATION AND BENEFITS
GOVERNANCE PROCESS.....3	L.8 COMMUNICATION AND SUPPORT TO THE BOARD
<i>GLOBAL GOVERNANCE COMMITMENT</i>	L.9 GIFTS TO PEOPLE'S FOOD CO-OP
G.1 GOVERNING STYLE	BOARD-GENERAL MANAGER
G.2 BOARD JOB DESCRIPTION	LINKAGE.....34
G.3 DIRECTORS' CODE OF CONDUCT	<i>GLOBAL BOARD-GM LINKAGE</i>
G.4 OFFICERS' ROLES	M.1 UNITY OF CONTROL
G.5 BOARD COMMITTEE PRINCIPLES	M.2 ACCOUNTABILITY OF THE GENERAL MANAGER
G.6 ANNUAL AGENDA CYCLE	M.3 DELEGATION TO THE GENERAL MANAGER
G.7 BOARD MEETINGS	M.4 MONITORING GENERAL MANAGER PERFORMANCE
G.8 COST OF GOVERNANCE	OWNERS' RESPONSIBILITIES.....37
G.9 BOARD-MEMBERSHIP COMMUNICATION	<i>Owners' Responsibilities</i>
G.10 RULES OF ORDER	O.1
G.11 MEMBER PETITIONS	O.2
G.12 BOYCOTTS	O.3
G.13 MEMBER VOTE COUNT OBSERVATION	
G.14 MEMBER VOTER VALIDATION OBSERVATION	
	POLICY MONITORING CALENDAR.....38

ENDS POLICIES

POLICY TITLE: ENDS INCLUSIVE

POLICY TYPE: ENDS

ADOPTED: JULY 19, 2004

REVISED: 10/21/04; 11/15/05; 4/5/07; 12/17/08; 9/21/10; 06/21/11; 8/6/17

Health and well-being for Members and the community for a cost justified by the results..
People's Food Cooperative exists to provide service to our members and the community by achieving our ends:

E.1

Through our products and services we promote local economy, environmental sustainability, health, and economic justice.

E.2

We enhance and encourage cooperative community.

E.3

We foster participatory ownership through volunteer opportunities, educational experiences and cooperative governance.

E.4

In our business and community, we work towards the elimination of institutional and structural racism and oppression

E.5

We develop collective community wisdom around health and nutrition, principles and practices of sustainability, cooperative values and principles, and our own cooperative history.

E.6

We are a model employer demonstrating a culture of professionalism, mutual support, and open communication which is based on the balance of personal and organizational needs.

E.7

Remembering and building on People's Food Co-op's history we will thrive into the future!

GOVERNANCE PROCESS

GLOBAL GOVERNANCE COMMITMENT

POLICY TITLE: G.1 GOVERNING STYLE

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: APRIL 12, 1999

REVISED: 1/21/02; 4/19/04; 5/8/08; 3/20/12; 12/16/15

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:

G.1.1

Be a strategic leader by focusing our vision outward and toward the future.¹

G.1.2

Ensure effective systems of delegating authority to professional management, holding the use of that power accountable, and clearly distinguishing between board and management responsibilities. We will observe the 10 Policy Governance principles [Ownership, Position of Board, Board Holism, Ends Policies, Board Means Policies (Board Process Policies & Board-Management Relationship Policies), Executive Limitations Policies, Policy Sizes, Clarity and Coherence of Delegation, Any Reasonable Interpretation, Monitoring]

G.1.3

Maintain team discipline, authority and responsibility.

G.1.4

Practice the habits of a successful democracy.

G.1.5

Obey all relevant laws and bylaws.

¹The Board policy was originally built around the ideas developed by John Carver in his book, *Boards That Make A Difference* (copyright 1990, Jossey-Bass Inc., San Francisco, CA).

POLICY TITLE: G.2 BOARD JOB DESCRIPTION

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: APRIL 12, 1999

REVISED: 10/23/00; 1/21/02; 1/27/05; 5/8/08; 5/21/09; 03/20/12; 04/02/13; 4/27/16

The specific responsibilities of the Board are to represent the interests of members, assume responsibility for the PFC organization and maintain an effective Board.

G.2.1

The Board will produce written governing policies that, at the broadest levels, address each category of organizational decision.

1. Ends: Organizational products, effects, results, benefits, outcomes, recipients and their cost or relative worth.
2. Executive Limitations: Constraints on executive authority that establish the boundaries of prudence and ethics within which all general manager activity and decisions must take place.
3. Governance Process: Specification of how the Board conceives, carries out, and monitors its own task.
4. Board-GM Linkage: How authority is delegated and its use monitored; the authority and accountability of the General Manager..

G.2.2

The Board will produce assurance of GM/organizational performance (against Executive Limitations and Ends policies).

G.2.3

Duties and responsibilities of Directors include, but are not limited to:

1. Prepare for each Board meeting by reading material distributed prior to the meeting and being ready for discussion.
2. Maintain access to board documents
3. Attend all regular and special Board meetings.
4. Participate actively in discussion, share your viewpoint, then support the group decision that results from that discussion.
5. Attend all meetings of the Membership.
6. Share equally with other Directors in committee and task-force work.
7. Disclose conflicts of interest immediately.
8. Support the Co-op by being an active Member/Owner and shopping regularly.
9. Actively recruit new Co-op Members and encourage their participation in PFC.
10. Serve as an advocate for PFC.
11. Be accessible, by phone and access to e-mail, to Staff and other Board Members as needed.

12. Also be accessible by phone and by e-mail to the Membership.
13. Fulfill commitments within agreed-upon deadlines.
14. Be loyal to the organization.
15. Hold in confidence any information so designated.
16. Take initiative and provide leadership.
17. Read, understand, and support PFC policies and by-laws.
18. Adhere to the obligations set forth in the Declaration of Candidacy (see Policy appendix).
19. Participate in the Board self-monitoring process.
20. Take responsibility for conflict on the Board and work to resolve it.
21. Board Members must be 21 years of age or older.

POLICY TITLE: G.3 DIRECTOR'S CODE OF CONDUCT

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: APRIL 12, 1999

REVISED: 9/23/02; 12/15/03, 5/9/06; 04/02/12; 4/27/16

The Board commits itself and its individual members to ethical, businesslike and lawful conduct including proper use of authority and appropriate decorum when acting as Board members.

G.3.1

Directors must represent unconflicted loyalty to the interests of the PFC Membership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of PFC's services.

G.3.2

Directors must avoid conflicts of interest regarding their fiduciary responsibility. A direct conflict of interest would exist if any Director has an affiliation with or material interest in any entity that conflicts with, or might reasonably be assumed to conflict with, the interests of People's Food Co-op. An indirect conflict of interest may arise when a director is an employee, director, officer, tenant, landlord or otherwise associated with another organization that may be benefited or harmed by actions of the Board.

