

Moonflower Community Cooperative (MCC) Board Policies and Processes

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14. Summary

Moonflower Community Cooperative (MCC)

Board Policies and Processes

1. INTRODUCTION: GENERAL COMMITMENTS OF MOONFLOWER

This document is focused on the roles, responsibilities, and performance of the seven-member Board of Directors (BOD). The document begins with the formal, general commitments of the Moonflower Community Cooperative (MCC) and then delineates the responsibilities of the BOD, including obligations, roles, governance, and conduct of board members. The document also includes relationships of the BOD to the General Manager (GM) and Employees/Staff.

2. MCC MISSION

The Moonflower Community Cooperative provides socially responsible foods, goods and education to promote a healthy, sustainable community.

3. MCC VISION

Cultivating holistic community wellness, The Moonflower Community Cooperative serves as a hub for the exchange of ideas and inspires prosperity through a culture of inclusion and collaboration that nurtures a healthy mind, body and spirit in harmony with nature.

4. ENDS POLICIES (STATEMENT OF KEY GOALS)

- 4.1 LOCAL HEALTHY FOOD: MCC provides the community access to natural food products with an emphasis on healthy, locally grown, organic, and fairly traded goods.
- 4.2 LOCAL ECONOMY: MCC strengthens the local economy by serving as a market place that uses fair buying and selling practices which support regional growers, vendors and artisans.
- 4.3 COMMUNITY CENTER/ SOCIAL INCLUSIVENESS: MCC is the hub of a vibrant and inclusive community.
- 4.4 EDUCATION/ HEALTH: MCC provides the opportunity for increased knowledge about health, nutrition, lifestyle, and the broader impact of consumer choices.

- 4.5 ENVIRONMENTAL AWARENESS: MCC respects the environment through our actions, and encourages business and lifestyle practices that support a healthy environment.

5. MCC CLIMATE AND CULTURE

Moonflower Community Cooperative is committed not only to the vision, mission and ends as stated above but also to fostering a strong employee, owner, and customer culture. This means that we expect the BOD, along with the GM and staff, to embody values of trust, openness, supportiveness, and participation, while committing to the highest level of performance.

6. GLOBAL EXPECTATIONS

The BOD shall engage in practices, activities, decisions and organizational processes that are lawful, prudent and in alignment with the Seven International Cooperative Principles.

7. THE SEVEN INTERNATIONAL COOPERATIVE PRINCIPLES

1. ***Voluntary and Open Membership/Ownership:*** Anyone is welcome to become a member/owner of the coop; no one will be discriminated against for any reason.
2. ***Democratic Member/Owner Control:*** Owners have the right and responsibility to vote on the co-op's fundamental directions, policies and representatives to the BOD of Directors.
3. ***Member/Owner Economic Participation:*** Owners contribute equitably to the capital of the co-op. Surpluses may be allocated as decided by the BOD of Directors to the capital development of the co-op and/or to the owners based upon patronage.
4. ***Autonomy and Independence:*** Each cooperative is an autonomous, self-help organization controlled by its owners.
5. ***Education, Training and Information:*** Cooperatives provide education and training for their owners (including staff and volunteers) to enhance their ability to effectively contribute to the development of their co-op and their local community.
6. ***Cooperation Among Cooperatives:*** Cooperatives assist each other through local, regional, national and international structures. Local democratic control is still maintained in this process.
7. ***Concern for Sustainable Communities:*** Cooperatives work for the sustainable development of their communities through social transformation and environmental stewardship.

8. BOARD OF DIRECTORS' PHILOSOPHY

The Board of Directors (BOD) is responsible for ensuring that the MCC fulfills its mission while working towards the long-term vision of the coop. The GM supports the mission and vision through his/her management of the day-to-day operations of the MCC. The Board inspires cooperative development through the system of Policy Governance. BOD decisions include agreements about how the board will work together, how the board will empower and hold accountable the MCC's management, how the board will articulate the MCC's purpose and guide the coop in a direction towards the fulfillment of that purpose, and how the board understands the role of member-owners and others in the governance of the cooperative. Major areas of the BOD's focus include recruiting and hiring a GM, monitoring the GM's operations through policies written to govern operational decisions, monitoring finances, and securing positive working conditions and reasonable benefits for employees. Having distinct separation between board and operational responsibilities offers the BOD the best environment for maintaining focus on the long-term vision and ends.

9. PRIMARY BOARD POLICIES

9.1. Board Governance Principles and Procedures

The BOD will govern with a vision toward MCC's economic and social health through encouragement of diverse viewpoints, a clear distinction between Board and operational matters, with collaborative input of BOD members and coop owners.

Diverse perspectives are valued for the variety of information they provide the group in the problem-solving process leading to optimal group decisions. By listening closely to each other, the group aims to come up with proposals that work for everyone, and are in the best interests of MCC.

