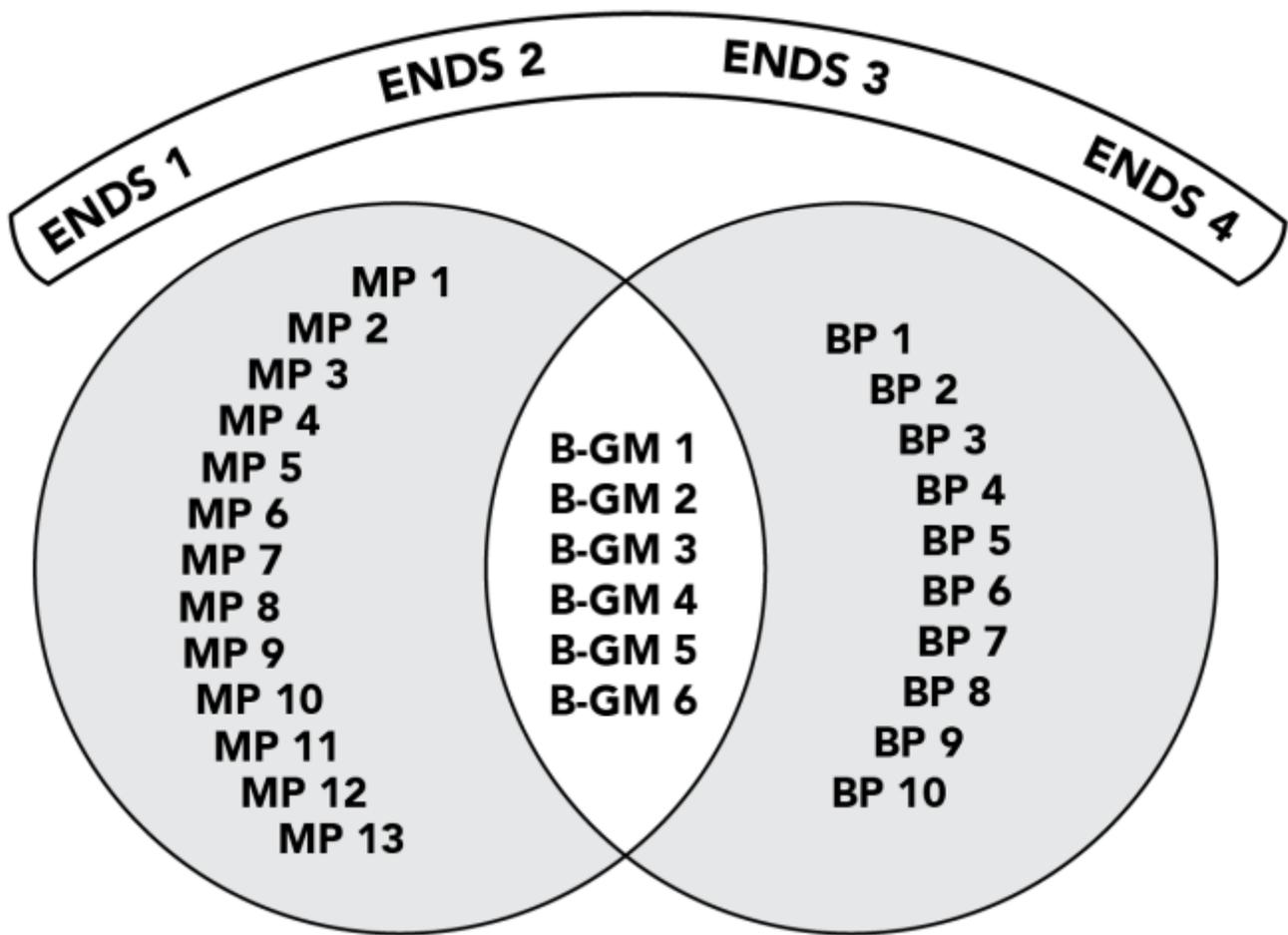


FARE SHARE CO-OP POLICY GOVERNANCE

Initial Adoption: August 7, 2002

Major revision: March 2015 Annual revisions: July 2016



MP: Management Policies, **B-GM:** Board-General Manager, **BP:** Board Process

Note: The By-Laws of the Oxford Hills Food & Nutrition Exchange, Inc. are like the Constitution of a country: relatively set-in-stone, requiring Membership approval to amend. The Policy Governance ("PG") Register is a tool used by the Board to govern the organization. Like laws, these policies can be changed by the Board. Changes should be minimized and carefully discussed and considered before they are made. PG serves and guides the relationship between the Board and the General Manager and the Management Policies serve as the Job Description of the General Manager by which her or his performance is evaluated by the Board.

ENDS POLICIES

Ends Policies articulate the results that Fare Share aims to accomplish.

Note: These policies were drafted by the Board who participated in PG Training in August 2003. They were then discussed at Membership meetings in May 2004 and November 2005. Based on these discussions, two Board members revised their language and condensed 8 Ends into 4. The Board approved these revisions in May 2005. A quorum of the Membership discussed and approved these Ends on June 5, 2005.

ENDS 1: ACCESS TO PRODUCTS

ENDS 2: COOPERATIVE BUSINESS/SUSTAINABILITY

ENDS 3: COMMUNITY EDUCATION

ENDS 4: COMMUNITY CULTURAL CENTER

Note: Reports will be assigned to the nine Board Members on a schedule published in January. Reports are due one week prior to the Board meetings. (See B-GM 4.4, 4.5 and BP 6.4)

POLICY TYPE: ENDS
 POLICY TITLE: ENDS 1: ACCESS TO PRODUCTS
 ADOPTED: June 5, 2005 (approved by general membership)
 LAST REVISED:
Monitoring Report: *Internal, at least annually, Board Member*

ENDS 1: The Oxford Hills Community has access to affordable local and organic food and health-related products.

ENDS 1.1: Fare Share Market offers natural, local, and organic products to meet the needs of a diverse community of members and non-members.

This policy will be monitored at least annually by internal reports by Board members.

POLICY TYPE: ENDS
 POLICY TITLE: ENDS 2: COOPERATIVE BUSINESS/SUSTAINABILITY
 ADOPTED: June 5, 2005 (approved by general membership)
 LAST REVISED:
Monitoring Report: *Internal, at least annually, Board Member*

ENDS 2: Fare Share is a model of cooperative business and sustainability.

ENDS 2.1: Fare Share Cooperative has active member/owners.

ENDS 2.2: Fare Share Market operates with a balanced budget.

ENDS 2.3: Fare Share Market supports local organic growers.

This policy will be monitored at least annually by internal reports by Board members.

POLICY TYPE: ENDS
POLICY TITLE: ENDS 3: COMMUNITY EDUCATION
ADOPTED: June 5, 2005 (approved by general membership)
LAST REVISED:
Monitoring Report: Internal, at least annually, Board Member

ENDS 3: Fare Share is an educational center for promoting the understanding of sustainability, nutrition, and wellness to the larger community.

This policy will be monitored at least annually by internal reports by Board members.

POLICY TYPE: ENDS
POLICY TITLE: ENDS 4: COMMUNITY CULTURAL CENTER
ADOPTED: June 5, 2005 (approved by general membership)
LAST REVISED:
Monitoring Report: Internal, at least annually, Board Member

ENDS 4: Fare Share is a community cultural center.

This policy will be monitored at least annually by internal reports by Board members.

Ends policies shall be monitored by written informative reports that include relevant evidence. These reports shall be reviewed and discussed by the full Board.

MANAGEMENT POLICIES

MP 1: Global (*January*)

MP 2: Customer Service (*February*)

MP 3: Treatment of Staff (*March*)

MP 4: Financial Planning and Budgeting (*Quarterly: i.e., Jan, Apr, Jul, Sept*)

MP 5: Financial Condition and Activities (*Monthly; external audit in Feb*)

MP 6: Asset Protection (*May by Treasurer*)

MP 7: Access to Information and Privacy (*June*)

MP 8: Compensation and Benefits (*July*)

MP 9: Communication and Support to the Board (*Monthly*)

MP 10: Maintenance of Building and Grounds (*August*)

MP 11: Food Policy and Inventory (*September*)

MP 12: Community Relations (*October*)

MP 13: Tenant and Building Management (*November*)

Note: The schedule above specifies when the General Manager reports on each policy and the Board "Monitors" compliance with each policy. MP 1.7 defines the term "monitor." This schedule can be modified by the Board consistent with B-GM 4.4 and 4.5.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 1: GLOBAL
ADOPTED: August 7, 2002
LAST REVISED: March 2015
Monitoring Report: *Internal: General Manager, Annually*

MP 1: Global

All activities of the General Manager shall support the Ends policies of the Co-op. The General Manager shall ensure that all practices, activities, decisions, and organizational circumstances are lawful, prudent and adhere to commonly accepted business or professional ethics, and support the Co-op as a sustainable, ongoing cooperative business.