1. ITEM REDACTED
2. Directors will not participate in final deliberation or vote on a question in which they have a personal or pecuniary interest uncommon with the interests of PFC. This does not mean that a person is prevented from voting for him or herself for office or other position for which he or she is eligible. The meeting minutes will reflect that a conflict was disclosed and that the interested person did not participate in discussion or decision.

3. There must be no self-dealing or any conduct of private business or personal services between any Board member and PFC, except as procedurally controlled, to assure openness, competitive quality, and equal access to information.
4. Directors must not use their positions to obtain employment at PFC for themselves, family members, or associates. Should a Director desire employment, he or she must first resign from the Board.
5. Annually, at the first meeting after Board elections, Directors will disclose their involvement or association with any vendors, other organizations, associations or personal business relationships that might produce a conflict. At that time, all Directors will complete and return to the Secretary the Conflict of Interest Statement and Disclosure Form (see appendix). Any subsequent direct or indirect conflict of interest will be reported to the whole board immediately.
6. Any director who is also a paid PFC employee has the same duties and responsibilities as any other director, and has the additional duty of clearly segregating staff and Board responsibilities.

G.3.3

Directors may not attempt to exercise individual authority over PFC operations except as explicitly set forth in Board policies.

1. Directors' interaction with the public, press, or other entities must recognize these limitations as well as the ineligibility of any Board member to speak for the Board as a whole except to repeat explicitly stated Board decisions.
2. Board members must be aware at all times that their comments could be perceived to be statements of the Board as a whole or to otherwise carry official weight. Outside of Board discussion, individual Directors will not voice judgements of GM or Staff performance.

G.3.4

Directors will maintain the confidentiality of sensitive issues as defined and discussed by the Board. All topics discussed in executive session will remain confidential until they become a matter of public record. Other discussion of sensitive information / issues should also remain confidential at least until the next board meeting.

G.3.5

A Director may resign by sending a signed letter of resignation to the Board Secretary.

POLICY TITLE: G.4 OFFICERS' ROLES

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: APRIL 12, 1999

REVISED: 9/21/99; 10/23/00; 6/17/02; 4/19/04; 6/13/06; 4/10/08; 7/21/09; 03/20/12

Board officers are leaders among equals. In addition to their other duties, each officer will assume a leadership position within the Board in one of the four main areas of Board responsibility: Perpetuating Board Excellence, Linking with Members, Enacting Policy, and Assuring Management Performance. To provide continuity and to foster good governance, all officers will provide training and support to their successors. Officers retain all the duties and responsibilities of regular Board Members.

G.4.1

The President assures the integrity and fulfillment of the Board's policy-governance process and maintains its focus on Ends policies. The President assumes a leading role in Perpetuating Board Excellence.

1. The job result of the President is that the Board follow its own rules and those legitimately imposed upon it from outside PFC.
2. The authority of the President consists in making decisions that fall within Board policies on Governance Process and Board-GM Linkage, except where the Board specifically delegates portions of this authority to others. The President is authorized to use any reasonable interpretation of the provisions of these policies.
 1. The President has no authority to make decisions relating to Ends and Executive Limitations policies. Therefore, the President has no authority to supervise or direct the GM.
 2. The President may represent the Board to outside parties in announcing Board-stated positions and in stating chair decisions and interpretations within the area delegated to him or her.
 3. The President may delegate this authority but remains accountable for its use.
3. The President will maintain a list of pending agenda issues including requested agenda items and other matters requiring Board attention.
4. With reference to the Board Calendar and list of pending agenda issues, the President shall establish the agenda for each Board meeting.
5. The President will sign all documents for the Co-op at the direction of the Board or the Membership. (By-law 8.3)
6. The outgoing President will attend the first agenda-setting meeting with the new President.
7. At the beginning of each Board year the President will update the Board Calendar

G.4.2

The Vice-President assumes a leadership position on issues related to Member Linkage, such as encouraging Member involvement in Board activities and committees, and exploring opportunities for Member feedback.

1. In the absence or incapacity of the President, the Vice-President will assume the duties of the President.
2. The Vice-President oversees the annual Membership meeting and the election.

3. The Vice-President supports the President and other officers in their duties, offering guidance and assistance when appropriate.
4. The Vice-President
 1. receives emails to the board as a whole submitted through the PFC website
 2. forwards them to the board with suggested responses as appropriate.

G.4.3

The Secretary is the Board's administrator and supervises the custody, accuracy, and integrity of all corporate documents, including the policies and by-laws, and assumes a leadership position in the area of Enacting Policy. The Secretary also:

1. Performs or delegates any duties required of PFC by the State by virtue of PFC being a non-profit organization
2. Sees that minutes of Board meetings are taken and prepared for the next meeting packet
3. Signs and dates all minutes as approved and sees that they are placed in Board files
4. Sees that minutes of all Membership meetings are taken and submitted for Board approval at the next regularly scheduled Board meeting.
5. Sees that Board files are maintained
6. Countersigns corporate documents as required (By-law 8.5)
7. Sees that policy and by-law revisions are prepared and distributed
8. Sees that Board notebooks are maintained, including the GM's copy and spares
9. Assures that GM monitoring reports are dated and filed
10. Announces quorum for the record at Membership meetings
11. Sees that BoD contact list is updated and distributed
12. Ensures the integrity of ballot counting for PFC elections
13. Processes Conflict of Interest forms:
 1. Receives Conflict of Interest forms from all Directors annually at the first meeting after Board elections;
 2. Communicates all reported Directors' conflicts to the Board and GM at the next regularly scheduled Board meeting.

G.4.4

The Treasurer serves a leadership position within the Board in the area of its fiscal responsibilities and in the discussion and review of Executive Limitations policies (Assuring Management Performance).

1. The Treasurer will research and recommend an accounting firm for the annual financial review.
2. The Treasurer will research and make recommendations regarding the need for and cost of a full financial audit
3. The Treasurer will act as the Board's liaison with the chosen accounting firm for the duration of the review.

4. The Treasurer will be responsible for proposing and monitoring the Board's Cost of Governance line items in PFC's annual budget.
5. As necessary, the Treasurer will ask the Board for additional resources and support in performing these duties.
6. The Treasurer will countersign documents as required in the absence or incapacity of the Secretary. (By-law 8.6).

G.4.5

If an officer has a role related to PFC elections and that officer wishes to run for reelection prior to filing to run, that officer will notify the board and the board will appoint another board member to fulfill that role in the PFC elections.

Background

- Linking with Member/Owners – as their representatives we seek their input and strive to foster their sense of ownership
- Enacting policy – to direct, control, and inspire the organization
- Assuring management/organizational performance
- Perpetuating Board excellence – through training and self-evaluation

POLICY TITLE: G.5 BOARD COMMITTEE PRINCIPLES

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: APRIL 12, 1999

REVISED: 12/14/06; 12/17/08; 8/18/09

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and never to interfere with the delegation from the Board to the General Manager.

