

CBLD

Policy Register Template

Note: While we are presenting something here that we believe is useful “as is,” each group is responsible for making your own decisions about the policies that will be useful for your co-op. Use this template not as an absolute directive, but as a starting place for your own conversation.

CBLD Policy Register Template Users’ Guide

Co-op boards that use Policy Governance ® write policies as a way to codify their agreements for how they will work together, how they will delegate responsibility to management, and what authority they will then actually delegate. Our CBLD team of consultants created this set of template policies based on what we saw does or doesn’t work for most food co-op boards, and we periodically revise these policies based on users’ feedback and experience. We have tried to strike a balance between those boards that want less detail in their policies and those that want more. Overall, we hope that this template is a useful tool for boards as they develop their own policies.

Tips for using this template:

* This template is provided for educational purposes and as an aid for your own policy development, revision or review work. As with any such template, these policies are not intended to be an absolute recommendation; they are a starting point and reference to guide for your own conversation. Each board is responsible for deciding if these policies make sense for them.
* This template is written with the assumption that the co-op’s member-owners have clearly given the board authority in the bylaws. These policies offer guidance for how a co-op board can appropriately make further, more detailed decisions beyond what the bylaws mandate.
* Many of the Board Process and Board-Management Relationship policies simply flesh out some details of the Policy Governance ® system, but a few of the policies in these sections are specific and will be different from board to board. As one example, note that the C4 policy specifies a particular agreement about decision-making. If your board uses a different process for making decisions, substitute your own agreement in place of what you find in the template.
* The board uses Executive Limitations policies to define which decisions are within the General Manager’s authority, and we have tried to present examples of limitations that can work well for a variety of boards and managers. Your board should make sure you understand which authority you have delegated to the GM and which you hold at the board level. As one example, note that the B1 template policy says that the board (not the GM) has the authority to take out loans.
* Each policy has a header that includes a “Last Revised” date. This should be the date of the meeting at which your board decided to adopt or revise the policy.
* Remember that the board’s policies make up one-half of an effective system for “accountable empowerment.” The GM’s monitoring reports are the other essential half. The GM Report Support section of the Columinate Library contains examples of robust and useful monitoring reports.

You might want to use this template as a starting point when:

* + You have just decided to use Policy Governance ® as your board’s operating system.
  + You want to do a “complete overhaul” of your policies.
  + You want examples of specific policy language to add to or replace a current policy
  + You want a clearly written set of policies that were designed for food co-op boards

A suggested process for using this policy template:

* + Make a board decision to begin this work.
  + Use this template, rather than your current policies, as your starting point.
  + Review the template one section at a time. Within each section, ask:
* Is there anything in this version that is “wrong” for our board?
* Is there anything in our existing policy that we need to bring into the new version?
* Is there anything we should change or add to ensure our policies are consistent with our bylaws?
  + Ask your CBLD consultant for support, guidance and answers to your questions.

Other resources

* + [GM Report Support](http://library.cdsconsulting.coop/gm-report-support-page/)
  + [Fresh Start Bylaws Template](http://library.cdsconsulting.coop/fresh-start-bylaws-template/)
  + [Policy Governance ® Quick Guide](http://library.cdsconsulting.coop/policy-governance-quick-guide/)
  + [Policy Governance ® Implementation Field Guide](http://library.cdsconsulting.coop/policy-governance-implementation/)
  + [Connecting Policy Governance ® to the Four Pillars of Cooperative Governance](http://library.cdsconsulting.coop/video-field-guide-connecting-policy-governance-and-the-4-pillars/)

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Policy Type: Ends

Policy Title: A – Global End

Last Revised: **CBLD Template: June 23, 2009**

Until ends policies are developed, the Cooperative’s purpose and priorities will remain as previously stated explicitly by the Board or as found implicitly in previously adopted Board documents*.*

Policy Type: Executive Limitations

Policy Title: B – Global Executive Constraint

Last Revised: **CBLD Template: November 22, 2008**

The General Manager must not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.

