



Through the Looking Glass

Make Your Board's Transparency Obvious

by Martha Whitman

Typically, the topic of transparency comes up only when a specific issue calls it into question. A member asks about potential locations for a new store, or an employee wants to know why someone was let go. Is the board free to speak?

Sometimes the answer is obvious. Other times—not so much. But considering our democratic structure, it is useful to develop practices that demonstrate transparency. Usually it's not a question of whether or not we're following such practices; it's that we don't always provide an easy way for members to see it.

Some of the more obvious transparency practices involve communication between the board and members. Here are ways to provide member access to the board:

- Allow members to address the board at regular board meetings, co-op community events, and the annual meeting.
- Produce an annual report for the annual meeting and archive it on the co-op's website.
- Provide board and management contact information in a variety of places (the newsletter, the store information desk, the website). Include pictures and bios of each director.
- Archive approved board minutes on the website.

This article is excerpted from Issue #22 of the [LEADer](#) (Leadership Education and Development newsletter), published in winter 2014. The topic of this issue was board transparency and balancing democratic member control with business realities. Other articles in this issue were about executive sessions, when not to share information, and how to decide what to share publicly. The study guide provides four common situations faced by food co-op boards and encourages a discussion by your board to build agreement on how to handle those situations. Find the [full issue here](#).



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Other transparency practices are about policies. Make it easy for members to understand how the board conducts its business:

- Post your governance process on your website. Keep in mind that most members are probably not aware of the extent to which boards delegate authority to the general manager.
- Create a conflict-of-interest policy and review it at least annually.
- Allow members to review financial statements, but only in the co-op office. Have someone knowledgeable available to answer member questions about finances.
- Create a general manager compensation policy. While staff directors might not be given access to specific dollar amounts, all directors should be involved with establishing compensation criteria and should be able to comfortably discuss them with members.
- Hire an external accountant for annual reviews or audits.

Presenting your cooperative governance with transparency in mind serves everyone. Consider reviewing the concept annually; new directors will be appreciative of the information, and more seasoned directors will benefit from the review. Over time, everyone will be better equipped to handle requests for sensitive information, and members will become more trusting.