G.5.1

Board committees exist to help the Board, never to help or advise the Staff. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus Board committees will normally not have dealings with staff operations.

G.5.2

Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Committee expectations and authority will be carefully stated in order not to conflict with authority delegated to the General Manager.

G.5.3

Board committees cannot exercise authority over staff. Because the General Manager works for the Board as a whole he or she will not be required to obtain approval of a Board committee before an executive action.

G.5.4

Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore a Board committee that has helped create policy on a topic will not be used to monitor organizational performance on that same topic.

G.5.5

Committees will regularly make minutes of their meetings available to the whole Board and the archive.

G.5.6

Any group that is formed by Board action is considered a committee with regard to G.5 policy, whether or not it is referred to as a committee in general use and regardless of whether the group includes Board members. It does not apply to committees formed under the authority of the GM.

G.5.7

Committee membership may include current or past Board members and/or active Members of the Co-op with a current Board member acting as a liaison to the Board for discussion purposes.

G.5.8

All committees must have a charter or a charge from the Board.

POLICY TITLE: G. 6 ANNUAL AGENDA CYCLE

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: APRIL 12, 1999

REVISED: 9/21/99; 2/19/01; 10/15/01; 7/15/13; 7/16/14

To accomplish its job responsibilities with a governance style consistent with Board policies, the Board will follow a board calendar detailing the agenda cycle and other dates relevant to Director responsibilities.

G.6.1

The Board will create, and modify as necessary, an annual calendar that includes tasks and events related to our multi-year work plan, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in our Board-Management Relationship policies.

At the beginning of each Board year, the Board President will update the board calendar (in the policy appendix) and present any changes to the Board for approval. The board calendar will consist of, but not be limited to:

1. Schedule for both GM monitoring and Board Self-Monitoring reports
2. Any dates relevant to Board responsibilities (e.g., Annual Meeting, Election Process, Budgeting, GM Evaluation)
3. Known Membership related dates (e.g., Member Appreciation Days)
4. Any other dates that will assist the Board in carrying out its duty.

G.6.2

At the end of each year, the Board will review the Calendar to ensure that it continues to be a relevant guiding document.

POLICY TITLE: G.7 BOARD MEETINGS

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: APRIL 12, 1999

REVISED: 10/15/01; 4/19/04; 2/14/06, 12/14/06; 7/21/09; 11/15/11; 10/16/13; 10/15/15

The Board will hold regularly scheduled meetings that are open, efficient, and productive.

G.7.1

Deliberation will be fair, open, and thorough but also timely, orderly, and to the point. Except as provided in PFC by-laws, policy G.10 Rules of Order shall guide the Board decision making process.

G.7.2

Meeting content will include only issues that, according to Board policy, are clearly within the province of the Board not that of the General Manager.

1. Throughout the year the Board will attend to Annual Agenda Cycle items and the list of pending agenda issues as expeditiously as possible.

G.7.3

The President is empowered to chair Board meetings with the commonly accepted powers of that position (for example, ruling, recognizing).

G.7.4

In consultation with the General Manager and Directors and with reference to the Annual Agenda Cycle, Board Calendar, and list of pending agenda issues the President shall establish the agenda for each meeting.

1. Agenda items from Member/Owners will be submitted through a Director. Items may also be suggested to the President by any Director or the GM.
2. Applicable Board policy number(s) should be noted with each agenda item.
3. Each agenda item should note the person responsible for initiating/leading discussion. One or more of the Directors (or an outside presenter) will assume responsibility for each item. Whenever possible, an outline of the proposed discussion should be included in the agenda packet for that meeting.
4. To be considered for inclusion in the agenda, proposals should clarify options, offer questions to spur discussion, indicate anticipated costs, and note the Board policy involved. These materials should be included in the Agenda packet (G.7.5).
5. Any suggested item that the President does not include in the agenda may be raised by a Board member or the GM during the agenda review at the beginning of each meeting. The Board will decide whether to add that item to the agenda.
6. The President may postpone an item to the next meeting in order to keep meeting length manageable, but shall not discriminate against a particular Board member or item in determining the agenda.
7. Receipt of scheduled GM monitoring reports will be noted in the agenda. Time will be allowed for discussion if Policy non-compliance is indicated. Otherwise, as long as all Directors have reviewed the reports and believe them to be in compliance, these items will be considered part of the consent agenda and no time need be devoted to discussion. If revision of the policy is proposed, if Directors have questions or concerns, or if the GM wishes to provide clarification, these may be discussed immediately or added to the list of pending agenda issues. Meeting minutes will note receipt and disposition of monitoring reports.
8. Time will be allotted in all Board meeting agendas for a final Task Review.
9. Directors will review agenda packet materials, including proposals and monitoring reports, in advance of each meeting.

G.7.5

A packet of materials including the meeting agenda and supporting documents will be available for all Board members and interested PFC Member/Owners at least 5 days before each meeting. Materials for the meeting packet should be delivered to the Board administrator and/or Board President by the morning one week before the board meeting.

G.7.6

The date, time and location of each Board meeting will be posted in the store at least one week before the meeting and, whenever possible, noted in PFC publications.

G.7.7

Minutes of Meetings

1. Minutes are a legal record of proceedings at board meetings and document that directors are acting as they should.
2. The Secretary shall see that minutes are taken at all meetings of the Board (by-law 8.5). Minutes will be reviewed for accuracy, corrected, approved by vote at the next meeting, and then signed by the Secretary.
3. Signed minutes will be filed in corporate records along with non-confidential meeting packet materials (agenda, management and financial reports, proposals, etc.) that provide the justification and context for the Board's decisions.
4. It is not necessary to take narrative style minutes that include all individual statements, points of view, and preferences.
5. Minutes should include:
 - a. Date, location, call-to-order time, attendance by role (directors/officers, staff, PFC members, guests, etc.).
 - b. Minutes should follow the format of the meeting agenda and include all items on the agenda – including those that were postponed and for which no action was taken.
 - c. Official decisions (actions) of the Board and what the Board considered in making those decisions. For major action items especially, list all options and arguments considered, including those that were rejected.
 - d. Name of the director making a motion, the person supporting, the vote count, and the names of those voting in the minority on split votes. Final wording of the motion must be carefully recorded so it is clear what was decided.
 - e. Receipt of monitoring reports, Board response to those reports, collection of information and consideration of options for decisions, educational and ownership input, and other events that demonstrate diligence.
 - f. Statements for the record when requested by a board member.
 - g. Time of late arrivals and early departures, to make clear which directors participated in each decision.
 - h. Task list and due dates – new items and still pending tasks not yet completed.
 - i. Occurrence of an executive session, with beginning and ending times and topics of the session without revealing details that should remain confidential. Executive sessions that occur apart from regular meetings must be noted in the minutes of the next board meeting, listing the date, topic, and the names of participating directors.
 - j. Time of adjournment.
6. The Task List should be distributed to the Board within two days of the meeting. The first full minutes draft should be circulated among board members within one week of the meeting.