Policy Type: Executive Limitations

Policy Title: B1 – Financial Condition and Activities

Last revised: **CBLD Template: July 5, 2017**

With respect to the actual, ongoing financial conditions and activities, the General Manager must not cause or allow the Cooperative to be unprepared for future opportunities, the development of fiscal jeopardy, or key operational indicators to be below average for our industry.

The GM must not:

1. Allow sales growth to be inadequate.
2. Allow operations to generate an inadequate net income.
3. Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. Allow solvency (the relationship of debt to equity) to be insufficient.
5. Allow growth in ownership and owner paid-in equity to be insufficient.
6. Default on any terms that are part of the Cooperative’s financial obligations.
7. Allow late payment of contracts, payroll, loans or other financial obligations.
8. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
9. Acquire, encumber or dispose of real estate or enter into long-term real estate leases.
10. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
11. Use restricted funds for any purpose other than that required by the restriction.
12. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

Policy Type: Executive Limitations

Policy Title: B2 –Planning and Financial Budgeting

Last revised: **CBLD Template: May 22, 2014**

The General Manager must not operate without annual and multi-year budgets and plans that address intentional and improved Ends accomplishment along with avoidance of fiscal jeopardy.

The GM must not:

1. Create plans or budgets that
   1. Risk incurring those situations or conditions described as unacceptable in the Board policy “Financial Condition and Activities.”
   2. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
   3. Do not address excellence in business systems and operations.
   4. Have not been tested for feasibility.
2. Provide less for Board prerogatives during the year than is set forth in the board budget.

Policy Type: Executive Limitations

Policy Title: B3 – Asset Protection

Last revised: **CBLD Template: July 5, 2017**

The General Manager must not allow assets to be unprotected, unreasonably risked, or inadequately maintained.

The GM must not:

1. Allow equipment and facilities to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
2. Allow unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Allow deposits or investments to be unreasonably risked.
4. Allow inadequate security of premises and property.
5. Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
   1. Allow improper usage of member-owners’ and customers’ personal information.
6. Allow purchasing that is uncontrolled or subject to conflicts of interest.
7. Allow lack of due diligence in contracts.
8. Allow damage to the Cooperative’s public image.

Policy Type: Executive Limitations

Policy Title: B4 – Membership Rights and Responsibilities

Last Revised: **CBLD Template: July 5, 2017**

The General Manager must not allow member-owners to be uninformed or misinformed of their rights and responsibilities.

The GM must not:

1. Allow any individual to become a member-owner unless that individual meets the eligibility requirements described in our Bylaws, and pays the required $xx equity (or begins an equity payment plan).
2. Create or implement a member-owner equity system without the following qualities:
   1. Member-owners are informed that equity investments are a) at risk, and b) generally refundable, though the Board retains the right to withhold refunds when necessary to protect the Cooperative’s financial viability.
   2. Equity will not be refunded if such refunds would lead to a net decrease in total member-owner paid-in equity at the end of any reporting period, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.
3. Implement a patronage dividend system that does not
   1. Comply with IRS regulations.
   2. Allow the Board to examine a range of options and implications, so the Board can make a timely determination each year concerning how much, if any, of the Cooperative’s net profit will be allocated and distributed to member-owners.

Policy Type: Executive Limitations

Policy Title: B5 – Treatment of Customers

Last Revised: **CBLD Template: January 2, 2014**

The General Manager must not be unresponsive to customer needs.

The GM must not:

1. Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
2. Allow an unsafe shopping experience for our customers.

Policy Type: Executive Limitations

Policy Title: B6 - Staff Treatment and Compensation

Last revised: **CBLD Template: July 5, 2017**

The General Manager must not treat staff in any way that is unfair, unsafe, or unclear.

The GM must not:

1. Operate without written personnel policies that:
   1. Clarify rules for staff.
   2. Provide for fair and thorough handling of workplace conflicts. The board should not be included as a participant in the conflict resolution process.
   3. Are accessible to all staff.
   4. Inform staff that employment is neither permanent nor guaranteed.
   5. Encourage employees to report unethical or illegal behavior.
2. Prevent any employee from reporting unethical or illegal activity to the board, or discriminate or retaliate against any employee for reporting unethical or illegal behavior or activity.
3. Cause or allow personnel policies to be inconsistently applied.
4. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
5. Establish compensation and benefits that are internally or externally inequitable.
6. Change the GM’s own compensation and benefits, except as those benefits are consistent with a package for all other employees.

