

Field Guide to the General Manager Contract Template

By Carolee Colter, Marilyn Scholl and Thane Joyal

Every board of directors of a retail food cooperative should strive to be an excellent employer for their general manager, the person who is responsible for the success of the cooperative. Clear expectations are part of being a good employer and contracts are one possible tool that boards can use to clarify expectations and provide for terms of separation. Contracts are not necessary, but clear expectations are.

The CBLD General Manager Contract Template provides a starting point for boards and general managers wishing to use an agreement or contract. Please remember that this Field Guide and the Template document are provided to illustrate best practices, and are NOT a substitute for legal advice from a labor law attorney who practices in your state. Legal advice is a key to ensuring the appropriate use of any contract since provisions that are permissible in one state could be unenforceable in another.

Pros and Cons

- A contract spells out the terms of separation. For a new general manager, this can be important. For an established general manager, a contract may be superfluous since the board policies and the co-op's status as an at-will employer can be sufficient for guiding the board/general manager relationship.
- Legalistic or technical contract language can complicate board members' ability to understand the agreement with the general manager.
- Contracts in the context of at-will employment may create confusion about expectations on the part of either the board or the general manager.

Best Practices

- Always clarify that the general manager is an at-will employee
- Put specifics about job duties and compensation in an appendix to the contract itself. (See the CBLD resources on [the GM Compensation Process](#). Expectations for job duties are generally found in board policies.)
- Maintain appropriately confidential records including the contract, and ensure that successive boards have access to the GM's employment records as needed.
- Only use a contract to enhance the board/GM relationship: if it doesn't add value, don't use a contract.
- Use the CBLD template as a model: don't re-invent the wheel!

Using the Template

- Agree to a process for developing the document with your GM
- Seek legal review of your contract prior to executing it.
- Don't be surprised if your GM wants her attorney to review it too.
- Include your co-op's legal name and be sure it is signed by an authorized board member (typically the president)
- Number and label pages carefully to ensure there's no confusion about the content of the contract.

Questions for discussion:

- Do we understand why we would use a contract? (Because we've always done it is not necessarily the strongest answer).
- Do we understand the difference between a contract and an agreement?
- Is our GM asking for a contract?
- What value does the contract bring to the relationship from the perspective of the board? From the perspective of the GM?

Resources:

CBLD Online Recorded Workshop: [Building a Successful Board-GM Relationship](#)

CBLD Online Recorded Workshop: [GM Evaluation Process](#)

CBLD Online Recorded Workshop: [Setting a Process for GM Compensation](#)

CBLD Online Recorded Workshop: [Starting off Right with your New General Manager](#)