MP 1.1: In order to protect the Co-op from sudden loss of Management services, the General Manager shall have at least two others who are familiar with Management responsibilities and processes.

MP 1.2: The General Manager shall maintain a Personnel Manual (See MP 2.2 and MP 3.1), subject to regular review by the Board.

MP 1.3: In order to support the Co-op's End of active member/owners (Ends 2.1), the General Manager shall maintain a Volunteer Manual to define the process, responsibilities, and benefits of volunteering in the store, subject to regular review by the Board. (See BP 11).

MP 1.4: The General Manager shall maintain an Operations Manual that describes and gives instruction for all store and building systems, e.g. computer, payroll, accounting, maintenance, heating, cooling, utilities, subject to regular review by the Board.

MP 1.5: The General Manager shall maintain a Compensation and Benefits Schedule (See MP 8.3), subject to regular review by the Board.

MP 1.6: The General Manager shall develop and maintain a Marketing Plan.

MP 1.7: The General Manager shall provide to the Board accurate and understandable monitoring data and written reports as required by each MP policy. If pertinent information requires immediate Board attention, the General Manager shall notify the Board President at the earliest opportunity. "Monitor" means:

- 1) A written report by the General Manager is sent one week before the Board meeting.
- 2) All Board members review the report.
- 3) If the report shows compliance, it becomes part the minutes for the upcoming meeting. If it shows non-compliance, the topic becomes part of the Board's Agenda. To address non-compliance, the Board shall take one or more of the following actions, to be documented in the Minutes:
 - a) Agree with General Manager on a realistic time frame to correct the problem and monitor again to ensure correction
 - b) Increase monitoring frequency
 - c) Narrow the range of options by writing a more limiting policy
 - d) Probation

e) Replace the General Manager

MP 1.8: If the General Manager enters into any grant or contract arrangement, it must support the Board's Ends policies.

MP 1.9: The General Manager shall obtain consent for all items delegated to the General Manager that are required by law or contract to be Board-approved.

This policy will be monitored annually by internal report of the General Manager to the Board in January.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 2: CUSTOMER SERVICE
ADOPTED: September 17, 2003
LAST REVISED: March 2015
Monitoring Report: Internal: General Manager, Annually

MP 2: Customer Service

The General Manager shall ensure that excellent customer service is given to all Fare Share customers, members and tenants at all times. Accordingly,

MP 2.1: The General Manager shall ensure adequate training for new employees and for existing employees as needed.

MP 2.2: The General Manager shall provide a Personnel Manual that will include what is expected from the staff and management for excellent customer service.

MP 2.3: The General Manager shall take all reasonable steps to provide safe and dignified conditions that provide appropriate confidentiality and privacy with respect to interactions with customers.

MP 2.4: The General Manager shall provide venues for members and customers to voice concerns, needs, complaints, and suggestions. Action will be taken in a timely manner or reasons will be given publicly when requests cannot be fulfilled, provided it is helpful to share such reasons with customers or membership.

MP 2.5: The General Manager shall provide a grievance process to those who believe that they have been treated unfairly.

MP 2.6: The General Manager will maintain discretion as needed to protect the Co-op's interests and financial liability. This means that the General Manager shall not discuss disputed or confidential corporate actions or issues with Co-op members, employees, or the general public unless the Board agrees that such information is no longer confidential.

This policy will be monitored annually by internal report of the General Manager to the Board in February.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 3: TREATMENT OF STAFF
ADOPTED: September 25, 2002
LAST REVISED: March 2015
Monitoring Report: Internal: General Manager

MP 3: Treatment of Staff

With respect to paid and community service/program staff, the General Manager shall maintain conditions are safe and legal and a working environment that is fair and dignified. Accordingly,

MP 3.1: The General Manager shall provide a Personnel Manual that clarifies personnel rules for staff, provides for effective handling of grievances, and protects against wrongful conditions such as nepotism and preferential treatment for personal reasons. The General Manager shall review the Personnel Manual with each new employee and maintain a record of each staff member's signed acknowledgement that he or she has read and understood the Personnel Manual.

MP 3.2: The General Manager shall encourage staff to express ideas and opinions openly without fear of discrimination.

MP 3.3: The General Manager shall provide for a fair and thorough review of any problem, concern, or grievance in a manner consistent with procedures described in the Personnel Manual and shall provide the staff member involved with an explanation of the resolution or decision.

MP 3.4: The General Manager shall not discourage staff from grieving to the Board when internal procedures have been exhausted.

MP 3.5: The General Manager shall establish and maintain written job descriptions for all positions.

MP 3.6: The General Manager shall establish written procedures for store operations.

MP 3.7: The General Manager shall regularly hold staff meetings to review policy pertaining to the staff with discussion and steps to be taken if compliance is not possible.

MP 3.8: The General Manager will always be available to staff during the store's working hours. If the General Manager cannot be available, he or she will ensure that the staff has a backup procedure in place if anything goes wrong or if there are any needs.

MP 3.9: The General Manager shall provide job training as needed for staff, and offer opportunities for professional developmental training.

MP 3.10: The General Manager shall evaluate each staff person at least annually based upon pre-established criteria.

MP 3.11: The General Manager shall post all job openings internally.

This policy will be monitored annually by internal report of the General Manager to the Board in March.

POLICY TYPE: MANAGEMENT POLICY
 POLICY TITLE: MP 4: FINANCIAL PLANNING AND BUDGETING
 ADOPTED: August 28, 2002
 LAST REVISED: March 2015
Monitoring Report: *Internal, General Manager, Quarterly (Feb, Apr, Jul, Oct)*

MP 4: Financial Planning and Budgeting

The General Manager shall develop and recommend to the Board of Directors long and short range plans to achieve the Co-op’s Ends policies. With respect to budgeting for all or any part of a fiscal period, the MP shall:

- 1) Work to achieve the fiscal integrity and sustainability of the organization.
- 2) Prepare operating and capital budgets for approval by the Board and provide supporting information for the Board.
- 3) Ensure a sustainable business.
- 4) Plan and execute a margin strategy designed to be price competitive and maintain adequate profit for growth.
- 5) Maintain healthy and supportive relations with farmers and local producers, wholesale distributors, local markets, and other product sources.

Accordingly,

MP 4.1: The General Manager shall provide information about the budget that contains sufficient detail to enable reasonably accurate projection of revenues, cash flow and expense, while separating capital and operation items, allowing subsequent audit trails, and disclosing planning assumptions.

MP 4.2: The General Manager shall ensure budgeting that projects income conservatively and constrains budgeted operating expenses within projected income levels

MP 4.3: The General Manager shall make decisions about competing budgetary needs based on the Board’s established priorities.

MP 4.4: The General Manager shall plan a budget that supports ~~Cost of Governance~~ **Cost of Governance** policy.

This policy will be monitored by quarterly review (Feb, Apr, Jul, Oct) of the proposed budget and internal report quarterly for updates. Proposed budget will be reviewed in November.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 5: FINANCIAL CONDITION AND ACTIVITIES
ADOPTED: August 28, 2002
LAST REVISED: March 2015
Monitoring Report: Internal: General Manager, Monthly; External: Audit Annually in Feb

MP 5: Financial Condition and Activities

With respect to operating the cooperative in a sound and prudent manner, the General Manager shall promote the long-term financial health of the cooperative and support priorities established in the Ends policies. Accordingly,

MP 5.1: The General Manager shall maintain expenditures with the funds that have been received in the fiscal year to date.

MP 5.2: The General Manager shall maintain the financial ability to repay certain, otherwise unencumbered revenues within sixty days.

MP 5.3: The General Manager shall honor restricted funds within the limits required by the restriction.

MP 5.4: The General Manager shall settle payroll and debts in a timely manner.

