



**Seward**  
COMMUNITY CO-OP

**SEWARD COMMUNITY CO-OP  
POLICY MANUAL**

**Last Updated July 2026**

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# ENDS POLICIES

## ***GLOBAL STATEMENT OF ENDS***

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**Last updated:** Before October 2008

- Seward Co-op will sustain a healthy community that has:
  - Equitable economic relationships
  - Positive environmental impacts
  - Inclusive, socially responsible practices

# EXECUTIVE LIMITATIONS POLICIES

## **GLOBAL STATEMENT OF EXECUTIVE LIMITATIONS**

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**Last updated:** July 2026

The Chief Executive Officer (CEO) will not cause or allow any organizational practice, activity, decision, or circumstance which is unlawful, imprudent, contrary to the cooperative principles, or in violation of the bylaws of the Seward Cooperative, Inc.

### **EL1: TREATMENT OF CONSUMERS**

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**Last updated:** August 2022

In interacting with consumers, the CEO will ensure that conditions, procedures and decisions are safe, dignified, unintrusive, non-discriminatory, and are consistent with the board's stated Ends.

The CEO will not:

- EL 1.1 Elicit information for which there is no clear necessity.
- EL 1.2 Collect, review, transmit, or store information without protecting access to the consumer's privacy.
- EL 1.3 Fail to operate facilities with appropriate accessibility.
- EL 1.4 Fail to act in ways that ensure a high level of customer service in all areas of cooperative operations.
- EL 1.5 Fail to provide education on the benefits of the co-op business model.
- EL 1.6. Endanger the cooperative's public image, credibility, or its ability to accomplish Ends.

### **EL2: TREATMENT OF STAFF**

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**Last updated:** August 2022

The CEO will strive to foster a workplace in which staff treatment is neither discriminatory nor inequitable. The CEO will work to ensure a safe and healthy environment that helps realize the board priorities established in the Ends Statement.

The CEO will not:

- EL 2.1 Operate without a legally reviewed personnel handbook which: (a) clarifies

rules, rights, and responsibilities for staff; (b) provides for respectful and effective handling of concerns or conflicts; (c) contains a whistleblower policy.

- EL 2.2 Cause or allow personnel policies to be inconsistently applied.
- EL 2.3 Allow staff to be unprepared to deal with emergency situations.
- EL 2.4 Fail to offer opportunities for employee training and development.
- EL 2.5 Fail to consistently review staff experiences and develop and practice systems that support the equitable treatment of staff.

### ***EL3: FINANCIAL CONDITIONS AND ACTIVITIES***

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**Last updated:** July 2023 (only main body)

With respect to the actual, ongoing financial conditions and activities, the Chief Executive Officer must prepare the Cooperative for future opportunities, prevent the development of fiscal jeopardy, maintain key operational indicators that are at or above average for our industry and materially adhere to the board priorities established in the Ends Policies.

The CEO will not:

- EL 3.1 Fail to transparently represent the financial condition of the cooperative.
- EL 3.2 Fail to provide the Board with quarterly updates on the co-op's financial condition, including board expenditures.
- EL 3.3 Fail to provide quarterly income statements, balance sheets, cash flow statements, ratios and/or comparative data upon request.
- EL 3.4 Fail to cooperate with the board's annual audit.

### ***EL4: BUDGETING AND STRATEGIC PLANNING***

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**Last updated:** August 2023

The Chief Executive Officer will operate with annual and multi-year plans and budgets that enable long-term strategic planning, strengthen operations and support the co-op's Ends.

The CEO will present budgeting that:

- EL 4.1 Represents the projected financial condition of the cooperative.
- EL 4.2 Includes planning assumptions.

- EL 4.3 Includes credible projections of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and debt service.
- EL 4.4 Has been tested for feasibility.
- EL 4.5 Meets the requirements and conditions described in Executive Limitation Policy “Financial Conditions and Activities”.
- EL 4.6 Provides funding annually for board prerogatives as set forth in the Board Policy, “Cost of Governance”, unless the CEO determines that board prerogatives would cause financial harm to the co-op, in which case the CEO will not fail to inform the board of such a determination.