7. In order to provide timely information to the Membership, drafts of minutes not yet approved, clearly marked as such, may be posted on line after sufficient time (2-3 days) for correction and revision by directors.

G.7.8

Quorum: The Board shall conduct no business unless a majority of the directors then in office is present. (by-law 5.12)

1. A board member may participate provided that: he or she can hear every other board member, he or she can be heard by every other board member, and that the communication is synchronous.

G.7.9

In the absence or inability of the President to serve, the Vice President will perform all presidential functions mentioned in this policy.

G.7.10

1. Between-meeting Board decisions
 1. Directors will make every effort to raise substantive issues in a timely fashion so they can be considered in regularly scheduled meetings open to the Membership.
 2. Emergency issues requiring official Board action may be raised and decided in e-mail, by phone, or through other means if waiting until the next scheduled Board meeting could cause significant harm to PFC, or to essential Board or Operations functioning.
 3. Directors will make their decisions in such matters only after full and fair discussion, exercising the same care they would use in regular meeting debate and vote.
 4. Directors should respond to decision requests within 72 hours with a clearly stated choice, and are expected to confirm their choice in the subsequent regular Board meeting if all information on which they based their decision was fairly presented and has not changed.
 5. Any decision must be supported by a majority of the currently serving Board – no action may be taken if non-respondents could change the outcome.
 6. Such decisions will be confirmed by vote in the next meeting and recorded in the minutes.
 7. The person requesting the decision is responsible for providing all options and information necessary for careful decision making, recording and clarifying the responses, and for presenting a supporting document for the next meeting agenda.
 8. Decisions on substantive issues, meriting significant debate, should be delayed until the next regularly scheduled Board meeting or until a special meeting scheduled to allow for its announcement to Members.

G.7.11

Executive (closed) sessions (Bylaw 5.15)

1. When called for by a two-thirds vote, the Board may meet in executive session during a regular meeting or at a separate meeting to consider personnel matters, real estate negotiations, litigation, financial transactions or other matters that could potentially cause great harm to PFC if made public.
2. The occurrence of an executive session must be noted in the minutes of the board meeting during which it takes place, or in the minutes of the next regular board meeting if it takes place separately.
3. Thorough minutes of executive sessions must be taken, distributed promptly to board members for review, and approved at the next Board meeting but not published or filed with regular minutes and other meeting materials. They must be preserved separately for possible legal and audit considerations.

POLICY TITLE: G.8 COST OF GOVERNANCE

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: APRIL 12, 1999

REVISED: 9/21/99; 12/4/00; 10/15/01; 11/18/02; 12/15/03; 7/12/05; 4/10/08; 06/21/11

Because poor governance costs more than learning to govern well, the Board will invest in its governance capacity.

G.8.1

Board skills, methods and supports will be sufficient to assure governing with excellence.

1. Training and retraining will be used liberally to orient new Directors and candidates, as well as to maintain and increase the skills and understanding of serving Directors.
2. The Board will enlist outside monitoring assistance so that they can exercise confident control over organizational performance. This includes but is not limited to fiscal review or audit.
3. Outreach mechanisms will be used as needed to ensure the Board's access to Member viewpoints and values.

G.8.2

Costs will be incurred prudently so as not to jeopardize the financial wellbeing of PFC. In October the Board will plan its quarterly budget for the following year and will receive from the GM quarterly reports of its line item expenditures against budgeted amounts.

G.8.3

Expense Controls

1. The budget will include a narrative developed and approved by the Board with enough detail that pre-authorized expenses are clear and purchases can proceed without further board approval.
2. Small expenditures for books, food, and gifts will be made within the budget with approval of the President or the Secretary if the President is unavailable.
3. Board travel and per diem expenses will be consistent with PFC Staff policy. The Board is expected to be frugal when travelling, using cost savings such as double occupancy, car pooling, and advance planning for the least expensive flights available. If upgrades are used the Board member will pay the difference.

G.8.4

A credit card will be issued to the current Board President. Only Board expenses may be charged to the credit card.

1. Receipts for charges will be turned in as specified by the GM.
2. The President will relinquish the card at the end of his or her term, as directed by the GM.
3. Personal charges or use of the card are not allowed at any time.
4. The President will have physical custody of the card, and is responsible for knowing where the card is at all times and that it is used only for budgeted or Board approved expenditures.

G.8.5

Directors will receive store credit equal to \$120/quarter, with the President of the Board receiving store credit equal to \$200/quarter, at the discretion of the Board.

G.8.6

Directors shall be reimbursed for child care expenses incurred during Board and committee meetings. Reimbursements shall not exceed \$230 annually per Director.

POLICY TITLE: G.9 BOARD-MEMBERSHIP COMMUNICATION

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: OCTOBER 15, 2001

REVISED: 11/20/08

The Board governs PFC on behalf of its Member/Owners and is responsible to them for all of the organization's activities. Therefore, the Board shall:

G.9.1

Conduct open meetings with agendas published in advance, encouraging Members to attend.

G.9.2

Conduct periodic surveys of the Membership (executed through the General Manager).

G.9.3

Regularly publish Board activities, plans, and goals and seek Member input.

G.9.4

Respond to member mail, e-mail, phone calls, and messages left in the store in a timely manner.

1. Response to Member correspondence will be within two weeks of receipt.
2. Archives can be used to record communication with the Board, including the Board's response.
3. If correspondence is directed to a particular officer or Board member, that person can respond or ask another Board member to do so. Otherwise, the President will respond for the Board or direct correspondence to the most appropriate Director in their roles as officers or committee chairs, or the General Manager.
4. When the Board communicates with Membership the primary intent is to receive input and communicate information such as current policy or Board process. Directors are cautioned to review policies G.3 and G.5, and not represent their personal opinions as Board policy.
5. Additional e-mail correspondence with Members is encouraged, and is not required to be part of the archives.

POLICY TITLE: G.10 RULES OF ORDER

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: DECEMBER 14, 2006

REVISED: 3/20/12; 1/15/13; 4/02/13; 1/15/14

Board meetings will be conducted in an orderly, effective process, led and defined by the chair. Accordingly:

G.10.1

All by-law obligations respecting board meetings must be satisfied.

G.10.2

Board meetings shall be called to order at the time specified in the notice of meeting (or as pre-arranged) and upon satisfaction of quorum.

G.10.3

Meeting order and decorum shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.