MP 5.5: The General Manager shall limit total staff wages, taxes, and benefits to less than 30% of gross store sales in any given month.

MP 5.6: The General Manager shall file tax payments or other government-ordered payments on time.

MP 5.7: Individual purchases or commitments in excess of \$5000 shall require approval of the Board. **<Should we make this a lesser amount and exclude individual distributors' orders?>** For such purchases, the General Manager shall provide the Board with assurance that there is no conflict of interest and relevant comparisons of prices and quality.

MP 5.8: The General Manager shall not acquire, encumber, or dispose of real property.

MP 5.9: The General Manager shall aggressively pursue receivables after a reasonable grace period.

MP 5.10: The General Manager shall disclose fiscal activity and concerns to the Board.

MP 5.11: The General Manager shall provide all needed information to outside auditors on a timely basis.

MP 5.12: The General Manager shall analyze fiscal activity with acknowledgement of the distinction between store expenses and those that serve the whole organization.

This policy will be monitored monthly by financial report to the Board and by annual audit of the Co-op's books.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 6: ASSET PROTECTION
ADOPTED: October 9, 2002
LAST REVISED: March 2015
Monitoring Report: Internal: Annually by Treasurer

MP 6: Asset Protection

The General Manager shall protect and adequately maintain the Co-op's assets, and avoid unnecessary risk. (Assets include physical property as well as intangible assets such as cooperative values and image.)

To prevent untraceable transactions or conflict of interest in the management of the Co-op's resources:

MP 6.1: The General Manager shall maintain insurance against theft and casualty losses to at least 80 percent of replacement value and against liability losses to Board members, staff, and the organization itself in an amount greater than the average for comparable organizations.

MP 6.2: The General Manager shall not allow unbonded personnel access to material amounts of funds.

MP 6.3: The General Manager shall protect the building and equipment from improper wear and tear and ensure sufficient maintenance.

MP 6.4: The General Manager shall protect the organization, its Board, and its staff from claims liability.

MP 6.5: The General Manager shall protect intellectual property, information, and files from loss or significant damage.

MP 6.6: The General Manager shall utilize controls that are sufficient to meet the Board-appointed auditor's standards when receiving, processing, or disbursing funds.

MP 6.7: The General Manager shall not invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating, or in non-interest bearing accounts except when necessary to facilitate ease in operational transactions. <Note: This may need more interpretation by a financial consultant if the organization ever becomes an investor.>

MP 6.8: The General Manager shall protect the organization's public image and credibility, particularly in ways that would hinder its accomplishment of its Ends policies and mission.

This policy will be monitored annually by report of the Treasurer to the Board.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 7: ACCESS TO INFORMATION & PRIVACY
ADOPTED: March 19, 2003
LAST REVISED: March 2015
Monitoring Report: Internal: MP, Annually, June

MP 7: Access To Information & Privacy

The data, information systems, and collective technology knowledge of the organization are of critical value in serving member/owners. With respect to operating the Co-op in a sound and prudent manner, the General Manager will ensure timely access to appropriate information by the staff and Board and will ensure the privacy of customers, staff and member/owners. The intention of this policy is to support the legitimate use of consumer and staff information.

Accordingly,

MP 7.1: The General Manager shall only collect information for which there is a clear necessity.

MP 7.2: The General Manager shall ensure that all methods of collecting, reviewing, transmitting or storing personal information protects against improper access to the material gathered.

MP 7.3: The General Manager shall ensure the security of individual member/owner and staff information. <Note: This is a change of policy that allows data to leave the Co-op building where it was not before.>

MP 7.4: The General Manager shall educate the Board on industry best practices, including the costs and benefits of potential information system capabilities.

MP 7.5: The General Manager shall provide sufficient information system tools, resources and training for the management and staff to meet and exceed the requirements of their jobs and develop suitable self-sufficiency regarding their tasks.

MP 7.6: The General Manager shall provide adequate and timely responses for the appropriate information systems requests from the Board.

MP 7.7: The General Manager shall ensure on-going system maintenance for a reasonable level of data availability and shall plan for the ongoing and future information systems requirements.

MP 7.8: The General Manager shall ensure adequate cross training of the management team and staff to avoid critical dependency on any one person regarding information systems.

This policy will be monitored annually by internal report of the General Manager to the Board in June.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 8: COMPENSATION AND BENEFITS
ADOPTED: February 19, 2003
LAST REVISED: March 2015
Monitoring Report: Internal: MP, Annually, March

MP 8: Compensation and Benefits

The General Manager may not cause inexplicable discrimination or allow jeopardy to fiscal integrity or public image with respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers.

Accordingly,

MP 8.1: The Board will establish the General Manager's compensation and benefits.

MP 8.2: All employees of the Co-op, including the General Manager, are "at will" employees, and the Co-op makes no guarantees of permanent employment.

MP 8.3: The General Manager shall establish a current Compensation and Benefits Schedule for employees, which:

- 1) Represents the geographic and/or professional market for the skills employed,
- 2) Is based on revenues that can be safely projected,
- 3) Represents fairness,
- 4) Strives to establish a living wage to the extent possible, and
- 5) Adheres to budget and financial policies adopted by the Board.

MP 8.4: The General Manager shall obtain Board approval prior to offering compensation or benefits beyond the limits established by the Compensation and Benefits Schedule.

This policy will be monitored annually by internal report of the General Manager to the board in July.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 9: COMMUNICATION AND SUPPORT TO THE BOARD
ADOPTED: February 19, 2003
LAST REVISED: March 2015
Monitoring: Internal: MP, monthly

MP 9: Communication and Support to the Board

The General Manager shall deal with the Board as a whole, except when fulfilling Board requests for information or responding to committees duly charged by the Board. The General Manager shall inform and support the Board, including but not limited to the following:

MP 9.1: The General Manager shall advise the Board if in the General Manager's opinion the Board is not in compliance with its own policies.

MP 9.2: When the General Manager becomes aware of alternate points of view, issues, and options relevant to the Board's work, he or she shall communicate such to facilitate and support informed Board decisions.

MP 9.3: The General Manager shall report in a timely manner an actual or anticipated non-compliance with any policy of the Board.

MP 9.4: The General Manager shall inform the Board of relevant trends, public events of the organization, or internal and external changes which affect the previous assumptions of the Board.

MP 9.5: The General Manager shall inform the Board as soon as possible of significant problems that require attention with respect to members, services, employees, and the community.

This policy will be monitored by Board's acceptance of the General Manager's monthly report.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 10: MAINTENANCE OF BUILDING & GROUNDS
ADOPTED: August 7, 2002
LAST REVISED: September 2009 (h. and i. added)
Monitoring Report: Internal: General Manager, Annually, October

<Note: What is the appropriate frequency for this policy's monitoring? Should it remain yearly or become quarterly or monthly?>

MP 10: Maintenance of Building and Grounds

The General Manager shall maintain the highest standards of cleanliness, organization, and upkeep in all areas of the building and grounds. Accordingly,

MP 10.1: The General Manager will keep the store clean and visually appealing at all times, according to the specifics listed in the Operations Manual (see MP 1.3).

MP 10.2: The General Manager will keep the store safe for staff and consumers and compliant with the Americans with Disabilities Act ("ADA").

MP 10.3: The General Manager will ensure that the building and grounds are maintained and repaired when needed:

- 1) All doors and locks fixed when broken or presenting unsecure conditions for the Co-op and its tenants.
- 2) The grounds around the building swept, kept free of debris and miscellaneous items at all times.
- 3) Care and maintenance given to the awning regularly.
- 4) The removal of snow and ice at the beginning of each day and throughout the day when needed.
- 5) Coordination of ice and water removal on the roof.
- 6) All state, health and disability requirements and signage fulfilled and maintained.
- 7) Maintenance of water heater and instructions posted for resetting of pilot light.
- 8) Repair and repainting of the outside of the building surfaces as needed to maintain integrity and appearance.
- 9) Maintenance and repair of windows and window caulking as needed, and cleaning of store windows on a regular basis.

<Note: If this is covered in the Operations Manual, then it does not need to be specific here.>

This policy will be monitored annually by internal report of the General Manager to the Board in August.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 11: FOOD POLICY & INVENTORY
ADOPTED: September 17, 2003
LAST REVISED: March 2015
Monitoring Report: *Internal: General Manager, Annually, September*

MP 11: Food Policy and Inventory

The General Manager shall maintain inventory in accordance with Ends 1.