### ***EL5: EMERGENCY AND PLANNED SUCCESSION***

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**Last updated:** April 2024

In order to protect the board from sudden loss of CEO services, and to prepare the Coop for future CEO turnover, the CEO will have leaders in development who are sufficiently familiar with the CEO responsibilities and Board processes. To ensure smooth transitions and ongoing operations in the event of unexpected or planned succession the CEO will have a clearly stated and understood emergency CEO succession plan.

The CEO will:

- EL 5.1 Provide a written copy of that plan to the Board and to senior co-op management.
- EL 5.2 Ensure that the plan allows the successor to fully execute the responsibilities of the CEO.
- EL 5.3 Provide a development plan to prepare internal candidates for key management positions, including the CEO position.
- EL 5.4 Provide the Board with a plan of support for the Board to hire the next CEO.

### ***EL6: ASSET PROTECTION***

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**Last updated:** August 2022

The CEO will ensure that the cooperative’s assets are protected, adequately maintained, insured, and not placed at avoidable risk.

The CEO will not:

- EL 6.1 Fail to adequately insure the cooperative’s assets.

- EL 6.2 Fail to obtain an adequate D&O insurance policy and fail to provide a copy of the policy upon request.
- EL 6.3 Fail to follow accounting procedures sufficient to satisfy the board-appointed auditor's standards.
- EL 6.4 Unnecessarily expose the cooperative, its board or staff to claims of liability.

## ***EL7: COMPENSATION AND BENEFITS***

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**Last updated:** May 2023

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO will not cause or allow jeopardy to fiscal integrity or to public image, create any inequities in compensation based on race, gender, sexual orientation, or any other protected class, or deviate from board priorities established in its Ends policies.

The CEO will not:

- EL 7.1 Change the CEO own compensation and benefits, except as their benefits are consistent with a package for all other employees. Any change to the CEO's compensation must be decided on by a vote from the Board, with a notice to HR from the board president.
- EL 7.2 Promise or imply permanent or guaranteed employment.
- EL 7.3 Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
- EL 7.4 Create obligations over a longer term than revenues can be reasonably projected.
- EL 7.5 Provide less than some basic level of benefits to all full time employees, though differential benefits to encourage longevity are not prohibited.

## ***EL8: COMMUNICATION AND SUPPORT TO THE BOARD***

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**Last updated:** June 2024

The CEO will ensure that the board is informed and supported in its work.

The CEO will:

- EL 8.1 Submit monitoring data required by the board in Board-Management Delegation policy "Monitoring of CEO Performance" in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation

policy “Delegation to the CEO,” as well as relevant data.

- EL 8.2 Ensure board awareness of any actual or anticipated noncompliance with any Ends or Executive Limitations policy, regardless of the board’s monitoring schedule.
- EL 8.3 Provide the board with decision information required periodically by the board and inform the board of relevant trends.
- EL 8.4 Ensure board awareness of any incidental information it requires, including threatened or pending lawsuits and material internal changes.
- EL 8.5 Make the board aware that, in the CEO’s opinion, 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 CEO.
- EL 8.6 Ensure that that board is aware if the board’s compensation is causing financial harm to the co-op.
- EL 8.7 Present information in a simple and brief form that differentiates among information of three types: monitoring, decision preparation, and other.
- EL 8.8 Support the functions of the board.
  - EL 8.8.1 Provide information showing whether board elections are being conducted fairly and accurately.
- EL 8.9 Deal with all board members fairly, showing no favor or privilege except when, (a) fulfilling individual request for information or (b) responding to officers or committees duly charged by the board.
- EL 8.10 Submit to the board a consent agenda containing items delegated to the CEO yet required by law, regulation, or contract to be board-approved, along with applicable monitoring information.

## ***EL9: REAL ESTATE CONVEYANCES***

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**Last updated:** July 2014

As stated in the Bylaws, the authority and responsibility for approving and signing all notes, deed and other conveyances of real estate rests with the Board of Directors.

The CEO will not:

- EL 9.1 Fail to inform the Board of any real estate negotiations.

EL9.2 Fail to obtain formal Board resolutions that are legally appropriate for all decisions regarding real estate conveyances.

EL 9.3 Fail to arrange for and obtain legally appropriate approvals related to real estate conveyances.

# BOARD PROCESS POLICIES

## **GLOBAL STATEMENT OF BOARD PROCESS**

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**Last updated:** March 2021

The purpose of the board is to work together, on behalf of the owners of Seward Community Co-op, to create shared interpretation and meaning so that Seward Community Co-op achieves desirable results at an equitable cost (as specified in board Ends policies), with an equitable impact on Seward owners and the broader community, and that avoid unacceptable actions and situations (as prohibited in board Executive Limitations policies).