Policy Type: Executive Limitations

Policy Title: B7 – Communication to the Board

Last Revised: **CBLD Template: August 10, 2017**

The General Manager must not cause or allow the Board to be uninformed or unsupported in its work.

The GM must not

1. Submit monitoring reports that are untimely or inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
2. Report in an untimely manner any actual or anticipated noncompliance with any Board policy, along with a plan for reaching compliance and a proposed schedule regarding follow-up reporting.
3. Allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or internal and external changes.
4. Withhold from the Board relevant information from or about key partners including NCG, including (but not limited to): reports about industry trends, operational audits, risk assessment and joint liability, program participation, and member agreements.
5. Withhold an opinion if the GM believes the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM.
6. Deal with the Board in a way that favors or privileges certain directors over others except when responding to officers or committees duly charged by the Board.

Policy Type: Executive Limitations

Policy Title: B8 –Board Logistical Support

Last Revised: **CBLD Template: July 5, 2017**

The General Manager must not allow the Board to have inadequate logistical support.

The GM must not:

1. Provide the Board with insufficient staff administration to support governance activities and Board communication.
2. Allow the board to be without a workable mechanism for official board, officer or committee communications.
3. Allow directors to be without an updated copy of the Policy Register and the Bylaws.
4. Provide inadequate information and notice to member-owners concerning Board actions, meetings, activities and events.
5. Allow insufficient archiving of board documents.

Policy Type: Executive Limitations

Policy Title: B9 – Emergency GM Succession

Last revised: **CBLD Template: July 5, 2017**

To protect the Cooperative from sudden loss of GM services, the GM must not have less than one other manager sufficiently familiar with Board and GM issues and processes to enable them to take over with reasonable proficiency as an interim successor.

Policy Type: Board Process

Policy Title: C – Global Governance Commitment

Last Revised: **CBLD Template: January 2, 2014**

Acting on behalf of our owners, the Board ensures the success of the cooperative by working together effectively, empowering and holding accountable professional management, providing strategic leadership for our cooperative, and perpetuating our democratic organization.

Policy Type: Board Process

Policy Title: C1 – Governing Style

Last Revised: **CBLD Template: July 5, 2017**

We will govern in a manner consistent with the Four Pillars of Cooperative Governance (Teaming, Accountable Empowerment, Strategic Leadership, Democracy). In order to do this, we will:

1. Be a strategic leader by developing insight and foresight to set direction and facilitate movement in that direction.
2. Ensure effective systems of delegating authority to professional management, holding the use of that power accountable, and clearly distinguishing between board and management responsibilities.
   1. Observe the 10 Policy Governance principles (Ownership, Position of Board, Board Holism, Board Means Policies, Clarity and Coherence of Delegation, , Ends Policies, Executive Limitations Policies, Policy Sizes, Any Reasonable Interpretation, Monitoring)
3. Maintain team discipline, authority and responsibility.
4. Practice the habits of a successful democracy.
5. Obey all relevant laws and bylaws.

Policy Type: Board Process

Policy Title: C2 – The Board’s Job

Last Revised: **CBLD Template: July 5, 2017**

In order to govern successfully, we will:

1. Practice, protect, promote and perpetuate a healthy democracy for our Cooperative.
2. Hire, set compensation for, delegate responsibility to, and hold accountable a General Manager.
   1. Use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.
3. Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
4. Rigorously monitor operational performance in the areas of Ends and Executive Limitations.
5. Regularly evaluate our own Board performance in the areas of Board Process and Board-Management Relationship.
6. Perpetuate the Board’s leadership capacity using ongoing education and training, a robust recruitment, qualification and nomination process and fair elections.
7. Perform other duties as required by the bylaws or because of limitations on GM authority.