G.10.4

Board members must keep their comments relevant to the issue under consideration.

G.10.5

Board meetings will be conducted at a level of informality considered appropriate by the chair, including that discussion of a matter may occur prior to a proposal that action be taken on any given subject.

G.10.6

Proposals for action, or to decide a matter, shall (unless otherwise agreed to by unanimous consent) be made by a motion of a board member, discussed, and then voted on. Motions require a second to proceed to discussion and subsequent vote.

1. The chair of the board may, to the same extent as any board member, make motions, engage in debate, and vote on any matter to be decided.
2. A motion to amend the main motion may be made, but additional levels of amendment are out of order.
3. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, and if carried shall set the main motion (the initial proposal) aside accordingly.

G.10.7

Board members may speak to a pending motion on as many occasions, and at such length, as the chair may reasonably allow.

G.10.8

A vote on a motion shall be taken when discussion ends but any board member may, during the course of debate, move for an immediate vote (close debate) which, if carried, shall end discussion and the vote on the main motion shall then be taken.

G.10.9

A majority vote will decide all motions before the board excepting those matters in the by-laws (constitution) which oblige a higher level of approval.

G.10.10

A motion to adjourn a board meeting may be offered by any board member or, on the conclusion of all business, adjournment of the meeting may be declared by the chair.

G.10.11

When further rules or order are to be developed by the board, the board will consider the Standard Code of Parliamentary Procedure (or Roberts Rules of Order, or other authority), as a resource guide.

POLICY TITLE: G.11 MEMBER PETITIONS

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: NOVEMBER 8, 2007

REVISED: 8/21/08; 8/20/2014; 12/16/2015

Questions of policy (including bylaw changes) or operations (including boycotts) may be referred to a membership referendum by the Board of Directors, or by a petition signed by ten percent of the membership, per Bylaw 4.7. Any petition calling for a referendum by PFC Members shall follow the procedure below:

G.11.1

Before collecting signatures, those members initiating a petition will register the petition at the PFC office. The petition may be registered during regular business hours or by prior arrangement with the General Manager. A copy of the petition shall be dated and signed by the General Manager at the time of registration, and a stated deadline for collection of signatures 45 days from the registration shall also be noted. Petition signatures collected before the registration date or after the 45-day deadline will not be accepted.

G.11.2

At the time of registration, the petitioners will select at least one person, a PFC Member, to act as the contact person for the petition in question.

G.11.3

The General Manager will provide the contact person with a suggested template for petitions.

G.11.4

Each page of the petition must contain the wording of the proposed referendum. The final wording for the referendum will be determined by the Board of Directors, as required by

Michigan Non-Profit Corporation law, and the proposed action must be legal and not in conflict with state or federal law. The final wording will reflect the spirit and intent of the petitioners.

G.11.5

For the petition to be valid, a Member must print his/her full name legibly, the date, member number, and signature. A valid signer is any PFC Member who has paid in full, or who is current in his/her membership payments, as of the last day of the month prior to the month in which the petition is registered.

G.11.6

Petition sheets containing at least the minimum number of valid signatures (10% of the membership per the requirements contained in the Bylaws) must be turned in to the General Manager within 45 days of registration, or to another member of the Management Team if the General Manager is unavailable. Petition sheets shall be dated and signed by the General Manager or other manager when they are received, and must be originals, not copies.

G.11.7

Each petition sheet turned in to the office after signatures have been collected must have petition language worded identically to that registered at the PFC office.

G.11.8

The General Manager shall check that the petition contains at least the minimum number of valid signatures under the requirements contained in G.11.5 above, within 60 days after registration of the petition.

G.11.9

If the petition is declared valid by the General Manager, the Board of Directors shall accept the petition in accordance with the bylaws. The Board will arrange for the referendum in accordance with current Board Policy.

G.11.10

Voting on member-initiated referendums will occur only during the normal annual election and balloting cycle. To be considered for inclusion in the annual election cycle, the referendum proposal with sufficient validated signatures must be received by the Board President no later than 75 days prior to the deadline for the PFC newsletter containing the ballot so that there is time for the Board to prepare and approve the required viewpoints and approve final referendum language.

G.11.11

To meet the necessary timelines for collection of signatures, validation, Board acceptance, and preparation and approval of material for the PFC newsletter, this process would normally need

to begin no later than October to be in time for the upcoming election cycle that usually ends in late March or early April.

G.11.12

If the petition fails to achieve a quorum of valid member signatures following review by the General Manager, it will be declared invalid. Results of an invalid petition drive will be announced to the membership in a timely fashion through Board and PFC communication channels.

G. 11.13

A review of collected signatures for a petition drive declared invalid can be requested. The Review will be conducted with representatives of the petition drive under the supervision of the General Manager [and one member of the Board of Directors]. Review of data/signatures should be conducted within two weeks of the petition being declared invalid. Following the review, the petition process will be concluded and no further challenges to the outcome will be considered. A review of collected signatures for a petition drive declared invalid can be requested. The Review will be conducted with representatives of the petition drive under the supervision of the General Manager [and one member of the Board of Directors]. Review of data/signatures should be conducted within two weeks of the petition being declared invalid. Following the review, the petition process will be concluded and no further challenges to the outcome will be considered.

G.11.14

If a petition to boycott fails to achieve validation and does not go to the membership for a vote, the boycott process cannot be used again for this particular issue for one year.

G.11.15

If a referendum brought to the Membership fails, no substantially similar Member referendum (as determined by the Board of Directors) will be brought to a vote two years in a row.

POLICY TITLE: G.12 BOYCOTTS

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: NOVEMBER 8, 2007;

REVISED: 8/21/2012; 02/24/2016

A boycott is a refusal to purchase a product in order to change a targeted organization's practices that PFC members find offensive.

Boycotts shall be established under the following conditions:

G.12.1

Proposed boycotts must be in compliance with existing PFC policy, state and federal laws. All boycotts must be approved by the Membership.

G.12.2

Boycott proposals may be brought to the Membership for a vote in one of two ways: either by a vote of the Board or through the referendum process outlined in policy G.11 (Member Petitions), by following the requirements in that policy and in accordance with the bylaws.

G.12.3

The Board may only initiate the boycott process in response to a member(s) request to the Board. Before the boycott proposal is placed on the ballot, the Member/Community Linkage Committee must research the importance of the issues addressed by the boycott. The Linkage Committee will then provide the board with a recommendation to either include or not include the proposal on the ballot. The Board will discuss and vote whether to place the proposal on the next annual election ballot. The Chair of the Linkage Committee will notify the member(s) making the boycott proposal about the decision to pursue or not to pursue a vote of the membership. A record of the decision will be recorded in the minutes of the Committee or other official record.