BOD decisions are reached through incorporation of the collective knowledge of all members of the board. Decisions are determined by an affirmative vote of a majority of all directors, unless otherwise specified in the by-laws.

The presence in person of a majority of directors shall be necessary and sufficient to constitute a quorum for the transaction of business at any meeting of the BOD.

9.2. Board Voice

Board members will accept and support the board's final determination on any matter before the board, and present the board's agreed-upon position when speaking for the board to staff, owners, customers, and the general public.

If an individual board member disagrees with an action taken by the majority of the board, s/he shall have the right to present further evidence and argument to the board for further

consideration, as long as s/he acts in a manner consistent with BOD policies. The board shall have the duty to reconsider its actions as is appropriate.

9.3. Board Responsibilities and Benefits

The board is the collective voice of Moonflower's owners. Board members have a number of responsibilities.

As a group, the BOD sets, monitors, and evaluates long-range goals and governance policies and monitors the GM's compliance with board policies and executive expectations/limitations.

The BOD also monitors the MCC's financial solvency, integrity and compliance with its mission by reviewing, each month, the GM's financial and internal monitoring reports.

The BOD is further charged with making strategic decisions regarding the coop's real estate, financial future, including but not limited to the hiring, evaluation, and compensation for the GM.

9.4. Board Benefits

Directors serve on the Board on a volunteer basis. Board members shall be recognized for the value of their volunteer service to the Board and the Cooperative.

During their tenure, directors receive a fifteen percent discount on purchases at the MCC for personal use only; this discount is equal to that of a MCC employee.

Directors shall not otherwise be compensated except through prior authorization by a meeting of owners.

Directors shall be reimbursed for reasonable expenses incurred in connection with the performance of coop business.

9.5. Board Job Descriptions

Each year after the BOD election, the board will designate a president, vice-president, secretary, and treasurer. The responsibilities of these officers include:

1. The **president** shall be responsible for coordinating the activities of the board, facilitating the orderly and timely conduct of all meetings, maintaining effective communication with the general manager, and presenting a report of operations at the annual meeting of owners.

The board **president** has no authority to unilaterally interpret board policies on ends nor GM executive expectations/limitations, nor authority to unilaterally supervise or direct the GM.

The **president's** authority includes interpreting and communicating any decision on behalf of the board consistent with board process policies. In particular, the board president is responsible for:

- ♦ Developing the monthly BOD meeting agenda, and making the agenda available to all board directors, the GM, and the coop ownership in a timely manner agreed upon by the BOD;
- ♦ Ensuring ongoing BOD education and professional development, as well as coordinating new board member orientation;
- ♦ Planning for, implementing, and evaluating board process policies on at least an annual basis;
- ♦ Representing the board to outside parties in articulation of board-stated positions.

The board president may delegate any of the above responsibilities, but remains accountable for their fulfillment.

2. The **vice president** shall be responsible for performing the duties of the president in his or her absence or disability and assisting the president in the performance of his or her duties.

3. The **secretary** shall be responsible for preparation and maintenance of minutes of all meetings of the board and of owners, overseeing the issuing of notices required under the bylaws, and authenticating and archiving records of the coop as established in the bylaws and in the board process policies.

4. The **treasurer** shall be responsible for overseeing accounting records, financial reports, and other required reports and returns, and shall present a financial report at the annual meeting of owners.

9.6. Board Record Keeping Policy

The BOD's records will be maintained in a secure and accessible manner so as to maintain an organizational memory of decision-making.

Non-confidential records will remain open to owners' inspection.

The approved minutes of each board meeting will be posted in a manner approved by the board.

Documents shall be archived to meet legal requirements regarding type of document, archive medium and duration:

1. The secretary will archive approved minutes of monthly and special board meetings in electronic form for three years.
2. The secretary will archive the original paper copies of documents that commit the coop to the acquisition of substantial assets or liabilities such as purchases or loans indefinitely.
3. The BOD secretary shall review on a yearly basis all archived documents and, with the president's approval, destroy any that have exceeded their required legal and internal Retention requirements.
4. Documents concerning the following shall be considered confidential:
 - a. personnel matters
 - b. actual or potential legal actions
 - c. strategic development
 - d. any other issue the board deems to be worthy of confidential status
 - e. all minutes from board closed Sessions.
5. All confidential documents, both electronic and hard copies, will be maintained in secured files, with the BOD secretary limiting access to current board members.
6. The BOD president is responsible for ensuring that the secretary maintains an archive of confidential board documents.
7. Physical and/or electronic documents requiring confidentiality shall be archived at a location that provides primary access for the secretary and also assures access for the president.

9.7. Establishment and Maintenance of Board Committees

Board committees may be assigned in order to support the overall function of the board, without interfering with the GM's authority, as delegated by the board.