Policy Type: Board Process

Policy Title: C3 – Agenda Planning

Last Revised: **CBLD Template: January 2, 2014**

We will follow a strategic multi-year workplan and annual agenda that focuses our attention upward and outward.

1. We will create, and modify as necessary, an annual calendar that includes tasks and events related to our multi-year workplan, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in our Board-Management Relationship policies.
2. Board meeting agendas will be determined by the Board president, and may be modified at the meeting by a majority vote of the Board.

Policy Type: Board Process

Policy Title: C4 – Board Meetings

Last Revised: **CBLD Template: July 5, 2017**

Board meetings are for the task of getting the Board’s job done.

1. We will use Board meeting time only for work that is the whole Board's responsibility. We will avoid committee issues, operational matters, personal concerns and other topics that are not the highest and best use of our time.
2. Meetings will be open to the membership except when executive session is officially called.
   1. We may occasionally use executive session to deal with confidential matters, as long as the purpose of the session is stated. When possible, announcement of the executive session should be on the published agenda.
3. We will seek consensus through discussion. We will then finalize and document decisions through the use of motions, seconds and majority vote.
4. If we must make a decision outside of a regular meeting, that decision must be unanimous and affirmed in writing by all directors. We will include a record of that decision in the minutes of the next regular meeting.

Policy Type: Board Process

Policy Title: C5 – Directors’ Code of Conduct

Last Revised: **CBLD Template: August 10, 2017**

We each commit ourselves to ethical, professional and lawful conduct.

1. Every director is responsible at all times for acting in good faith, in a manner which they reasonably believe to be in the best interests of the Cooperative, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
2. Directors must demonstrate unconflicted loyalty to the interests of the Cooperative’s member-owners. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other Boards or staffs, and the personal interest of any director acting as an individual consumer or member-owner.
   1. There will be no self-dealing or any conduct of private business or personal services between any director and the Cooperative except as procedurally controlled to assure openness, competitive opportunity and equal access to “inside” information.
   2. Every year, every director will complete the Code of Conduct Agreement form and will verbally report to the whole board all actual and potential conflicts. Every director will immediately report any subsequent actual or potential conflicts to the whole board.
   3. When the Board is to decide on an issue about which a director has an unavoidable conflict of interest, that director shall abstain from the conversation and the vote.
   4. A director who applies for employment at the Cooperative must first resign from the Board.
   5. *(Include if your Cooperative allows employees to serve on the Board)* Any director who is also a paid employee has the same duties and responsibilities as any other director, and has the additional duty of clearly segregating staff and Board responsibilities. Any director who is also a paid employee will resign from the Board if and when their employment ends.
3. Directors may not attempt to exercise individual authority over the organization.
   1. When interacting with the GM or employees, directors must carefully and openly recognize their lack of authority.
   2. When interacting with the public, the press, or other entities, directors must recognize the same limitation and the inability of any director to speak for the Board except to repeat explicitly stated Board decisions.
4. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
5. Directors will prepare for attend, and participate fully in all Board meetings and trainings.
6. Directors will support the legitimacy and authority of the Board’s decision on any matter, irrespective of the director’s personal position on the issue.
7. Any director who does not follow the code of conduct policy can be removed from the Board by a 2/3 majority vote of the remaining Board.

Policy Type: Board Process

Policy Title: C6 – Officers’ Roles

Last Revised: **CBLD Template: July 5, 2017**

We will elect officers in order to help us accomplish our job.

1. No officer has any authority to supervise or direct the GM.
2. Officers may delegate their authority but remain accountable for its use.
3. The president ensures the Board functions well and in accord with our policy agreements.
   1. The president is authorized to make decisions that are consistent with Board Process and Board-Management Relationship policies in order to facilitate the Board’s functioning.
   2. The president will chair and set the agenda for Board meetings.
   3. The president plans for leadership (officer) perpetuation.
   4. The president may represent the Board to outside parties.
4. The vice-president will perform the duties of the president if the president is unable to do so.
5. The treasurer is responsible for supporting the board in all finance-related board work.
   1. The treasurer will lead the Board’s process for creating and monitoring the Board’s (not the Cooperative’s) budget.
   2. The treasurer will facilitate the Board’s understanding of the financial condition of the Cooperative.
   3. In addition, the treasurer will (*insert* *whatever the bylaws require and the Board has not chosen to delegate to management*).
6. The secretary will make sure the Board’s documents are accurate, up to date, and appropriately maintained.
   1. The secretary will write the draft and final versions of any new policy or committee charter.
   2. In addition, the secretary will (*insert* *whatever the bylaws require and the Board has not chosen to delegate to management*).