G.12.4

The General Manager shall have the opportunity to offer a recommendation either for or against any boycott recommended by the Member/Community Linkage Committee.

G.12.5

When a proposal is brought to the Board from the Member/Community Linkage Committee the full Board may vote to include the proposal on the annual election ballot or not.

G.12.6

Votes on boycotts shall be included in the annual election ballot. Information concerning the boycott, including differing viewpoints, shall be included with the ballot.

G.12.7

Each boycott must be renewed annually by a vote of the members. The Member/Community Linkage Committee and the Board shall determine whether the boycott effort is still intact; if so, the boycott will go back on the ballot automatically.

G.12.8

Store Buyers shall not purchase additional stock of boycotted items once the boycott has been approved; when possible, existing stock shall be returned to suppliers. Remaining stock shall be sold until it is depleted; efforts such as signs and articles in the newsletter shall be used to explain the discontinuation and the reasons for the boycott.

G.12.9

At least annually, the PFC newsletter shall list currently honored boycotts, along with an explanation.

G.12.10

The Board may vote to implement an interim boycott on an emergency basis when an election is more than four months away. The interim boycott shall be publicized in the next issue of the PFC newsletter, and must be implemented by a vote of the membership at the next election in order to be continued.

POLICY TITLE: G.13 MEMBER VOTER VALIDATION AND VOTE COUNT OBSERVATION

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: MARCH 13, 2008

REVISED: 10/20/09; 8/20/13

Any PFC Member in good standing has the right to request to directly observe voter validation or vote counting for any vote conducted by PFC including Board elections, bylaw changes, and referenda.

G.13.1

Observers will be accommodated on a first-come, first-served basis; however, PFC Board of Directors reserves the right to limit the number of persons actually observing, including rotating observers and/or using a lottery system.

G.13.2

The Board may act to ensure equal numbers of observers identified from groups concerned with referenda.

G.13.3

Requesting observer status:

1. Members must request voter validation observer status by contacting the General Manager; as validation for most elections occurs on a revolving basis, many opportunities to observe a portion of the validation process will be available.
2. Members must request vote count observer status by contacting the Board President no later than seven (7) days before a ballot closes for which observation is desired, although counting may begin earlier.

G.13.4

PFC commits to providing a handicapped-accessible location for ballot validation or ballot counting if requested by an observer.

G.13.5

A Board member or the Board's designee will be assigned to oversee observers and answer questions.

G.13.6

PFC members voting in an election have the right to a secret ballot and protection of personal information. Therefore, voter validation and vote count observers must follow these guidelines:

1. No attempt to view voter identifying information will be allowed.
2. Questions of validators must be kept to a minimum; direct speech with vote counters is not allowed
3. Excessive noise is not allowed
4. At no time will an observer touch or otherwise interfere with any ballot, tally sheet or member list, or any vote counter
5. Information is confidential; observers are only allowed with this understanding and shall not use or pass along any information incidentally gleaned from the observation process, including who is and is not a member of PFC or their status
6. Results of vote counting are not final; observers are not entitled to results of a vote until the tally has been officially accepted, and no observer should report results as final
7. Observers are not to be involved in the counting of ballots in any way
8. Observers will not be allowed to view questionable ballots until a disposition has been made and identifying information is removed.
9. Observers will be asked to leave if violations of the above are found

G.13.7

PFC commits to providing complete tallies, including spoiled and questionable ballot totals, at the Annual Meeting and at the next Board of Directors meeting at which such tallies are formally accepted by the Board.

POLICY TITLE: G.14 MEMBERSHIP QUORUM

POLICY TYPE: GOVERNANCE PROCESS

ADOPTED: MAY 17, 2017

Quorum is the minimum number of member votes required for the general election to be valid

G.14.1

To determine quorum, the audited list of current members will be printed on the day voting begins. That printed list of members will be used for voter verification of ballots. All members joining after voting begins will be unable to vote until the next election.

EXECUTIVE LIMITATIONS

POLICY TITLE: L – GLOBAL EXECUTIVE

POLICY TYPE: EXECUTIVE LIMITATIONS

ADOPTED: APRIL 12, 1999

REVISED: 6/20/18

The General Manager must not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, in violation of PFC's by-laws and Articles of Incorporation, in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.

POLICY TITLE: L.1 TREATMENT OF MEMBERS

POLICY TYPE: EXECUTIVE LIMITATIONS

ADOPTED: APRIL 12, 1999

REVISED: 3/20/00; 3/17/03; 2/16/04; 3/15/04; 10/21/04; 12/16/04; 12/17/08; 3/19/09; 5/21/09; 12/15/09; 4/27/16; 6/20/18

With respect to interactions with members or customers the General Manager shall not cause or allow conditions, procedures or decisions that are unsafe, undignified or unwelcoming. The General Manager shall not allow discrimination in membership based on race, religion, color, creed, gender, political affiliation, sexual orientation, national origin, sex, age, marital status or

mental or physical disability, including in the selection of wheelchair accessible spaces for off-site member-invited functions.

L.1.1

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 policies.
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
 - c. Comply with IRS regulations.
 - d. 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.
2. Fail to maintain a current database of active and inactive members which includes member addresses and share payment status. Database may be used for mailings of PFC newsletters, election-related materials, and other appropriate PFC communications. The Board must authorize any other use of the database.

L.1.2

The General Manager must not be unresponsive to customer needs.

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 TITLE: L. 2 TREATMENT OF STAFF

POLICY TYPE: EXECUTIVE LIMITATIONS

ADOPTED: APRIL 12, 1999

REVISED: 2/16/04; 11/18/04; 6/20/18

With respect to the treatment of staff the GM shall not cause or allow conditions that are unfair, unsafe, unclear, or undignified.

The General Manager shall not:

L.2.1

Discriminate in regards to hiring, promotional opportunity, or compensation based on race, religion, color, creed, gender, political affiliation, sexual orientation, national origin, sex, age, marital or parental status, or mental or physical disability.

L.2.2

Allow nonconformance with local, state and federal nondiscrimination laws and regulations

L.2.3

Fail to operate without written personnel policies that clarify personnel policies that:

- a. Clarify rules for staff.
- b. Provide for fair and thoughtful handling of workplace conflicts. The board should not be included as participants in conflict resolution process.
- c. Are acceptable to all staff.
- d. Inform staff that employment is neither permanent nor guaranteed except as addressed in collective bargaining agreements.
- e. Encourage employees to report unethical or illegal behavior.
- f. Fail to acquaint staff with their rights under Board policy L2.

L.2.4

Cause or allow Personnel policy to be inconsistently applied.

L.2.5

Fail to encourage staff to make a long-term commitment to PFC.

L.2.6

Establish compensation and benefits that are internally or externally inequitable

L.2.7

Fail to utilize Staff input and ensure that Staff have a mechanism to be heard.