The board may form both standing committees as well as ad hoc committees. Ad hoc committees will be dissolved once they have fulfilled their specific purpose.

All board committees must be chaired by a BOD member.

A committee will not speak or act for the board as a whole. Board committees report solely to the board. The committee will bring insights to the board so that final decisions can be made through BOD group consensus.

10. BOARD CODE OF ETHICS AND CONDUCT

10.1. Conflicts of Interest

Board members should consistently represent the coop's interests. This supersedes any conflicting loyalty including, but not limited to, advocacy or interest groups, member/ownership on any other boards or staffs, or acting as an individual employee or consumer of the coop's services. Board members, as stewards of public trust, must always act for the good of the MCC, rather than for the benefit of their own personal or financial interests/beliefs. They need to exercise reasonable care in all decision making without placing the coop under unnecessary risk.

10.2. Fiduciary Responsibilities

BOD members must commit to ethical, businesslike and lawful conduct, alerting the other BOD members of any conflict of interest regarding their fiduciary responsibilities (e.g. a board member who works for a private contractor hired to do work for the coop), and abstaining on voting on any issue related to the conflict.

One of the main responsibilities of the BOD is to maintain financial accountability of the MCC. Board members act as trustees of the coop's assets and must exercise due diligence to oversee that the coop is well-managed and that its financial situation remains sound. Fiduciary duty requires board members to remain objective, responsible, honest, trustworthy, and efficient.

10.3. Attendance/ Participation

Board members will be prompt, attentive, and prepared for all board meetings. Board members will contribute to and encourage open, respectful and thorough discussion during meetings. If on occasion a board member cannot attend a board meeting, s/he will notify the board president in advance. Board members will adhere to the attendance policy written in the MCC bylaws.

10.4. Confidentiality

All board members will maintain confidentiality in that they will not discuss confidential issues with MCC owners, employees, or the general public, until the BOD unanimously agrees that such information is no longer confidential or may be shared with specific individuals or groups for agreed-upon reasons.

10.5. Professionalism

As representatives of the MCC, board members shall conduct themselves in a professional manner. They shall respect the rights of other board members, staff, and owners, and acknowledge their rights to communicate their ideas.

BOD members will not ask for special privileges based on board position nor interfere with MCC management's authority, including, but not limited to, accessing regions of the store not generally open to the public unless required for a specific board associated duty.

11. BOARD OF DIRECTORS DEVELOPMENT AND EDUCATION

11.1. Policy Development

The board shall continually evaluate and, as needed, amend its policies in an orderly manner.

The board will determine whether existing policy is sufficient to guide the BOD in their roles, if existing policy needs to be adjusted, or whether a new policy is warranted.

The board will propose all needed language as well as the location of any new policy in the existing MCC documents.

11.2. Board of Directors' Development

Once a year, the BOD will meet for an extended session (retreat) to engage in development and education regarding the Moonflower Community Cooperative's long-range goals and plans to achieve them.

The board will continually strive to improve its functionality through ongoing training and professional development opportunities.

The BOD will monitor its effectiveness through self-evaluation. The BOD will allocate time at one board meeting annually to discuss the board's adherence to existing board policy, progress towards goals, and overall performance.

11.3. New Board Director Orientation

The BOD will hold an orientation session for new board members at least annually, and more frequently as needed.

This session will be run by at least one BOD member in good standing, though two or more board members are preferred.

Prior to this session, the new BOD member will be provided with the following documents: MCC Bylaws, MCC Board Policies and Processes, MCC Executive Expectations/ Limitations, and the Board Member Handbook.

It is the new board member's responsibility to read all documents prior to the orientation session, and to come with questions.

The new BOD member orientation will cover the following:

- ♦ History of MCC
- ♦ Background reading on cooperatives
- ♦ Policy Governance
- ♦ Patronage Dividend
- ♦ Finances
- ♦ Board Responsibilities as delineated in the Bylaws
- ♦ BOD Policies and Processes
- ♦ Executive Expectations/Limitations
- ♦ The interconnectedness of: Mission, Vision, Ends, Executive Expectations and Limitations, BOD Policies and Processes, and the GM-BOD Relationship
- ♦ Current projects of the MCC

11.4. Board Perpetuation

The board perpetuation committee is to be chaired by a BOD member; the committee's primary purposes will be:

1. To identify and recruit a pool of well-qualified board candidates who meet the requirements for a board member as designated in the MCC bylaws.
2. To develop and maintain an application and screening process.
3. To provide a brief monthly report to the board on the activities of the committee including names and qualifications of recommended nominees.

12. BOARD LOGISTICS

12.1. Board Meetings

Board meetings have the singular purpose of addressing all items on the meeting agenda.

