



## **Moonflower Community Cooperative (MCC) Board Policies and Processes**

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### **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 honoring diverse viewpoints (and input from BOD members and co-op owners), as well as a clear distinction between Board responsibilities and operational matters.

The Board, in seeking the best-informed group decisions, values diverse perspectives to guide and elucidate the decision-making process. By listening closely to each other, the group aims to create 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 a majority (vote) of directors, constituting a quorum, unless otherwise specified in the by-laws.

Remote participation of no more than two Board directors is permissible when necessary in order to constitute a quorum.

### **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 overall BOD policies. The Board has the duty to reconsider its actions if deemed appropriate by the Board majority.



### **9.3. Board Responsibilities and Benefits**

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

1. As a group, the BOD sets, monitors, and evaluates long-range goals and governance policies.
2. The Board monitors the GM's compliance with board policies and executive expectations/limitations.
3. The BOD monitors the MCC's financial solvency, integrity, and compliance with its mission by reviewing, each month, the GM's financial and internal monitoring reports. It is the responsibility of each board director to read the GM's financial and monitoring reports in their entirety prior to the BOD meeting, and to come to each meeting prepared with questions and/or feedback.
4. The BOD makes strategic decisions regarding the co-op's real estate, financial future, and the hiring, evaluation, and compensation of 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 family (spouse/partner/children) discount on purchases at MCC for personal (non-commercial) use only.

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 co-op 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:

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 an annual review of board activities at the annual meeting of owners.

The board president has no authority to unilaterally interpret board policies, nor end policies, 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 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 continually evaluating board process policies, and ensuring that any updates to current policies are posted for owners annually.

Representing the board to outside parties by articulating Board-stated positions.

1. 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 issuance of notices required under the bylaws, and authenticating and archiving records of the co-op 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 (eg. in Google docs) for the duration of her/his office term.
2. The original paper copies of documents that commit the co-op to the acquisition of substantial assets or liabilities such as purchases or loans will be archived and kept in a secure location within the MCC offices 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 specific 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 physical and/or electronic confidential documents shall 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.

#### **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, and consist of a minimum of two participants.

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 agreed upon through a majority vote of board directors.

### **10. BOARD CODE OF ETHICS AND CONDUCT**

#### **10.1. Conflicts of Interest**

Board directors must consistently represent the interests of the co-op. This supersedes any conflicting loyalties including, but not limited to, advocacy or interest groups, membership/ ownership on any other boards or staffs, or acting as an individual employee or consumer of the co-op'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. Directors shall exercise reasonable care in all decision making without placing the co-op under unnecessary risk.

#### **10.2. Fiduciary Responsibilities**

Directors must commit to ethical, professional, and lawful conduct, alerting other directors 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 co-op), and abstaining on voting on any issue related to the conflict.





One of the main responsibilities of the BOD is to safeguard the financial security of the MCC. Board directors act as trustees of the co-op's assets and must exercise due diligence to ensure the coop is well-managed and financially sound. Fiduciary duty requires board members to remain objective, responsible, honest, trustworthy, and efficient.

### **10.3. Attendance/ Participation**

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

### **10.4. Confidentiality**

All board directors will maintain confidentiality. 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 directors shall conduct themselves in a professional manner. They shall respect the rights of other board directors, staff, and owners, and acknowledge their rights to communicate their ideas.

Directors will not ask for special privileges based on board position nor interfere with the authority of MCC management. Directors shall not access regions of the store not generally open to the public unless required for a specific board associated duty.

### **10.6 Board Dispute Resolution**

To prevent any situations that may adversely affect its functioning, the board of MCC is committed to reaching a prompt and fair resolution to any disputes, conflicts, or disagreements between directors.

Directors shall resolve any issues or concerns they may have at the earliest opportunity. It is vital to the effective functioning of the board that issues are dealt with in a fair and timely manner.

While some conflicts will be resolved through an informal discussion between conflicting board directors, others will need a formal process for successful resolution.