## **BP1: GOVERNING STYLE**

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**Last updated:** March 2021

The board will govern with an emphasis on strategic leadership, accountable delegation of organizational authority, accountable leadership, democracy, transparency, and equity. In order to govern well, we will:

- BP 1.1 Strategically lead the cooperative by focusing our vision on the future.
- BP 1.2 Establish effective policy to delegate authority to professional management, hold management accountable for that delegated authority, and clearly distinguish between board and management responsibilities. Policy shall be written in the broadest terms which allow for the least limiting reasonable interpretation acceptable to the board. The board's major policy focus will be on the intended long-term impacts of the co-op, not on the administrative or programmatic means of attaining those effects.
- BP 1.3 Enforce upon ourselves whatever discipline is needed to govern within the board's stated priorities, and routinely monitor the board's performance under existing policy.
- BP 1.4 Ensure board policies comply with the law and the cooperative's bylaws and allow the board to fulfill the legal responsibilities of the board and the fiduciary responsibilities of individual board members. The board's policy manual shall be made available to all owners.
- BP 1.5 Hold board meetings that are open to co-op owners except when in executive session. Meeting agendas and meeting minutes shall be made available to all owners.
- BP 1.6 Oversee a fair and accurate board of directors' election, according to the co-op's bylaws. The election process shall be open, transparent, and equitable, and the results shall be reported to co-op owners. Accordingly:

BP 1.6.1 If a director leaves the board and there is more than six months until the next election, the board may offer the position to the following in order of availability:

BP 1.6.1a The highest vote recipient not elected in the most recent election.

BP 1.6.1b A potential future board candidate agreed upon by the majority of the board.

BP 1.6.2 If removed from office, a director shall be ineligible to run in subsequent elections.

BP 1.7 Apply a racial equity lens to decisions, meaning that the board will act with awareness and skills to effectively address power dynamics and differences, implement fair practices and systems, and create an inclusive culture to ensure equitable results.

BP 1.7.1 The board acknowledges the necessity of explicitly building racial equity through its decisions, with the understanding of the intersectional impact of institutional and structural racism with other forms of oppression.

## ***BP2: ROLE OF THE BOARD***

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**Last updated:** March 2021

The role of the board, as an informed agent of the ownership, is to ensure appropriate organizational performance. Accordingly, the board has direct responsibility for the following:

BP 2.1 Practice, protect, promote and perpetuate a healthy democracy for the cooperative.

BP 2.2 Hire, compensate, delegate responsibility to, and hold accountable a CEO.

BP 2.2.1 Use a strategic process to establish the value of CEO compensation and complete this process in a timely manner.

BP 2.3 Monitor and review policies that address the broadest levels of all organizational decisions and situations. Rigorously monitor operational performance in the areas of Ends and Executive Limitations, and board performance in the areas of Board Process and Board-Management Delegation.

BP 2.4 Perpetuate the board's leadership capacity using ongoing education and training; a robust recruitment, qualification and nomination process; and fair elections. Continual board development will include orientation of new board members in the board's governance process, ongoing training of current board members, including

development of racial equity competencies, and periodic board discussion of process improvement.

- BP 2.5 Perform other duties as required by the bylaws or because of limitations on CEO authority.

### ***BP3: AGENDA PLANNING***

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**Last updated:** August 2017

The board sets its own agenda that enables directors to develop a shared sense of the board's role. Monthly agendas follow a rolling annual calendar, that is reviewed at least quarterly, which:

- BP 3.1 Reviews and monitors policies annually;
- BP 3.2 Clearly articulates plans for a democratic process with owners;
- BP 3.3 Continually improves board performance through education about the co-op and business trends;
- BP 3.4 Allows adequate time for monitoring organizational performance on Ends and Executive Limitations; and
- BP 3.5 Reviews overall CEO performance and compensation.
  - BP 3.5.1 CEO compensation will be decided in executive session during the month of September after a review of the CEO's response to the board's request for proposal of CEO compensation.