MP 11.1: The General Manager shall provide a system for customers to request specific products and make suggestions about the selection of inventory.

MP 11.2: The General Manager shall fulfill requests whenever possible and provide reasons why certain requests cannot be fulfilled.

MP 11.3: All spoilage and out of date products shall be tracked and minimized.

MP 11.4: All inventory shall be labeled appropriately with information that will allow consumers to assess food safety, source, and/or content, e.g. certified organic, non-GMO, locally grown, pesticide or herbicide free, conventional, or transitional. All ingredients on prepared and repackaged items will be legibly and completely listed.

MP 11.5: An inventory shall be conducted in January of each year. **<Note: PG Taskforce added this.>**

This policy will be monitored annually by internal report of the General Manager to the Board in September.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 12: COMMUNITY RELATIONS
ADOPTED: July 21, 2004
LAST REVISED: March 2015
Monitoring Report: Internal: General Manager, Annually, May

MP 12: Community Relations

The General Manager shall ensure that Fare Share actively participates in efforts to build a strong local community and support other businesses, non-profit agencies, and organizations, while keeping the financial and operational stability and growth of the market the top priority.

MP 12.1: The General Manager shall allow the public to hang posters and flyers that advertise any and all local public events. Fare Share supports freedom of speech, but will not allow posters or flyers that are slanderous or defamatory, that incite violent or illegal behavior, or that violate our community's sense of public decency. **<Note: This is a change in policy based on history and experience.>**

MP 12.2: The General Manager shall ensure that the Commons is open for use for public meetings that are open to all. **<Note: The Board needs to decide if this belongs/needs to move elsewhere.>**

This policy will be monitored annually by internal report of the General Manager to the Board in October.

POLICY TYPE: MANAGEMENT POLICY
POLICY TITLE: MP 13: TENANT AND BUILDING MANAGEMENT
ADOPTED: March 16, 2007 (Changed from a BP to a MP in 2009)
LAST REVISED: March 2015
Monitoring: Internal: General Manager, May

MP 13: Tenant and Building Management

Fare Share Co-op owns our building at 443–447 Main Street, Norway, Maine, and rents space in the building to tenants. The General Manager will ensure that tenants and rentals are well managed.

MP 13.1: The General Manager shall be acquainted with and on good terms with all tenants in the building.

MP 13.2: The General Manager is responsible for the execution of all leases with tenants, including the setting of rents, and is responsible for the billing and receipt of rent checks. The General Manager may negotiate such matters as the storage of tenant property in the basement, subletting, or the occasional emergency need for key access to tenant areas. The General Manager will not allow changes to the building without Board approval.

MP 13.3: If and when vacancies occur, the General Manager is responsible for advertising and filling such vacancies in a timely manner. The General Manager, in consultation with the Board, may retain the services of a broker to assist with filling vacancies and executing leases.

MP 13.4: The General Manager will ensure that rental spaces are filled in accordance with any restrictions placed on rentals by the terms of current grants or loans.

MP 13.5: The General Manager will inform the Board of any problems with or changes to Fare Share's tenants, and may consult the Board President with any immediate issues if he or she feels it is necessary.

MP 13.6: The General Manager shall respond to a tenant's rental issue in a timely manner. If the issue is not resolved in a satisfactory manner, the tenant may file a written grievance with the General Manager. If the General Manager does not respond to the tenant's satisfaction within 10 business days of receiving the grievance, the tenant may file a written grievance with the President of the Board of Directors. However, in the event of an unresolved rental issue that affects the usability of the space, the tenant may file a grievance with the President of the Board of Directors immediately. The Board of Directors will respond in a timely manner.

MP 13.7: When making rental agreements and leases, the General Manager shall ensure that the prospective rental activities will not compromise the safety and integrity of the building, including items such as the maximum structural load, the capacity of electrical systems, and occupancy limits.

This policy will be monitored annually by internal report of the General Manager to the Board in November.

BOARD PROCESS

- BP 1: Global Governance Process Policy**
- BP 2: Governing Style**
- BP 3: Board Job Description**
- BP 4: President's Role**
- BP 5: Treasurer's Role**
- BP 6: Secretary's Role**
- BP 7: Board Member's Code of Ethics & Conduct *(All)***
- BP 8: Board Committee Principles**
- BP 9: Board Nominations Process**
- BP 10: Member/Owner Engagement**

Note: Reports will be assigned to the nine Board members on a schedule published in January. Reports are due one week prior to the Board meetings. (See B-GM 4.4, 4.5, and BP 6.4 BP 6.4)

POLICY TYPE: BOARD PROCESS
POLICY TITLE: BP 1: GLOBAL GOVERNANCE PROCESS POLICY
ADOPTED: April 2, 2003
LAST REVISED: March 2015
Monitoring Report: Internal: Board Member, Annually

BP 1: Global Governance Process Policy

The purpose of the Board, acting on behalf of the Fare Share Co-op membership, is to set strategic, long-range direction, hire the General Manager, and monitor organizational performance. The Board will do this by using Policy Governance.

This policy will be monitored annually by internal report of a Board member to the Board.

Monitoring may include and is not limited to:

1. Has Board maintained a focus on strategic, long-range direction? If so, give examples. If not, what steps can take to maintain the intended focus?
2. Has the Board acted on behalf of the membership? If so, give at least one example. If not, why not?
3. Did the Board hire or fire a GM? If so, did it follow the process described in B-GM 5? If so, provide a summary of that process.
4. Has the Board used PG to monitor organizational performance? If so, attach the PG Schedule here and use dates to show that reports were made and action was taken (according to a-e in MP 1.7).

POLICY TYPE: BOARD PROCESS
 POLICY TITLE: BP 2: GOVERNING STYLE
 ADOPTED: April 2, 2003
 LAST REVISED: March 2015
Monitoring Report: Internal: Board Member, Annually

BP 2: Governing Style

The Board will govern with an emphasis on (1) outward vision rather than internal preoccupation, (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of Board and General Manager roles, (5) collective rather than individual decisions, (6) future rather than past or present, and (7) proactivity rather than reactivity.

BP 2.1: The Board will cultivate a sense of group responsibility. The Board, not the General Manager or staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff, General Manager, or staff initiatives. The Board will use the expertise of individual members to enhance the ability of the Board rather than to substitute individual judgments for the Board's values.

BP 2.2: The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives about ends to be achieved and means to be avoided. The Board's major policy focus will be on the intended long-term effects outside the organization, not on the administrative or programmatic means of attaining those effects.

BP 2.3: The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability. Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.

BP 2.4: The Board will monitor and discuss the Board's process and performance at each meeting. Self-monitoring will include comparison of Board activity and discipline to policies in the Board Process and Board-MP linkage categories.

This policy will be monitored annually by internal report of a Board member to the Board.

Monitoring may include and is not limited to:

- 2.1 What policies have been initiated by the Board in the last year?
- 2.1 When has the Board acted merely in reaction to staff?
- 2.1 What expertise and diversity does each Board member offer?
- 2.2 What are the values most important to the Board?
- 2.2 How has the Board focused on intended long-term effects?
- 2.3 How well has the Board attended to excellence in matters of attendance, preparation, policy making?
- 2.4 Has the Board practiced self-monitoring of process and performance at all meetings?

POLICY TYPE:	BOARD PROCESS
POLICY TITLE:	BP 3: BOARD JOB DESCRIPTION
ADOPTED:	April 2, 2003
LAST REVISED:	March 2015
<i>Monitoring Report:</i>	<i>Internal: Board Member, Annually</i>

BP 3: Board Job Description

The job of the Board is to represent Fare Share Co-op members in determining and demanding appropriate organizational performance. Board members will serve as unpaid volunteers who are expected to commit a significant amount of time per month to Board activities, which include:

- 1) Preparation for and attendance at monthly and special Board meetings.
- 2) Participation in various working groups and committees.
- 3) Participation in the planning and conduct of the Spring and Fall Membership Meetings.
- 4) Participation in fundraising events.

BP 3.1: The Board is the link between the organization and the member/owners.