*(It is not necessary to have all these officers. If your by-laws require or the Board has otherwise decided to have these officers, this is an example of how you might define the roles. As with all Board policies, this one must abide by the by-laws.)*

Policy Type: Board Process

Policy Title: C7 – Board Committee Principles

Last Revised: **CBLD Template: January 2, 2014**

We will use Board committees only to help us accomplish our job.

1. Committees will reinforce and support Board holism.
   1. In particular, committees help the whole Board move forward when they research alternatives and bring back options and information.
2. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
3. The Board will establish, regularly review and control committee responsibilities in written committee charters.
   1. We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the GM.

Policy Type: Board Process

Policy Title: C8 – Governance Investment

Last Revised: **CBLD Template: August 10, 2017**

We will invest in the Board’s governance capacity.

1. We will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
2. We will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
   1. We will use training and retraining liberally to orient new directors and board candidates, as well as to maintain and increase existing directors’ skills and understanding.
   2. We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
   3. We will use outreach mechanisms as needed to ensure our ability to listen to member-owner viewpoints and values.
   4. We will use professional and administrative support.
3. We will develop the Board’s annual budget in a timely way so as to not interfere with the development of the Cooperative’s annual budget. We will complete this work no later than [month].

Policy Type: Board-Management Relationship

Policy Title: D – Global Board-Management Connection

Last Revised: **CBLD Template: November 22, 2008**

The Board’s sole official connection to the operations of the cooperative will be through the General Manager.

Policy Type: Board-Management Relationship

Policy Title: D1 – Unity of Control

Last Revised: **CBLD Template: November 22, 2008**

Only officially passed motions of the Board are binding on the GM.

1. Decisions or instructions of individual directors, officers, or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power.
2. In the case of directors or committees requesting information or assistance without Board authorization, the GM can refuse any requests that, in the GM’s opinion, may disrupt operations or that require too much staff time or resources.

Policy Type: Board-Management Relationship

Policy Title: D2 – Accountability of the GM

Last Revised: **CBLD Template: January 2, 2014**

The General Manager is the Board’s only link to operational achievement and conduct.

1. The Board will view GM performance as identical to organizational performance so that organizational accomplishment of Ends and organizational operation within Executive Limitations will be viewed as successful GM performance.
2. The Board will not instruct or evaluate any employee other than the GM.

Policy Type: Board-Management Relationship

Policy Title: D3 – Delegation to the GM

Last Revised: **CBLD Template: October 27, 2010**

The Board delegates authority to the GM through written Ends and Executive Limitations policies.

1. As long as the GM uses any reasonable interpretation of the Board’s Ends and Executive Limitations policies, the GM is authorized to establish all further policies, practices and plans for the cooperative.
2. The Board will respect and accept the GM’s choices as long as those choices are based on reasonable interpretations of Board policies.
3. If the Board changes an Ends or Executive Limitations policy, the change only applies in the future.

Policy Type: Board-Management Relationship

Policy Title: D4 – Evaluating the GM

Last Revised: **CBLD Template: July 5, 2017**

The Board will systematically and rigorously monitor and evaluate the GM’s job performance compared to expectations set forth in Board policies.

1. The Board’s policy monitoring process is the foundation of our annual evaluation of the GM.
   1. In [June] of each year the Board will review a summary of the monitoring reports received during the previous 12 months. Based on that review, the Board will present an evaluation letter to the GM. That letter will constitute our full evaluation, and it will be delivered no later than [July 31].
2. The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses policy interpretations and compliance information to the Board; (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or (c) by direct Board inspection, in which a designated director or committee assesses compliance with the policy.
3. The Board’s standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but we will always judge with a “reasonable person” test rather than with interpretations favored by individual directors or by the Board as a whole.
4. The Board will accept that the GM is compliant with a policy if the monitoring report includes a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
5. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.