### ***BP4: PRESIDENT'S ROLE***

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**Last updated:** March 2017

The elected board president is delegated the responsibilities of ensuring the integrity of the board's process and, secondarily, occasionally representing the board to outside parties. Accordingly:

- BP 4.1 The assigned result of the president's job is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
  - BP 4.1.1 At least quarterly, the president will monitor attendance and participation of all directors.
  - BP 4.1.2 The president will communicate with individual directors who may be at risk or are in violation of attendance and participation expectations subsequently detailed in BP 9.5, BP 9.6, and BP 9.7.

BP 4.2 The authority of the president consists in making decisions that fall within topics covered by board policies on Board Process and Board-Management Delegation, with the exception of (a) employment or termination of a CEO and (b) 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.

BP 4.2.1 The president is responsible for ensuring that the board meeting agenda is set and that meeting materials are provided to the board in a timely manner. In the course of setting each agenda, attendance and participation of individual directors will be reviewed. Any board member may add or delete items from the agenda provided the majority of the board agrees to the change.

BP 4.2.2 The president is empowered to chair board meetings with all the commonly accepted power of that position, such as ruling and recognizing.

BP 4.2.3 The president is responsible for ensuring that a plan for continuity of board leadership is developed.

BP 4.2.4 The president has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the president has no authority to supervise or direct the CEO or staff. However, the president will maintain regular contact with the CEO.

BP 4.2.5 The president may represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within the area delegated to them.

BP 4.2.6 With board approval, the president has the authority to sign contracts and agreements, and approve all invoices, for services necessary for effectively conducting the business of the board.

BP 4.2.7 The president may delegate this authority, but remains accountable for its use.

## ***BP5: VICE PRESIDENT'S ROLE***

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**Last updated:** January 2026

The elected Vice President is considered one of four board officers and serves a one-year term upon election. There is no limit to the number of times an active and eligible board member can seek election to, and serve in the role of Vice President. The core role and responsibilities of the Vice President are as follows:

## **Role**

The Vice President shall endeavor to fulfill the role and responsibilities of the Board President as necessary in the Board President's absence. The Vice President will also seek to support and foster a welcoming board culture that encourages individual and collective board engagement. Given the Board of Directors operates under a shared governance structure, the Vice President does not have individual authority to supervise or direct the CEO. The Vice President may delegate their authority when circumstances require but remain accountable for its use.

## **Responsibilities**

- a. Ensure all board members have a clear understanding of the function and importance of the four board officer roles.
- b. Partner with, and support the Board President, in identifying and encouraging general board members to consider and pursue a board officer role.
- c. Support the Board President, at their request, with the advancement of tasks outlined in the Board President's role and scope of responsibilities.

## ***BP6: BOARD SECRETARY'S ROLE***

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**Last updated:** January 2026

The Secretary is considered one of four board officers and serves a one-year term upon election. There is no limit to the number of times an active and eligible board member can seek election to, and serve in the role of Secretary. The core role and responsibilities of the Secretary are as follows:

## **Role**

The Secretary will most directly partner with the appropriate co-op staff member(s) to ensure the integrity and timeliness of the board's documents and filings are disseminated and (or) maintained for reference among the appropriate board, staff members, and (or) co-op ownership. Given the Board of Directors operates under a shared governance structure, the Secretary does not have individual authority to supervise or direct the CEO. The Secretary may delegate their authority when circumstances require but remain accountable for its use.

## **Responsibilities**

- a. Partner with the appropriate staff members to ensure processes are in place to capture, retain, and make relevant board documents accessible.
- b. Provide an initial review of board meeting minutes, and other relevant documents, for accuracy and (or) the requested input by staff members.

- c. Ensure an accurate record of any votes conducted by the board of directors electronically, which includes the motion, second, and a complete voting record by eligible board members.

## ***BP7: TREASURER'S ROLE***

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**Last updated:** January 2026

The elected treasurer is delegated the responsibility of ensuring that financial audits and reviews are conducted as specified by the monitoring schedule and of monitoring the board budget. The treasurer has no authority to supervise or direct the CEO or staff. The treasurer may delegate their authority but remains accountable for its use.

BP 7.1 The treasurer will communicate with the CEO each month to review owner stock reports, to ensure stock repurchases do not pose fiscal jeopardy to the co-op. Stock repurchase requests will be placed on the consent agenda, or will be approved by the treasurer between meetings, when a) the dollar value of repurchase requests is less than the amount of stock sold to owners and b) the number of households joining the co-op is greater than five times those requesting repurchase.