BP 3.2: The Board will use written governing policies in these categories:

- a) **Ends policies:** Organizational products, effects, benefits, outcomes, recipients and their cost or relative worth (what goods for which recipient at what cost.)
- b) **Management Policies (MPs)** establish the requirements for General Manager activity and decisions.
- c) **Board Process Policies (BPs)** specify how the Board conceives, carries out and monitors its own tasks.
- d) **Board-General Manager Linkage (B-GM)** policies describe how power and authority is delegated and its use monitored.

BP 3.3: The Board will produce assurance of General Manager performance against Ends and Management Policies.

BP 3.4: The Board will invest in its ability to govern well.

- a) New Board members will be oriented to Policy Governance.
- b) The Board will review Ends policies annually.
- c) Existing Board members will engage in ongoing development to maintain and increase their governance skills and understanding.
- d) Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance (e.g., fiscal audit).
- e) Outreach mechanisms will be used as needed to ensure the Board's ability to listen to owner viewpoints and values.

BP 3.5: Annual Agenda Planning

- a) The cycle will conclude each year on the last day of December so that planning and budgeting can be based on accomplishing the Ends.
- b) The cycle will start with the Board 's development of its agenda for the next year.
- c) Consultation with selected groups in the membership, or other methods of gaining membership input, will be determined and arranged in the first quarter, to be held during the balance of the year.

- d) Governance education related to Ends determination will be arranged in the first quarter, to be held during the balance of the year.
- e) Throughout the year, the Board will attend to consensual decisions as expeditiously as possible
- f) General Manager performance monitoring will be included on the Agenda if monitoring reports show policy noncompliance or if policy criteria are to be debated.
- g) General Manager compensation will be decided after a review of monitoring reports received in the last year during the month of February.

This policy will be monitored annually by internal report of a Board member to the Board.

Monitoring may include and is not limited to:

3.1 What is the evidence that there is a link between the organization and the member/owners?
How can we strengthen that link?

3.2 Has the Board used policies to govern? Has it made any decision outside of the policies? If so, does that need a policy or should that decision not have been made?

3.3 What is the evidence that the Board has monitored GM performance against Ends and MPs?
Where there has been non-compliance, how did the Board take steps to correct the problem and monitor again?

3.4 When did the Board review its Ends policies?

3.4 How has the Board participated in educational opportunities?

3.5 Is the monitoring schedule effective? i.e. Were policies monitored consistently and on time?
Speak to any details in a-g with which we are not in compliance.

POLICY TYPE: BOARD PROCESS
 POLICY TITLE: BP 4: PRESIDENT'S ROLE
 ADOPTED: May 21, 2003
 LAST REVISED: March 2015
Monitoring Report: *Internal: Board Member, Annually*

BP 4: President's Role

The President of the Board assures the integrity and fulfillment of the Board's process and, secondarily, occasionally represents the Board to outside parties.

BP 4.1: The job result of the President is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.

- a) Meeting discussion content will be the only issues that, according to Board Policy, clearly belong to the Board to decide, not the General Manager.
- b) Deliberation will be fair, open, and thorough, but also timely, orderly, and to the point.

BP 4.2: The authority of the President consists in making decisions that fall within topics covered by policies on Board Process and Board-General Manager 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 in these policies.

- a) The President is empowered to chair Board meetings with all the commonly accepted power of that position (i.e., ruling, recognizing).
- b) The President has no authority to make decisions about policies created by the Board within Ends and Management Policy areas. Therefore, the President has no authority to supervise or direct the General Manager.
- c) The President may represent the Board to outside parties in announcing Board-stated positions and in stating interpretation within the area delegated to her or him.
- d) The President may delegate this authority but remains accountable for its use.

This policy will be monitored annually by internal report of a Board member to the Board.

Monitoring may include and is not limited to:

4.1 Has the President prevented the Board from discussing content that belongs to the GM to decide?

4.1 Has deliberation been fair, open, thorough, timely, orderly, and to the point?

4.2 Has the President worked within the limitations described by this policy?

4.2 Where there has been non-compliance, how did the Board take steps to correct the problem and monitor again?

POLICY TYPE: BOARD PROCESS
 POLICY TITLE: BP 5: TREASURER'S ROLE
 ADOPTED: May 2015
 LAST REVISED:
Monitoring Report: Internal: Board Member, Annually

BP 5: Treasurer's Role

The Treasurer has the following duties, which may be delegated as appropriate:

BP 5.1: The Treasurer shall serve as Chair of the Finance Committee, which annually works with the General Manager to prepare the budget for the next fiscal year. The Treasurer and General Manager shall present the budget to the Board for approval in November.

BP 5.2: The Treasurer and/or General Manager shall report on the financial status of the Co-op to the member/owners at the two Membership Meetings.

BP 5.3: The Treasurer shall ensure an annual **<Note: Board to decide if this should be external.>** audit of the Co-op's financial statements. Any issues identified by the audit shall be addressed by the Board.

BP 5.4: The Treasurer shall provide the previous year's Financial Statement for inclusion in the Annual Report.

BP 5.5: The Treasurer shall annually monitor MP 6: Asset Protection.

<Note: Bylaws need to be revised to reflect this content.>

This policy will be monitored annually by internal report of a Board member to the Board.

Monitoring may include and is not limited to:

5.1 Did the Treasurer chair the Finance Committee and present a budget to the Board for approval in November?

5.2 Did the Treasurer report the financial status of the Co-op at both membership meetings?

5.3 Was there an annual audit of the Co-op's financial statements? Was it internal or external?

5.4 Did the Treasurer provide the year's Financial Statement in the Annual Report?

5.5 Did the Treasurer monitor MP 6: Asset Protection?

Where there has been non-compliance, how did the Board take steps to correct the problem and monitor again?

POLICY TYPE: BOARD PROCESS
 POLICY TITLE: BP 6: SECRETARY'S ROLE
 ADOPTED: May 2015
 LAST REVISED:
Monitoring Report: *Internal: Board Member, Annually*

BP 6: Secretary's Role

The Secretary of the Board assures that the organization of meetings and decisions occurs logically and that all policies are monitored over the course of a year.

BP 6.1: The Secretary shall keep and distribute minutes for each Board and Member meeting and ensure that members receive notice of Membership meeting dates, times, and agendas and any proposals requiring Member action.

BP 6.2: The Secretary shall utilize membership records to determine the quorum necessary to conduct business at Member meetings.

BP 6.3: The Secretary shall carry on such correspondence for the Co-op as does not fall to the responsibility of the President or Treasurer.

BP 6.4: Consistent with B-GM 4.5, the Secretary shall develop and maintain a PG monitoring schedule that ensures that policies are monitored as required by each policy. To ensure that reports are made in a timely fashion, the Secretary shall inform Board members that reports are due two weeks in advance of their due dates.

BP 6.5: The Secretary will also keep track of compliance, non-compliance, and Board decisions made in accordance with MP 1.6.

BP 6.6: The Secretary shall archive the Co-op's decisions, process, correspondence, press coverage, grievances, and monthly compliance with PG.

This policy will be monitored annually by internal report of a Board member to the Board.

Monitoring may include and is not limited to:

6.1 Did the Secretary keep and distribute minutes for each Board and Member meeting?

6.1 Did the Secretary give notice of membership meetings in a timely way?

6.2 Did the Secretary keep accurate membership records to determine quorums?

6.3 Did the Secretary oversee Co-op correspondence when necessary?

6.4 Did the Secretary develop and maintain an effective PG monitoring schedule?

6.5 Did the Secretary track compliance and decisions about reaching compliance?

6.6 Did the Secretary keep accurate and complete archive of Co-op processes?

Where there has been non-compliance, how did the Board take steps to correct the problem and monitor again?

POLICY TYPE: BOARD PROCESS
POLICY TITLE: BP 7: BOARD MEMBER'S CODE OF ETHICS & CONDUCT
ADOPTED: September 17, 2003
LAST REVISED: March 2015

Monitoring Report: Internal: Each Board Member to the President annually

BP 7: Board Member's Code of Ethics and Conduct

This code of ethics and conduct clarifies the role, conduct, and authority of the individual Directors in order to create unity and coordination between Directors, management, member/owners and staff. Ethics is defined as a moral philosophy or code of conduct practiced by a person or group of people.

BP 7.1: The Board's authority is to oversee the Co-op's affairs in a manner deemed beneficial to the cooperative as a whole. As representatives, the Directors shall conduct themselves so as to foster confidence in the Board and reflect positively on the Co-op, its members, managers and employees.