Appendices

***SAMPLE***

**Code of Conduct Agreement**

**For Board of Directors**

I agree to abide by Board Policy C5 Code of Conduct and any subsequent changes the board makes to that policy. I understand that if, in the opinion of 2/3 of co-op directors, I have violated the letter or spirit of the Code of Conduct, the board has the ability to vote to remove me from the board in accordance with policy C5.

According to Policy C5 I have an affirmative duty to disclose my actual and potential conflicts of interests, including relationships (such as with associations, organizations of which our co-op is a member, co-op employees and vendors) which may pose a conflict of interest in whole or in part with respect to my service on the board. These are listed below. I understand that I have a duty to disclose any additional actual or potential conflicts that may arise and to abide by board policy regarding participation in matters under consideration by the board.

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Signature of Director/Candidate Date

Note: This form is to be completed by all directors annually, within one month following board elections.

rev. 01/14

Committee Charter (sample, Last Revised 10/08/09)

Committee: Nomination and Recruitment

Date Chartered:

End of Term:

The primary purposes of the Nomination and Recruitment Committee will be to:

1. Identify and recruit a pool of well-qualified Board candidates according to Board policy.
2. Develop an application and screening process.
3. Provide a brief written report to the Board monthly about the activities of this committee.
4. Submit to the Board in a timely way names of recommended nominees for election or appointment.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| (sample) 2017 BOD Calendar Last Revised: July 2016 | | | | | | | | | | | | |
| Item | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec |
| Mtg Date |  |  |  |  |  |  |  |  |  |  |  |  |
| Board Education | CBL 101 and Leadership  Training  Jan.28 | Expansion Planning: Process and Timelines | Expansion Planning: Focus on Board Decisions  CBLD Cooperative Café  March 12 | Understand-ing Market Study |  | CCMA  June 9-11 Amherst |  | Understand-ing Pro Forma Financial Statements |  |  | Yearly Reflection:  What have we learned?  How can we integrate this learning/lead into the future? | Yearly Review and Update of next year’s education plan |
| Member Engagement and  Newsletter Articles |  |  |  |  |  |  | Article for Annual Report | Prep for Annual Member Meeting | Article about BoD Elections, Candidate Bios | Review Member Meeting Agenda and assignments | Annual Member Meeting |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Admin.  Agenda Items | Welcome new directors | Election of Board Officers  Finalize GM Evaluation | BOD Budget finalized  Review GM Compensa-tion Proposal  BOD Retreat  March 22 | Board Retreat Follow-up | Finalize GM Compensa-tion Decision |  | Review Member Meeting Agenda  Start 2017 calendar  Board assignments for election |  | Deadline for BOD Candidates information for ballots September 11th  Auditor Presents Report to the BOD | Board Elections October 1-21  Enroll in CBLD | Certify election results  Register for CBLD events | Farewell to departing directors  Orientation meeting for new board members  Review calendar for next year |
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| Board Monitoring | C:  Global Governance  D: Global BoD-Mgmt | C1: Governing Style | C2:  Board’s Job | C3:  Agenda Planning | C4: Meetings | C5:  Code of Conduct | C6:  Officers | C7: Committee Principles | C8: Governance Investment | D1:  Unity of Control | D2:  GM Account-ability | D3:  Delegation to GM  D4:  Evaluating GM |
| GM Monitoring | B:  Global Constraint | B1:  Financial Condition  B9: Succession | B4: Membership | B5: Consumers | B1:  Financial Condition  B2:  Planning & Budgeting | A:  Ends | A:  Ends, continued | B1:  Financial Condition | B3:  Asset Protection | B6:  Staff | B1:  Financial Condition | B7:  Board Communication  B8: Board Support |



Policy Governance Quick Guide

Policy Governance is an operating system for boards of directors. As with operating systems for computers, the system itself is not the point of the board’s work; the system simply provides an underlying framework on which boards can build further agreements and activities. Policy Governance does not mandate specific decisions, but does highlight the kinds of decisions a board should make. These decisions include agreements about how the board will work together, how the board will empower and hold accountable the cooperative’s management, how the board will articulate the cooperative’s purpose and set up the cooperative for movement in that direction, and how the board understands the role of member-owners and others in the governance of the cooperative.