BP 7.2 The Treasurer will lead the Finance and Audit Committee meetings. The Committee will consist of at least the Treasurer, the Director of Finance and-or the CEO. The Committee will meet at least once quarterly to review Seward financials, EL3 and 4, and ask any relevant questions of the Finance Director and CEO.

BP 7.2.1 The Treasurer will solicit questions from Board members about the financials prior to the Committee meeting. The Treasurer will report any responses during the Committee meeting to the Board.

BP 7.3 The Finance Committee will meet ahead of the annual audit to review the Auditor Questionnaire and respond to questions. The Committee will report out to the Board as needed.

BP 7.4 The Treasurer may delegate the financial duties found in Bylaw 5, Section 4 (a) & (b), to align with the operational responsibilities of the Director of Finance

## ***BP8: EMPLOYEE DIRECTORS***

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**Last updated:** January 2026

As stated in the Bylaws, up to two employees may serve on the board of directors. While directors who are employees bring an employee's perspective to the board, they do not represent employees. Like at-large directors, employee directors represent all co-op owners.

- BP 8.1 One director position shall be designated for a full-time or part-time employee who is also an owner of the association. If the Designated Employee Director ceases employment at Seward Co-op, they will be ineligible to serve on the board and will vacate their term.
- BP 8.2 Up to one employee may serve as an at-large director. This individual may continue to serve on the board if they cease employment at Seward Co-op.
- BP 8.3 Employee directors do not participate in discussions, deliberations or votes regarding CEO compensation or other personnel matters.
- BP 8.4 Employee directors may serve in an executive position, with that caveat that only one employee may serve in the President or VP role at a time. This allows the responsibilities of the President to continue to be filled even in situations where an employee director may not be present for discussions on CEO compensation or personnel matters.

## ***BP9: BOARD MEMBERS' CODE OF CONDUCT***

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**Last updated:** January 2026

The board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority, appropriate decorum, and explicit anti-racist, anti-oppressive, and inclusive practices when acting as board members. Board members will conduct themselves in ways that preserve trust, uphold cooperative values, and strengthen the integrity of board governance.

- BP 9.1 Loyalty to Ownership - Board members must represent loyalty to the interests of the ownership as a whole. This accountability to owners supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other boards or committees, staff, or personal/professional relationships. This accountability also supersedes personal interest as an individual consumer of the co-op's services.
- BP 9.2 Conflict of Interest
  - BP 9.2.1 There must be no self-dealing or conduct of private business or personal services between any director and the organization except as procedurally controlled to assure openness, competitive opportunity, and equal access to information. Board members must annually disclose involvements with organizations, vendors, or associations that might be—or might reasonably be perceived as—a conflict of interest.
  - BP 9.2.2 When the board deliberates an issue where a director has an unavoidable conflict of interest, that director must remove themselves, without comment, from both the discussion and the vote.

BP 9.2.3 Board members will not use their position to obtain employment in the organization for themselves, family members, or close associates. Any board member seeking employment must fully disclose their intent to the board.

BP 9.3 Limitations on Individual Authority - Board members may not attempt to exercise individual authority over the organization.

BP 9.3.1 Interaction with CEO and Staff - Board members must recognize that individual directors hold no operational authority. Communication with the CEO or staff must reflect this limitation unless explicitly authorized by board decision.

No board member may direct, instruct, or otherwise influence staff or operational decisions individually.

BP 9.3.2 Acting and Speaking With One Voice - The board speaks with one voice through its formal decisions. Board members may not speak on behalf of the board or the co-op except to repeat explicitly adopted board decisions or positions.

Personal expertise, professional background, or experience does not grant any individual board member authority to speak or act for the board or organization.

BP 9.3.3 Judgments of Staff or CEO Performance - Except when participating in formal board deliberation about whether the CEO has achieved a reasonable interpretation of board policy, board members will not express individual evaluations of staff or the CEO.

BP 9.3.4 Appropriate Channels for Concerns - Concerns related to operations, staff performance, member interactions, or board process must be routed through established board processes—such as communication with the Board President, Governance Committee, or relevant board bodies—rather than through direct engagement with staff or external stakeholders.

BP 9.4 Confidentiality - Board members will not disclose confidential information regarding: litigation; personnel matters; real estate transactions; market research; non-public financial information; matters discussed in executive session; or any matter the board determines to be sensitive.