BP 7.2: The Board of Directors commits itself to honest, ethical, professional, and lawful conduct, including proper use of authority. Directors work to build a community of trust and respectful relationships within the Co-op. Directors shall keep member/owners informed of the Co-op's status and plans, and of the Board's work, as appropriate.

BP 7.3: Directors will refrain from interfering authority of the General Manager who, under the direction of the Board, has the authority for the overall and day-to-day operation of the business. The General Manager employs, supervises, and discharges all employees, agents and laborers, and engages in all negotiations and discussions on behalf of the cooperative as necessary.

BP 7.4: Directors shall actively participate in training opportunities and utilize resources available to improve Board leadership skills.

BP 7.5: Directors shall work to ensure that the Co-op is controlled in a democratic fashion by its members, that all elections are open and fair, and that participation of all members is encouraged.

BP 7.6: Each Director's authority is equal only to the rights and authority of any individual member of the Co-op, except when the Board is in formal meeting. No individual Director may take action on behalf of the Co-op alone, unless explicitly delegated by Board policy or action of the Board. Directors will refrain from asking for special privileges.

BP 7.7: Directors shall contribute to and encourage open, respectful, and thorough discussions by the Board. Directors shall act supportively, work cooperatively, participate fully, and abide by the consensual action of the Board, even if it is not a Board member's personal opinion.

BP 7.8: No individual Director has an exclusive right to information that has not been made available to all Directors. Board members will give no voice to individual judgments by others regarding General Manager or staff performance without Board authority.

BP 7.9: Any individual Director shall have the right to present further evidence to the Board for consideration in a manner consistent with the Board's practices. The Board shall have the duty to reconsider its action appropriately.

BP 7.10: All Directors will maintain confidentiality with regards to actions, policies, or issues related to personnel, real estate, market strategy and goals, pending litigation, and details of the Co-op's financial status unless all Directors agree that such information is no longer confidential.

BP 7.11: Directors will represent loyalty to the interests of the Co-op's member/owners. This supersedes any conflicting loyalty, such as advocacy or interest groups and membership on other Boards or staffs.

BP 7.12: Directors will present the agreed-upon view of the Board of Directors, not their own, when speaking for the Co-op to employees, members, shoppers, and the general public, press or other entities.

BP 7.13: Directors shall disclose all conflicts of interest and refrain from discussing or voting on related issues. When the Board is to decide upon an issue that a member has an unavoidable conflict of interest, that member shall leave without comment and not participate in deliberations or voting. Members will annually disclose involvements with organizations, vendors, or associations that may produce a conflict.

BP 7.14: To assure openness, competitive opportunity, and equal access to information, there shall be no conducting of private business between any Board member and the organization.

BP 7.15: Board members must not use their positions to obtain employment for themselves, family, or close associates. Should a Board member desire employment, they must first resign from the Board.

BP 7.16: Board members pledge to do their best for Fare Share Co-op. They shall prepare for, promptly attend, and attentively participate in all regular and special Board meetings.

BP 7.17: The Board is responsible for carrying out other duties as provided by the By-laws or by general or specific corporate laws devoting the time needed to fulfill the responsibilities of the position.

BP 7.18: If, by consensus of the Co-op Directors, a Board member has violated this Code, he or she shall resign their position and shall not seek to cause any disruption to the Co-op and Board, for that action.

Each Board member shall review this policy annually and acknowledge compliance with a signature, collected by the Secretary. If a member's situation changes during the year, this should be made known immediately to the Board President in writing for inclusion in the Agenda at the next Board meeting.

Monitoring may include and is not limited to:

7.1 What evidence shows that that board has functioned in ways that benefit and reflect positively on the Co-op as a whole?

- 7.2 Is there evidence that shows a lack of professional or lawful conduct?
- 7.3 Has there been an instance that the Board has interfered with the authority of the General Manager?
- 7.4 How has the Board participated in training opportunities and resources? (Hours spent?)
- 7.10 Has confidentiality been maintained?
- 7.13 Have conflicts of interest been identified and avoided?

POLICY TYPE: BOARD PROCESS
POLICY TITLE: BP 8: BOARD COMMITTEE PRINCIPLES
ADOPTED: September 17, 2003
LAST REVISED: March 2015
Monitoring Report: Internal: Board Member, Annually

BP 8: Board Committee Principles

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

BP 8.1: Board committees are to help the Board do its job, 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 current staff operations.

BP 8.2: Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectation and authority will be carefully stated in order not to conflict with authority delegated to the General Manager.

BP 8.3: Board committees cannot exercise authority over staff. Because the General Manager works for the full Board, he or she will not be required to obtain approval of a Board committee before taking an action.

BP 8.4: Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore a Board committee that has helped the Board create policy on some topic will not be used to monitor organizational performance on that same topic.

BP 8.5: Committees will be used sparingly and ordinarily in an *ad hoc* capacity.

BP 8.6: This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. It does not apply to committees formed under the authority of the General Manager.

BP 8.7: Committee chairs or representatives must report to the Board President in a timely fashion about actions taken by the committee. If the action impacts the store or building, the Chairperson shall also report to the General Manager.

This policy will be monitored annually by internal report of a Board member to the Board.

Monitoring may include and is not limited to:

1. What committees have been active this year? Define the purpose of each.
2. Cite evidence that these committees were effective.
3. How effectively are committees communicating with the Board as a whole?
4. Is there a need to continue this committee's work?

POLICY TYPE: BOARD PROCESS
 POLICY TITLE: BP 9: BOARD NOMINATIONS PROCESS
 ADOPTED: September 17, 2003
 LAST REVISED: March 2015
Monitoring Report: Internal: Board Member, Annually

BP 9: Board Nominations Process

To ensure continuation of effective leadership and governance, the Board commits itself to recruiting high quality candidates for open Board positions.

Accordingly,

BP 9.1: The Board will appoint a Nominating Committee, constituted according to the By-laws. The Nominating Committee will be responsible for the following activities, listed sequentially:

- a) Recruit and identify potential candidates for the Board of Directors and when requested by the Board, for other Board Committees.
- b) Communicate with potential candidates about the nominating process, the election process, and the requirements of their service. Encourage potential candidates to attend a Board meeting if they have not already done so.
- c) Present a slate of candidates, which includes why each candidate is qualified for Board membership, for Board approval.
- d) Communicate with new candidates the requirements for their personal statements for the Co-op newsletter, and provide them with support.
- e) Conduct election at the fall General Membership Meeting.
- f) Count ballots and inform candidates and members of the election results.
- g) Orient new Board members before they attend their first Board meeting.
- h) Welcome new Board members at the first meeting.
- i) Present new Board members with Policy Governance manuals and provide training.

BP 9.2: The Nominating Committee will identify potential candidates who share the following qualifications:

- a) Candidates will be committed to serve the Co-op and its members.
- b) Candidates will be actively interested in linking to members.
- c) Candidates will have a preference for long-term, strategic, and conceptual thinking.
- d) Candidates will be willing to learn and work within the Policy Governance model (which will be explained thoroughly in the Orientation for new Board members).
- e) Candidates will be able to participate thoughtfully and assertively in deliberation, showing full respect for the opinions of others.
- f) In accordance with the Bylaws, Article V Section 2, "A person must have been a member in good standing for the six month prior to election."
- g) Candidates who have been convicted of a felony will notify the chairman of the Nominating Committee as soon as possible. This disclosure is necessary due to laws governing the Co-op's state liquor license. The Nominating Committee Chair will need to provide guidance to the candidate so he/she can begin the process of obtaining a state liquor license waiver.

BP 9.3: The Board will make clear to prospective candidates the obligations associated with Board membership. (See BP 3: Board Job Description.)

BP 9.4: To ensure a competitive election, the Board will strive to recruit a sufficient number of applicants to provide for two more candidates than open Board positions.

This policy will be monitored annually by internal report of a Board member to the Board.

Monitoring may include and is not limited to:

1. How many seats on the Board are open?
2. What skills are needed to fill these seats?
3. How many candidates have been recruited?
4. When was orientation held for all new Board members?
5. Where there has been non-compliance, how did the Board take steps to correct the problem and monitor again?

POLICY TYPE: BOARD PROCESS
 POLICY TITLE: BP 10: MEMBER/OWNER ENGAGEMENT
 ADOPTED: August 15, 2005 (rewritten, replaced old B9)
 LAST REVISED: March 2015
Monitoring Report: Internal: Board Member, Annually

BP 10: Member/Owner Engagement

The Board shall encourage and foster the growth of active member /owners in both numbers and engagement.