1. In seeking consensus with Staff, the General manager is not relieved of the responsibilities and limitations delineated in other of these Policies.

L.2.8

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

L.2.9

Prevent any employee from reporting unsafe, unethical or illegal activity to the board or discriminate or retaliate against any employee for reporting { unsafe,} unethical or illegal Behavior or activity

L.2.10

Change the GM's own compensation and benefits, except as those benefits are consistent with a package for all other employees.

L.2.11

Fail to provide descriptions and training appropriate for positions or job responsibilities.

POLICY TITLE: L. 3 FINANCIAL PLANNING AND BUDGETING

POLICY TYPE: EXECUTIVE LIMITATIONS

ADOPTED: APRIL 12, 1999

REVISED: 6/20/18

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.
3. Fail to provide these plans and budgets sufficiently in advance of the November Board meeting for thorough review before the meeting.

This policy will be monitored internally by annual report from the GM to be presented at the November Board meeting.

POLICY TITLE: L.4 FINANCIAL CONDITION AND ACTIVITIES

POLICY TYPE: EXECUTIVE LIMITATIONS

ADOPTED: APRIL 12, 1999

REVISED: 2/21/00; 1/15/01; 4/23/01; 1/21/02; 12/16/02; 6/16/03; 1/19/04; 3/15/04; 12/31/05; 12/15/09; 11/18/15

With respect to ongoing financial conditions and activities the GM shall not cause or allow; the Cooperative to be unprepared for future opportunities, the development of fiscal jeopardy, or permit key operational indicators to reach levels that are unsustainable for the long term operations of the co-op.

The General Manager shall not:

L.4.1

Allow operations to generate an inadequate net income.

L.4.2

Allow liquidity (the ability to meet cash needs) to be insufficient.

L.4.3

Allow late payment of contracts, payroll, loans or other financial obligations of the Cooperative.

L.4.4

Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

L.4.5

Incur debts other than trade payables or other reasonable and customary liabilities arising from the ordinary course of doing business without Board approval.

L.4.6

Excluding trade payables, make a single purchase or commitment of greater than \$15,000 without Board approval, nor fail to inform the Board at its next meeting of a purchase or commitment greater than \$5,000 but less than \$15,000.

L.4.7

Dispose of fixed assets with greater than \$5,000 net book value without Board approval, nor fail to inform the Board at its next meeting of disposal of assets with a net book value greater than \$2,000 but less than \$5,000.

L.4.8

Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP)

L.4.9

Fail to maintain a complete and current accounting for member shares. These funds may be held in a separate restricted bank account or used for investment with the approval of the board.

L.4.10

Fail to provide a quarterly balance sheet, income statement, statement of cash flows and statement of member equity along with explanatory notes

These limitations will be monitored internally by quarterly report from the GM addressing items L.4.1 through L.4.9 as attachments to the item L.4.10

L.4.10 will be monitored internally in February, May, August and November.

POLICY TITLE: L.5 EMERGENCY GENERAL MANAGER SUCCESSION

POLICY TYPE: EXECUTIVE LIMITATIONS

ADOPTED: APRIL 12, 1999

REVISED: 2/16/04, 7/20/16

To protect PFC and the Board from the disruption that could result from sudden loss of the General Manager, the General Manager shall designate and train no fewer than two management employees to be capable of managing PFC operations, complying with Ends and Executive Limitations policies, and familiar with Board and GM issues.

The General Manager shall not fail to:

L.5.1

Establish a chain of command to be used should the General Manager be unable to serve (due to planned or emergency absence).

L.5.2

Identify said persons to the Board as soon as they are named and require them to attend the board meeting at which the L.5 policy is presented and approved.

This policy will be monitored internally by annual report from the GM in June and by direct observation.

POLICY TITLE: L.6 ASSET PROTECTION

POLICY TYPE: EXECUTIVE LIMITATIONS

ADOPTED: APRIL 12, 1999

REVISED: 3/18/02; 1/19/04; 12/15/09; 6/20/18

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.
 - a. Allow improper usage of member-owners' and customers' personal information.
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.
9. Allow capital expenditures (1) without normal, prudent protection against conflict of interest, and (2) of over \$5,000 without obtaining comparative prices.

POLICY TITLE: L. 7 COMPENSATION AND BENEFITS

POLICY TYPE: EXECUTIVE LIMITATIONS

ADOPTED: APRIL 12, 1999

REVISED: 11/18/04

With respect to employment, compensation, and benefits to employees, consultants, and contract workers, the GM shall not cause or allow jeopardy to fiscal integrity or public image. Accordingly, the General Manager shall not:

L.7.1

Change his or her own compensation and benefits.

L.7.2

Promise or imply permanent employment.

L.7.3

Establish current compensation and benefits that deviate materially from the Ann Arbor natural-foods market for like skill levels.

L.7.4

Create compensation obligations over a longer term than revenues can be safely projected, and in no event longer than one year and in all events subject to losses in revenue.

L.7.5

Establish or change benefit plans so as to cause unpredictable or inequitable situations, including but not limited to:

1. incurring unfunded liabilities,
2. providing less than a basic level of benefits to all full-time paid employees (though differential benefits to encourage longevity are not prohibited)
3. allowing any employee to lose benefits already accrued from any forgoing plan,
4. treating the GM differently from other management employees.

This policy will be monitored internally by annual report from the GM in July.

POLICY TITLE: L.8 COMMUNICATION AND SUPPORT TO THE BOARD

POLICY TYPE: EXECUTIVE LIMITATIONS

ADOPTED: APRIL 12, 1999

REVISED: 4/19/04; 12/14/05; 2/14/06; 5/21/09; 2/20/2019

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

The GM must not:

L.8.1

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

L.8.2

Allow the board to be without a workable mechanism for official board, officer or committee communications.

L.8.3

Allow directors to be without an updated version of the Policy Register and the Bylaws.

L.8.4

Provide inadequate information and notice to member-owners concerning Board actions, meetings, activities and events.

L.8.5

Allow insufficient archiving of board documents.

L.8.6

Fail to comply fully and in a timely manner with the Board request for a survey of the membership.

L.8.7

Fail to deal with the Board as a whole except when fulfilling individual requests for information or responding to officers or committees duly charged by the Board.

L.8.8

Fail to report in a timely manner an actual or anticipated non-compliance with any Board policy.

L.8.9

Fail to supply for the consent agenda all items delegated to the GM yet required by law or contract to be Board-approved along with monitoring assurance pertaining thereto.

L.8.10

Fail to comply fully and in a timely manner with the Board request for a survey of the membership.

L.8.11

Fail to make every effort to raise issues requiring Board decision in a timely fashion so they can be considered in regularly scheduled Board meetings.