The Policy Governance operating system is essentially an integrated set of principles – principles that gain their power when used together. Key to the principles is the meaning of the word “policy.” Within the context of Policy Governance, policies are the proactive articulation of values or principles that guide action.

Policy Governance principles:

1. Ownership
   * The cooperative is owned by its members. The board exists to act and make decisions on behalf of and in the best interest of the owners.
2. Position of Board
   * The board is a distinct link in the chain of empowerment and accountability within the cooperative. The owners empower the board through the bylaws, and the board is accountable to owners for the success of the cooperative. In turn, the board empowers and holds management accountable, delegating authority to management through Ends and Executive Limitations policies.
3. Board Holism
   * The authority of the board belongs to the whole. To say that the board “speaks with one voice” means that the board’s authority is a group authority. The “voice” of the board is expressed through the written policy decisions. Directors can work to persuade and influence the board in its deliberations and decision-making; beyond that, individual directors or subsets of the board have no authority to instruct staff.
4. Board Means Policies
   * The board defines in writing its own job and how it operates. These decisions are agreements about the board’s means, categorized as Board Process policies and Board-Management Relationship policies.
5. Clarity and Coherence of Delegation
   * The board unambiguously identifies the authority and responsibility of any person (e.g., GM or board president) or committee to whom the board delegates. No individual director, officer, or committee can be delegated responsibility that interferes with or duplicates responsibility delegated to the GM.
6. Ends Policies
   * The board defines in writing the cooperative’s purpose in terms of: intended effects/benefits to be produced, intended recipients of those benefits, and (if desired) the intended cost-benefit or priority of those benefits. (Any decisions about issues that don’t fit the definition of Ends are *means* decisions.)
7. Executive Limitations Policies
   * The board defines in writing its expectations about the means of the cooperative. Rather than prescribing board-chosen means, Executive Limitation policies define limits on operational means – essentially, defining boundaries on the GM’s authority. Executive Limitation policies describe means that are not allowed even if they are effective. The board retains the authority to make decisions that are outside of the GM’s authority.
8. Policy sizes
   * The board decides the four types of policies first at the broadest, most inclusive level. The board can then further define each policy in further levels of detail until reaching a point at which the board can accept any reasonable interpretation of the written policy.
9. Any Reasonable Interpretation
   * More detailed decisions about Ends and operational means are delegated to the GM, who has the right to use any reasonable interpretation of the board’s written policies. A reasonable interpretation will include more detailed and/or clarified meaning of the board’s policy, along with operational definitions (the metrics and benchmarks used to gauge accomplishment). More detailed decisions about board means (and the right to use any reasonable interpretation of those written policies) are delegated to the board chair – unless part of the delegation is explicitly directed to another officer or committee.
10. Monitoring
    * The board must check to ensure that the cooperative has achieved (or made progress toward) the Ends while operating within the Executive Limitation boundaries. The board judges the GM’s interpretation and operational definition for reasonableness, and judges whether the data demonstrates accomplishment of that interpretation and operational definition. The ongoing monitoring of Ends and Executive Limitations policies constitutes the GM’s performance evaluation. The board must monitor its own performance according to the stated board means policies.

Policy Governance is a registered service mark of John Carver.

For further information, see:

* Carver, John. *Boards That Make a Difference: A New Design for Leadership in Nonprofit and Public Organizations*, third edition. San Francisco: Jossey-Bass, 2006.
* Policy Governance Source Document, International Policy Governance Association, policygovernanceassociation.org
* carvergovernance.com, the authoritative website for the Policy Governance model
* Policy Governance FAQ in the Columinate Library, library.columinate.coop
* Goehring, Mark. “Taking Policy Governance to Heart,” *Cooperative Grocer*, March 2009