BP 10.1: New Member/Owners

- a) The Board shall designate a Board member to serve as the member/owner liaison between Co-op members and the Board. The member/owner liaison may train volunteers to assist.
- b) The liaison and volunteers shall support new members so that they become familiar with how to use the store, Co-op governance, volunteer opportunities (both store and non-store), volunteer discounts, membership responsibilities, and the grievance process.
- c) The Board shall provide new membership orientations quarterly. The member/owner liaison or a trained volunteer shall contact new members within one month of joining to invite them to the next scheduled new member orientation.
- d) The member/owner liaison shall report the number of new members to the Board on a monthly basis.

BP 10.2: Volunteering

- a) The Board itself is made of members who volunteer their time and effort to the Co-op.
- b) The Board may solicit volunteers to serve on Board committees and/or task forces
- c) The Board shall solicit volunteers to chair and to participate in planning and executing fundraisers.
- d) The Board will encourage and support volunteering (e.g., childcare, discounts, carpooling, recognition).
- e) The General Manager supervises and tracks hours for store volunteers in accordance with the Volunteer Manual (See MP 1.3).
- f) The Board shall appoint a Board member to track non-store volunteers and their hours. The Board member shall provide the names of the volunteers and their hours to the General Manager for purposes of determining discount levels.

This policy will be monitored annually by internal report of a Board member to the Board.

Monitoring may include and is not limited to:

- 10.1 Who is the current member/owner liaison?
- 10.1 How many new member/owners have joined the Co-op in the last year?
- 10.1 When were orientations held?
- 10.1 How many members in good standing do we have?
- 10.2 How many volunteers served on committees? in the store? on fundraisers?
- 10.2 How are hours tracked for discounts? How did this affect our sustainability?
- 10.2 Is there a Volunteer Manual? Is it up to date? Has it been made available to all volunteers?

BOARD-GENERAL MANAGER LINKAGE

The Board's sole official connection to the operating organization, its achievement, and conduct will be through a General Manager.

The Board of Directors is a policy-making body. The link between the Board and the operation of the Co-op is limited to its communication with, and direction of, the General Manager.

B-GM 1: Unity of Control

B-GM 2: Accountability of the General Manager

B-GM 3: Delegation to the General Manager

B-GM 4: Monitoring General Manager Performance

B-GM 5: Hiring a General Manager

B-GM 6: Managing a Grievance Process

Note: Reports will be assigned to the nine Board Members on a schedule published in January. Reports are due one week prior to the Board meetings. (See B-GM 4.4, 4.5, and BP 6.4.)

POLICY TYPE: BOARD-GENERAL MANAGER LINKAGE
POLICY TITLE: B-GM 1: BOARD AUTHORITY
ADOPTED: September 17, 2003
LAST REVISED: March 2015
Monitoring Report: Internal: Board Member, Annually

B-GM 1: Board Authority

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

B-GM 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.

B-GM 1.2: Only Board members or committees acting with explicit Board authority may request information or assistance from the General Manager.

This policy will be monitored annually by internal report of a Board Member to the Board.

Monitoring may include and is not limited to:

1.1 Did the Board's members and committees refrain from giving the GM direct instructions? If not, where there was non-compliance, how did the Board take steps to correct the problem and monitor again?

1.2 Did Board members and committee refrain from asking the GM for assistance or information unless they had explicit Board authority? If not, where there was non-compliance, how did the Board take steps to correct the problem and monitor again?

POLICY TYPE: BOARD-GENERAL MANAGER LINKAGE
POLICY TITLE: B-GM 2: ACCOUNTABILITY OF THE GENERAL MANAGER
ADOPTED: September 17, 2003
LAST REVISED: March 2015
Monitoring Report: Internal: Annually

B-GM 2: Accountability of the General Manager

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

B-GM 2.1: The Board will never give instructions to persons who report directly or indirectly to the General Manager.

B-GM 2.2: The Board will refrain from evaluating, either formally or informally, any staff other than the General Manager.

B-GM 2.3: The Board will view General Manager performance as identical to organizational performance so that organizational accomplishment of Board-stated Ends and compliance with Management Policies will be viewed as successful General Manager performance.

This policy will be monitored annually by internal report of a Board Member to the Board.

Monitoring may include and is not limited to:

2.1 Did the Board ever give instructions to persons who report to the GM? If so, how did the Board take steps to correct the problem and monitor again?

2.2 Did the Board ever evaluate any staff other than the GM? If so, how did the Board take steps to correct the problem and monitor again?

2.3 Did the Board hold the GM accountable for his or her performance ONLY as identical to the performance of the Co-op as reflected in accomplishment of Ends and MPs?

POLICY TYPE: BOARD-GENERAL MANAGER LINKAGE
 POLICY TITLE: B-GM 3: DELEGATION TO THE GENERAL MANAGER
 ADOPTED: September 17, 2003
 LAST REVISED: March 2015
Monitoring Report: Internal: Board Member, Annually

B-GM 3: Delegation to the General Manager

The Board shall instruct the General Manager through written policies that specify the organizational Ends to be achieved and management requirements, responsibilities, and expectations, allowing the General Manager to use any reasonable interpretation of these policies.

B-GM 3.1: The Board shall develop policies instructing the General Manager to achieve certain results, for certain recipients 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.

B-GM 3.2: The Board shall develop and refine policies that establish the latitude the General Manager may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, called Management Policies.

B-GM 3.3: As long as the General Manager uses any reasonable interpretation of the Board's Ends and Management Policies, the General Manager is authorized to establish all practices, and develop all activities.

B-GM 3.4: The Board may change the Ends and Management Policies at any time, thereby shifting the boundary between Board and General Manager domains. By doing so, the Board changes the latitude of choice given to the General Manager. But, as long as any particular delegation is in place, the Board will respect and support the General Manager's choice.

This policy will be monitored annually by internal report of a Board Member to the Board.

Monitoring may include and is not limited to:

3.1 Has the Board used policies to instruct the GM to achieve certain results at a specified cost?

3.2 Has the Board used policies that give the GM latitude to choose organizational means?

3.3 Has the Board let the GM use reasonable interpretation of the policies to develop activities?

3.4 Has the Board changed any policies? If so, which ones and when? If so, has the Board respected and supported the GM's implementation choices?

In any cases of noncompliance, how did the Board take steps to correct the problem and monitor again?

POLICY TYPE: BOARD-GENERAL MANAGER LINKAGE
 POLICY TITLE: B-GM 4: MONITORING GENERAL MANAGER PERFORMANCE
 ADOPTED: September 17, 2003
 LAST REVISED: March 2015
Monitoring Report: Internal: Board Member, Annually

B-GM 4: Monitoring General Manager Performance

The General Manager's job performance will be systematically and thoroughly monitored solely against the Co-op's advancement of the Ends policies and the General Manager's compliance with the Management Policies.

B-GM 4.1: Monitoring determines the degree to which Management Policies are being met and Ends are being advanced. The General Manager shall define metrics to measure results, set standards, and provide data that show performance relative to those policies. **<Note: Over the next reporting cycle, the new GM will need support to define these metrics.>** These metrics are subject to Board approval. If the Board determines that the metrics are inadequate to ensure proper monitoring of the Management Policies, the Board shall work with the General Manager to refine such metrics.

B-GM 4.2: The General Manager shall provide compliance data to the Board by internal report. In the event that the Board determines additional information is necessary, it may acquire additional data by either:

- a) **external report**, in which an external, disinterested third party selected by the board assesses compliance with Board Policies, or
- b) **direct inspection**, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.

B-GM 4.3: In every case, the standard for compliance shall be any reasonable General Manager interpretation of the Board Policy being monitored.

B-MP 4.4: All policies that instruct the General Manager will be monitored at a frequency (e.g. monthly, quarterly, or annually) and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

B-GM 4.5: The Board Secretary is responsible for developing and maintaining the Policy Governance monitoring schedule and giving Board members advance notice of upcoming monitoring report dates.

This policy will be monitored annually by internal report of a Board Member to the Board.