L.8.12

When requesting emergency between-meeting Board decisions, fail to supply all options and information necessary for careful decision making, nor fail to record and clarify responses to such requests before taking action and present a supporting document for the next regular Board meeting agenda.

L.8.13

Fail to keep Directors informed of staff changes and current programs of the Co-op. This policy will be monitored annually in January through internal report by the General Manager.

POLICY TITLE: L.9 GIFTS TO PEOPLE'S FOOD CO-OP

POLICY TYPE: EXECUTIVE LIMITATIONS

ADOPTED: MARCH 13, 2008

REVISED: 4/16/09; 12/15-09; 11/20/2019

The General Manager shall not solicit, negotiate, or accept gifts or donations to the Co-op outside of limitations set forth by the Board.

L9.1

The GM shall not fail to have an operational gift policy:

1. That protects Peoples Food Co-op from gifts that could put the co-op, its values, its mission, its purpose or its public image in jeopardy.
2. That provides for record-keeping and transparency of gifts received by People's Food Co-op.
3. And identifies conditions when the GM should communicate with the board about gifts.

L9.2

The GM shall not fail to facilitate the work of the board when the board is engaged in fundraising and development efforts.

L9.3

The GM shall not fail to report to the board annually including provisions for direct inspection of the GM's gift policy, and a total annual accounting of gifts received by People's Food Co-op.

This policy will be monitored annually in October through internal report by the General Manager.

BOARD-MANAGEMENT RELATIONSHIP

POLICY TITLE: M. GLOBAL BOARD-GM LINKAGE

POLICY TYPE: BOARD-MANAGEMENT RELATIONSHIP

ADOPTED: APRIL 12, 1999

REVISED: 11/19/01; 7/21/09

The Board delegates some of its governing responsibility to a General Manager and holds the General Manager accountable for achieving desired outcomes, the Co-op's Ends policies. Unless otherwise specified by policy, the Board's role in achievement and conduct of the operation of the Co-op is limited to monitoring the General Manager's performance.

POLICY TITLE: M.1 UNITY OF CONTROL

POLICY TYPE: BOARD-GM LINKAGE

ADOPTED: APRIL 12, 1999

Only decisions of the Board acting as a body are binding on the General Manager.

M.1.1

Decisions or instructions of individual Board members, officers or committees are not binding on the General Manager except in rare instances when the Board has specifically authorized such exercise of authority.

M.1.2

In the case of Board members or committees requesting information or assistance without Board authorization, the General Manager can refuse such requests that in the General Manager's opinion require a material amount of Staff time or funds, or are disruptive.

POLICY TITLE: M.2 ACCOUNTABILITY OF THE GENERAL MANAGER

POLICY TYPE: BOARD-GM LINKAGE

ADOPTED: APRIL 12, 1999

REVISED: 2/18/02; 3/8/07; 3/19/09; 6/18/13; 4/15/2015

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

M.2.1

The Board will view GM performance in terms of organizational performance so that organizational accomplishment of Ends and organizational operation within Executive Limitations will be viewed as successful GM performance.

M.2.2

The Board will give instructions and delegate tasks to any employee who assists the Board in administrative duties however the evaluation will be conducted by the GM with input from the Board as applicable.

M.2.3

With the exception of M.2.2, the Board will not instruct, nor evaluate, any employee other than the GM.

POLICY TITLE: M.3 DELEGATION TO THE GENERAL MANAGER

POLICY TYPE: BOARD-GM LINKAGE

ADOPTED: APRIL 12, 1999;

REVISED: 6/18/2013

The Board will instruct the General Manager through written policies that describe the organizational Ends to be achieved and the organizational situations and actions to be avoided, allowing the General Manager to use any reasonable interpretation of these policies.

M.3.1

The Board will develop policies instructing the General Manager to achieve certain results for the Membership (and customers) at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called Ends policies.

M.3.2

The Board will develop policies that limit the latitude of the General Manager's authority in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called Executive Limitations policies.

M.3.3

Using any reasonable interpretation of the Board's Ends and Executive Limitations policies the General Manager is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities. The Board may change its Ends and Executive Limitations policies. But as long as any particular policy is in place, the Board will respect and support the General Manager's choices.

POLICY TITLE: M4 – MONITORING GM PERFORMANCE

POLICY TYPE: BOARD-MANAGEMENT RELATIONSHIP

ADOPTED: APRIL 12, 1999

REVISED: 10/15/01; 1/21/02; 3/18/02; 12/16/02; 6/16/03; 7/19/04; 11/15/05; 12/14/05; 12/31/05; 4/10/08; 12/17/08; 12/15/09; 8/20/2013; 10/21/15; 11/16/16

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

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

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

The Board will accept that the GM is compliant with a policy if they present a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.

The Board’s annual evaluation of the General Manager, based on the monitoring reports received from the previous 12 calendar months and will be completed based on the previous annual review date.

OWNERS’ RESPONSIBILITIES

POLICY TITLE: O

POLICY TYPE: OWNERS’ RESPONSIBILITIES

ADOPTED: June 20, 2018

In addition to member owners responsibilities listed and identified in the bylaws, member owners shall have the following responsibilities:

POLICY TITLE: O.1

POLICY TYPE: OWNERS’ RESPONSIBILITIES

ADOPTED: June 20, 2018

In accordance with the payment time frames set out in the bylaws members shall pay PFC \$160 for PFC membership.

POLICY TITLE: O.2

POLICY TYPE: OWNERS' RESPONSIBILITIES

ADOPTED: June 20, 2018

Members shall provide PFC with and maintain a current address and members joining after 5/1/2018 shall also provide PFC with a functioning email address.

POLICY TITLE: O.3

POLICY TYPE: OWNERS' RESPONSIBILITIES

ADOPTED: June 20, 2018

REVISED: 12/18/19

Members who fail to fulfill the member responsibilities set by the board shall have their membership terminated until they again come into compliance with these policies

Policy Monitoring Calendar

Month due	Policy	Method	Period
January	L.8 Communication and Support to the Board	Internal report	January–December
January	E.1–E.4	Internal report	January–December
February	L.7 Compensation and Benefits	Internal Report	February–January
February	L.4.10 Financial Condition & Activities	Internal Report	Previous fiscal quarter
March	L.6 Asset Protection	External report	Previous fiscal year
April	L.1 Treatment of Members	Internal report	January–December
May	L.4.10 Financial Condition & Activities	Internal Report	Previous fiscal quarter
July	L.5 GM Succession	Internal report	July–June
August	L.4.10 Financial Condition & Activities	Internal Report	Previous fiscal quarter
October	L.9 Gifts to PFC	Internal report	October–September
November	L.3 Financial Planning & Budgeting	Internal report	Next fiscal year
November	L.4.10 Financial Condition & Activities	Internal Report	Previous fiscal quarter
Determined by the board	L.2 Treatment of Staff	Direct Inspection	