The board embraces the following: respect for one another's point of view, commitment to resolving issues, willingness to compromise, confidentiality, impartiality, mutual respect and dignity, prompt appropriate action, and freedom from repercussions.

Techniques for Resolution:

1. The dispute must be documented in writing and sent to the board president. The president must acknowledge receipt of this document within two days. If the dispute involves the president, the document shall be sent to the vice president.
2. The president will decide whether to address the issue at the next board meeting or to call a special meeting.
3. When addressing the conflict, all people involved in the dispute will be given ample uninterrupted time to speak openly to the board.
4. The meeting held to address the conflict should be attended by all directors. If a director is unable to attend, they must notify the president in a timely manner.
5. The president or any director shall call for a motion from the board to determine the next steps, e.g. to appoint an independent mediator, to address through collaborative group resolution, or to dismiss the complaint. All directors present will vote on the motion.
6. Board members will accept and support decisions made regarding the conflict and/or involved parties, whether through mediation or group cooperation, as the board's final decision.

**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 C-operative'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, or 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 MCC projects

### **11.4. Board Committee Charters**

#### ***Board Recruitment Committee***

The job of the Board Recruitment Committee will be to:

1. Identify, recruit, and train well-qualified board members.
2. Oversee board candidates' application and orientation process.
3. Review application and orientation packet regularly to ensure materials are up-to-date.
4. Help the board follow its nomination and election timetable.
5. Monitor the bylaws as they relate to nominations and elections.
6. As directed by the board president, provide a brief verbal or written report to the board about the activities of this committee including names and qualifications of recommended nominees.

#### ***Owner Engagement Committee***

The job of the Owner Engagement committee will be to:

1. Inform, educate and excite members about being a part of Moonflower, and continually come up with creative ideas on how to engage them.
2. Create and manage a schedule for board members to periodically table at Moonflower.



3. Organize any events to be hosted by the board at Moonflower, including the Annual Owner Meeting and staff appreciation parties.
4. Issue any owner surveys or employee surveys to be reviewed by the board.
5. Create and publish any materials that might be needed to keep owners up to date on Board actions.
6. Work with Marketing and Outreach Coordinator, through GM, as necessary.

### ***Personnel Committee***

The job of the Personnel Committee will be to:

1. Receive and address grievances lodged by staff on working conditions, treatment, or of policy-related matters.
2. Assist management in settling personnel issues, when appropriate.
3. As directed by the board president, provide a brief verbal or written report to the board about the activities of this committee.

### ***Finance Committee***

The job of the Finance Committee will be to:

1. Review and monitor the financials submitted by the GM and look for any inconsistencies as well as accuracy.
2. As needed, help to investigate and support any additional items that may come up.
3. On behalf of the board, review non-quarterly financials and update as necessary and answer any questions.
4. Once a year meet with bookkeeper or accountant to review the accuracy of financial information as a way of having a checks and balances in place.
5. On behalf of the board, report financial update at annual meeting.
6. As directed by the board president, provide a brief verbal or written report to the board about the activities of this committee.

### ***Policy Committee***

The job of the Policy Committee will be to:

1. Create and maintain a schedule for BOD members to self-monitor their performance and the overall functioning of the BOD in relation to stated BOD policies on a monthly basis.
2. Continually evaluate BOD policies and recommend amendments to policies.
3. Based on the BOD's stated priorities for the year, gather educational resources to share with the BOD to help them learn more about those priority topics.
4. As directed by the board president, provide a brief verbal or written report to the board about the activities of this committee.

## **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 may be requested prior to the meeting date, or at the start of the meeting. If approved by the BOD, the agenda will be amended 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.
- Review board members and their fulfillment of expectations as directors on the board at least annually.

### **12.2. Annual Meeting**

Each year the board shall schedule and announce an annual meeting of owners, to be held in the month of August as determined by the Board.

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 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, barring larger or unforeseen outside circumstances, 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, physical safety for staff and customers, 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.