BP 9.5 Participation and Engagement - Board members are required to participate in mandated board activities—including but not limited to board meetings, owner engagement activities, committee work, and scheduled trainings or retreats—unless

unavoidable circumstances prevent attendance (e.g., illness, death in the family, work conflicts). Board members must notify the Board President when an unavoidable absence is known.

Board members who miss two consecutive board meetings without good cause or one-third of all scheduled meetings/trainings in a November–October year may be removed by affirmative board vote.

Board members are encouraged to participate in additional optional activities such as regional cooperative meetings, trainings, or conferences.

- BP 9.6 Preparation and Participation - Board members will be properly prepared for meetings, having reviewed materials in advance, and will participate productively in discussions, decision-making, and board processes.
- BP 9.7 Timely Response to Communications - Board members acknowledge that time-sensitive decisions sometimes occur between meetings. Members will make every effort to respond to board communications—especially emails requiring a vote or feedback—in a timely manner.
- BP 9.8 Support for Board Decisions - Board members will support the legitimacy and authority of duly adopted board decisions regardless of personal opinion. Members will refrain from public or private actions that undermine board positions, including selective communication, back-channel discussions, or statements implying disagreement on behalf of the board. Members may express concerns or dissent only through formal board processes.
- BP 9.9 Accountability and Continuous Improvement - The board will establish mechanisms for receiving feedback from stakeholders—including staff, owners, and committee partners—regarding board conduct, communication, and effectiveness. This may include periodic surveys, structured feedback loops, evaluations tied to owner engagement, or other tools developed by the CEC committee. This feedback is used for continuous improvement and strengthening trust, not for punitive action.
- BP 9.10 Commitment to Anti-Racist and Inclusive Practice - Board members will proactively practice anti-racist, anti-oppressive, and inclusive behaviors in all board-related interactions.

This includes: promoting equitable communication; respecting cultural and identity differences; modeling behaviors consistent with cooperative values; recognizing dynamics of race, power, and authority; engaging respectfully with staff, owners, and community members.

Board members will participate in relevant training and reflective practice to uphold these commitments.

## ***BP10: BOARD COMMITTEE PRINCIPLES***

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**Last updated:** September 2017

Board committees, used on an as-needed basis, will be assigned to reinforce the wholeness of the board's job and so as never to interfere with delegation from board to CEO. Accordingly:

- BP 10.1 Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes.
- BP 10.2 Board committees cannot exercise authority over staff.
- BP 10.3 Board committees are to gather information and make recommendations to the entire board for decision making purposes.
- BP 10.4 This policy applies only to groups formed by board action.
- BP 10.5 A committee is a board committee only if its existence and charge come from the board, regardless whether board members sit on the committee. Unless otherwise stated, a committee ceases to exist as soon as its task is complete.

## ***BP11: COST OF GOVERNANCE***

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**Last updated:** August 2021

In order to better achieve its stated Ends, the board will invest in its governance capacity. Accordingly:

- BP 11.1 Investment in board skills, methods, and supports will be made to promote governing with excellence.
  - BP 11.1.1 Training will be used to orient new board members and board candidates, as well as to maintain and increase existing board member skills and understandings.
  - BP 11.1.2 Outside monitoring and facilitation assistance will be arranged at the board's discretion to promote the efficiency of meetings and improve board accountability.
  - BP 11.1.3 Outreach mechanisms will be used to ensure the board's ability to listen to owner viewpoints and values.
- BP 11.2 Costs will be prudently incurred.

BP 11.2.1 The board's compensation shall be in effect unless changed by the owners of the co-op at a regular or special meeting, or unless the board determines that the compensation would cause financial harm to the co-op, in which case the board will suspend its compensation.

BP 11.2.1.a In October 2013, co-op owners voted to approve the following compensation for directors:

- Monthly stipend of \$400 for board members;
- Monthly stipend of \$500 for secretary, treasurer, and vice-president;
- Monthly stipend of \$750 for president.

These amounts are in addition to the 10 and 15 percent discounts that board members and the president receive, respectively, for purchases at the co-op.

BP 11.3 The board will submit its annual budget by May.