Monitoring may include and is not limited to:

- 4.1 Has the Board supported the GM in developing metrics to measure results, set standards, and provide data that shows performance relative to the MPs?
- 4.2 Has the Board clearly asked for additional information from the GM when necessary?
- 4.4 Has the Board monitored policies on schedule?
- 4.5 Has the Board Secretary developed and maintained the PG monitoring schedule?

In any cases of noncompliance, how did the Board take steps to correct the problem and monitor again?

POLICY TYPE: BOARD-GENERAL MANAGER LINKAGE
POLICY TITLE: B-GM 5: HIRING A GENERAL MANAGER
ADOPTED: August 1, 2005
LAST REVISED: March 2015
Monitoring Report: Internal: Board Member, Annually

B-GM 5: Hiring a General Manager

When the need for a General Manager is identified, it is the responsibility of the Board to hire a new General Manager in a responsible, professional, and timely fashion.

B-GM 5.1: The Board will appoint an *ad-hoc* Search Committee, which consists of Board members and may also include other members in Good Standing.

B-GM 5.2: The position will be posted for at least two weeks by mail or email to members, and by posting in the store. Other ways to advertise include newspaper ads, internet listings, and flyers.

B-GM 5.3: The entire process of application, interviews, and decisions is confidential.

B-GM 5.4: The Search Committee will accept and review applications, decide which applicants to interview, conduct interviews, and make a recommendation to the Board about its first, second, and third choices. The candidate will then have a second interview with the entire Board.

B-GM 5.5: If the recommendation of the Search Committee is accepted, the entire Board will decide upon a salary offer, a starting date, a probationary period, a method of evaluation at the end of that period, and any other benefits that will be offered to the General Manager. If it is not accepted, the Board will give the Search Committee explicit instructions about how to proceed.

B-GM 5.6: When a new General Manager is hired, the hiring will be reported to the general membership via e-mail or newsletter and to the general public via a press release. Letters of thanks and notice will be written by the Search Committee to all candidates.

B-GM 5.7: As an Equal Opportunity Employer, Fare Share Co-op is subject to the following laws:

- 1) Title VII of the Civil Rights Act of 1964 prohibits discrimination in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment, on the basis of race, color, religion, sex or national origin.
- 2) Under Section 503 of the Rehabilitation Act of 1973, and its implementing regulations, employers with federal contracts or subcontracts must take affirmative steps to employ qualified individuals with disabilities.

B-GM 5.8: Fare Share Co-op does not discriminate in hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects of employment, on the basis of sexual orientation.

This policy will be monitored annually by internal report of a Board Member to the Board.

Monitoring may include and is not limited to:

1. Has the Board used an ad hoc Search Committee to hire a GM in the last year? If so, did that committee follow the procedures described in the policies above?

POLICY TYPE:	BOARD-GENERAL MANAGER LINKAGE
POLICY TITLE:	B-GM 6: RESOLVING A GRIEVANCE
ADOPTED:	April 27, 2009
LAST REVISED:	March 2015
<i>Monitoring Report:</i>	<i>Internal: Board Member, Annually</i>

B-GM 6: Resolving a Grievance

Fare Share strives to listen to and resolve issues and concerns raised by staff members, Board members or Co-op member/owners. To this end, every effort will be made to resolve issues by direct communication between the people directly involved. If direct communication is unsuccessful, the Grievance Process described below shall guide the resolution of the issue in a responsible, professional, and timely fashion.

B-GM 6.1: Direct Communication

- 1) The person who has an issue or concern must first attempt to resolve the problem directly with the person with whom the conflict exists.
- 2) If the situation cannot be remedied through direct communication, the person shall seek the General Manager's assistance to resolve the issue.
- 3) If the person is not satisfied with the response, he or she may complete a Grievance Filing Form and submit it to the Fare Share Board President.

B-GM 6.2: Filing a Grievance

When a grievance is filed, a Grievance Committee, consisting of three (3) members shall be assembled by the Board President. Two members of the committee shall represent diverse points of view, such as a staff member, a member/owner, or a member of the Board. They shall be selected by and mutually agreeable to both parties. The third member shall be an outside third-party professional with education and/or experience in mediation, labor relations, human resources, or some other qualification that makes them skilled in dispute resolution. This person shall serve as the Grievance Committee Chair.

B-GM 6.3: Grievance Committee Responsibilities

The responsibilities of the Grievance Committee shall be to:

- 1) Hear the grievance, where direct attempts to solve the problem have been unsuccessful.
- 2) Solicit additional information as needed.
- 3) Evaluate the grievance and arrive at a binding decision on resolving it.
- 4) Provide written records of resolutions reached and actions taken.
- 5) Monitor use of labor hours in each grievance procedure, and keep within the established budget and timeline.

B-MP 6.4: Dispute Categories

Most cases of disputes fall into one of four categories:

- 1) Violation of existing policies.
- 2) Inconsistent application of policy to different employees in similar situations;
- 3) An unfair situation for which no policy exists.
- 4) An unfair situation caused by an inherently unfair or discriminatory policy.

If the situation doesn't fall into one of these four categories, the Grievance Committee may refuse to hear the dispute. In such cases, if the dispute involves a staff member, the committee might send it back to the General Manager to settle.

B-GM 6.5: Confidentiality

The Grievance Procedure shall be conducted as confidentially as possible. The person filing the grievance may discuss it with others if they choose to do so, but they must avoid disrupting operations at Fare Share. Anyone serving on the Grievance Committee must agree to maintain complete confidentiality.

B-GM 6.6: A Grievance Committee shall follow these procedures:

- 1) The Board President shall choose the outside third party member for the Grievance Committee and will name that person as Chair of the committee. The Board President informs both dispute parties about all members of the Grievance Committee.
- 2) The Board President provides copies of the Grievance to the Grievance Committee.
- 3) Standing Grievance Committees shall follow these procedures:
 - a) Review the dispute to make sure it falls under the Dispute Categories for a grievance.
 - b) Ensure that valid prior attempts to resolve the dispute have been made.
 - c) Meet with both parties, and others who may have relevant information, (e.g, those who observed an incident). Confidentiality will be required of each person contacted.
 - d) The Committee will work with both parties to resolve the dispute.
 - e) If the dispute is not resolved, the Grievance Committee may then meet privately, and its decision will be binding.
 - f) Ideally, the Grievance Committee will reach a unanimous decision within the required time frame. If consensus cannot be reached, the decision will be made by a simple majority.
 - g) The Grievance Committee meets with both parties and decides what information, if any, will be made public to the staff and Board of Directors.

B-GM 6.7: Payment

The third party member of Grievance Committee may be paid by the hour, any staff member on a Grievance Committee will be paid, and any employees called to testify will be paid for his or her time. An employee filing a grievance will not be paid for the time spent submitting the form or for time spent testifying to the Grievance Committee. Other participants in the process will not be paid.

A total of six hours is the maximum amount that Fare Share Co-op shall pay without approval for more from the Board of Directors.

B-GM 6.8: Time Frame

Grievances shall be resolved as promptly as possible. Two weeks is desirable, and four weeks shall be considered maximum.

The following provide examples of appropriate resolutions for the typical Dispute Categories:

- 1) In cases of complaints of violations of existing policy, the Grievance Committee determines whether management has in fact violated the policy. If so, it sends the case back to the

General Manager for a new decision that is in line with the policy.

- 2) In cases of complaint of inconsistent application of policy, the Grievance Committee will consider previous decisions and determine if in fact the policies have been applied inconsistently to different people in similar situations. If so, the Grievance Committee will delineate a course of action to management.
- 3) In cases of a complaint of an unfair situation for which there is no applicable policy, the Grievance Committee determines if the situation is in fact covered by existing policy, and if not, determines how this case can be handled and recommends a policy to management.
- 4) In cases where the fairness of an existing policy is questioned, the Grievance Committee researches the intent of the policy when adopted, determines whether or not it is unfair, and if so on what grounds, then determines how this case can be handled and recommends a change in policy to management.

This policy will be monitored annually by internal report of a Board Member to the Board.

Monitoring may include and is not limited to:

1. Did Board members take the necessary steps to resolve grievances by direct communication? In any cases of noncompliance, how did the Board take steps to correct the problem and monitor again?
2. Were any formal grievances filed in the last year? If so, what was the nature of each grievance and how was it resolved?
3. In the case(s) of formal grievances, did the Board follow the process described above to ensure adequate resolution?

Note: This monitoring report should protect the confidentiality of all parties, according to 6.5.