The BOD is the sole authority over the board meeting agenda. While this task is typically delegated to the BOD president on behalf of the BOD, any board member, with the majority's agreement, may add, delete, or rearrange the order of items on the agenda. Additions or changes should be requested prior to the meeting date and, if approved by

the BOD, the agenda should be resubmitted with those changes. BOD meetings should follow the approved agenda.

All board meetings shall be open to owners, except for closed session portions of meetings in which confidential matters are discussed.

BOD effectiveness shall be evaluated regularly, and areas of board weakness shall be addressed. The BOD shall:

- ♦ Annually review Board Policies and Processes and modify as deemed necessary by the BOD
- ♦ Annually review Executive Expectations/ Limitations and modify as deemed necessary by the BOD.
- ♦ Annually review ends policies and the MCC vision and modify as deemed necessary by the BOD.
- ♦ Establish a monthly schedule of GM reporting so that all policies are reported on at least once annually. As needed, the board will modify the schedule, policies, and the amount of detail required in these reports.
- ♦ Annually review board members and their fulfillment of expectations as directors on the board.

12.2. Annual Meeting

Each year the board shall schedule and announce an annual meeting of owners, to be held between sixty and one hundred and twenty days after the end of the fiscal year.

The purpose of the annual meeting is to share cumulative reports on finances and operations with owners, to elect directors to fill board vacancies, and to conduct other business, such as voting to make changes to the bylaws.

The annual meeting provides the MCC ownership with the opportunity to meet and discuss ideas with the board, the general manager, and owners. Appropriate refreshments are served to emphasize the celebratory spirit of the cooperative movement and its importance in sustaining the Moab economy.

13. BOARD-GM RELATIONS

The board's only official connection to the operations of MCC is through the general manager. The board's relationship to employees is therefore indirect.

13.1. Board Accountability to the General Manager

The board shall instruct the GM through clearly written policies. These policies set both the organizational ends to be achieved and executive expectations/limitations, which describe

the framework within which the GM is to work. The BOD allows the GM to use a reasonable interpretation of these policies.

The board will respect and support the GM's choices that are aligned with written board policies.

The BOD shall encourage the GM to submit agenda items for board discussion at the monthly meetings including, but not limited to, action items such as revisions to the GM's annual budget or requests for expenditures larger than \$5000.

The board directors shall read the monthly GM monitoring report in its entirety prior to the scheduled monthly BOD meeting. Directors shall arrive to the meeting with prepared questions, comments or concerns.

An emphasis on board feedback to the GM allows for continual improvement and growth as the GM cultivates a stable future for the coop.

13.2. Monitoring General Manager Performance

The board will equate organizational performance with GM performance. GM compliance with board policies will be monitored monthly.

At the monthly board meetings, the board will discuss the GM's monthly monitoring report in order to evaluate GM compliance. Monitoring reports allow the GM to offer operational data that serve as evidence of operational alignment with board-approved ends policies and executive expectations/ limitations policies.

13.3. Board Role in Grievances Against the General Manager

Grievances against the General Manager shall be handled by the personnel committee as set forth in the Employee Policy Manual. All members of the personnel committee must be current board directors.

1. Grievances will be submitted in writing to the personnel committee chair.
2. The employee may request anonymity.
3. A copy of the grievance will be given to the GM (anonymous if so requested by the employee).
4. A notice will be given in writing to both the GM and the employee(s) submitting the grievance to meet with the personnel committee on a designated date and time.

13.4. General Manager Annual Performance Review

Annually, the board will conduct a GM performance review. The review will be based on the GM's accomplishment of the board-approved MCC's ends policies and compliance with executive expectations/ limitations. The evaluation will reflect an understanding that the GM's performance is based on organizational performance, policy compliance and owner/staff feedback.

The annual review of the GM will encompass all areas of operational activity. The board will collect data by empirical as well as observational means regarding employee management, financial stability of the store, owner and customer shopping satisfaction, safety programs, achievement of GM-stated goals, as well as alignment to board-approved policies.

Compensation will be adjusted based on performance evaluation, and as agreed upon by the BOD.

13.5. General Manager Accountability to the Board

The GM will ensure that timely and complete monitoring reports and board meeting packets are submitted. Board meeting packets will include but are not limited to: monitoring reports, store management reports, financial statements and subcommittee reports.

The GM will inform the board of relevant trends, public events, and direct and indirect changes to MCC.

The GM will ensure that the channels for communication between employee, management, board, and owners are updated and feasible.

14. SUMMARY

The purpose of this document is to guide the seven-member board of directors in its work towards a long-term viable future for the Moonflower Community Cooperative. In volunteering to serve on the board, directors show their dedication to the MCC and its larger role in the Moab community. The BOD serves the coop by ensuring that the GM, the BOD's only direct employee, is providing the best leadership to safeguard the vitality and sustainability of the coop. This document explains the roles of the BOD, its responsibilities to the MCC, and its ethical commitment to better serve the local community.