## ***BP12: BOARD ELECTIONS***

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**Last updated:** April 2020

The board will oversee a fair and accurate board of directors election, according to the co-op's bylaws. The election process should be open, transparent and equitable, and the results should be reported to co-op owners. To accomplish this, the board will:

BP 12.1 Annually in the first quarter, designate an election committee to work with the CEO and the operational staff that the CEO designates on election-related matters.

BP 12.1.1 The committee shall not include candidates in the current year's election.

BP 12.2 Annually review election process by referencing the election process timeline, and other documents contained in the election protocol.

BP 12.3 Ensure adequate information is provided to members regarding the election.

BP 12.3.1 Any director may participate in efforts to provide information about the election to owners, provided that no director campaigns for them self or any other candidate in connection with such efforts.

# BOARD-MANAGEMENT DELEGATION POLICIES

## ***GLOBAL STATEMENT OF BOARD-MANAGEMENT DELEGATION***

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**Last updated:** Before October 2008

The board's sole official connection to the operational organization, its achievements and conduct will be through the Chief Executive Officer (CEO).

### ***BMD1: UNITY OF CONTROL***

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**Last updated:** Before October 2008

Only officially passed motions of the board are binding on the CEO.

Accordingly:

- BMD 1.1 Decisions or instructions of individual board members, officers, or committees are not binding on the CEO except in rare instances when the board has specifically authorized such exercise of authority.
- BMD 1.2 In the case of board members or committees requesting information or assistance without board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds or is disruptive.

### ***BMD2: ACCOUNTABILITY OF THE CEO***

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**Last updated:** July 2015

The CEO 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 CEO.

Accordingly:

- BMD 2.1 The board will never give instructions to persons who report directly or indirectly to the CEO, unless that person's position has been provided for board support.
- BMD 2.2 The board will not evaluate, either formally or informally, any staff other than the CEO.
- BMD 2.3 The board will view CEO performance as identical to organizational performance, so that organizational accomplishment of board stated Ends and avoidance of board proscribed means will be viewed as successful CEO performance.

### ***BMD3: DELEGATION TO THE CEO***

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**Last updated:** Before October 2008

The board will instruct the CEO through written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

- BMD 3.1 The board will develop policies that are reasonably measurable. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies. All issues that are not Ends issues as defined above are Means issues.
  
- BMD 3.2 The board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the board, even if they were to be effective. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The board will never prescribe organizational means delegated to the CEO.
  - BMD 3.2.1 Limitations at a more defined level do not restrict the scope of the more general limitation of which they are a part.
  
  - BMD 3.2.2 The aggregate of limitations at a more defined level may embrace the scope of the more general limitation of which they are a part, but only if justified by the CEO to the board's satisfaction.
  
- BMD 3.3 As long as the CEO uses any reasonable interpretation of the board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities. Such decisions of the CEO shall have full force and authority as if decided by the board.
  
- BMD 3.4 The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and CEO domains. By doing so, the board changes the latitude of choice given to the CEO. But as long as any particular delegation is in place, the board will respect and support the CEO choices.
  
- BMD 3.5 The CEO is authorized to cast votes for the co-op in elections and meetings of organizations to which the co-op belongs.

## ***BMD4: MONITORING OF CEO PERFORMANCE***

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**Last updated:** Before October 2008

Systematic and rigorous monitoring of CEO job performance will be solely against the expected CEO job outputs: organizational accomplishment of board policies on Ends and organizational operation within the boundaries established in board policies on Executive Limitations.

Accordingly:

- BMD 4.1 Monitoring is simply to determine whether board policies are being met. Information that does not do this will not be considered to be monitoring information.
- BMD 4.2 By board's decision, the board will acquire monitoring data by one or more of three methods: (a) by internal report, in which the CEO discloses compliance information, along with their justification for the reasonableness of interpretation; (b) by external report, in which an external, disinterested third party selected or approved by the board assesses compliance with policies, augmented with the CEO's justification for the reasonableness of their interpretation; and (c) by direct board inspection, in which a designated member or members of the board assess compliance with policy, with access to the CEO's justification for the reasonableness of their interpretation.
- BMD 4.3 In every case, the standard for compliance shall be any reasonable CEO interpretation of the board policy being monitored. The board is final arbiter of reasonableness, but will always judge with a "reasonable person" test rather than with interpretations favored by board members or by the board as a whole.
- BMD 4.4 All policies that instruct the CEO will be monitored at a frequency 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.