

# TAKOMA PARK SILVER SPRING COOPERATIVE, INCORPORATED

## POLICY REGISTER

(as of February 2009)

### MISSION STATEMENT

Takoma Park-Silver Spring Co-op promotes healthful living by offering wholesome food, high quality products, and community resources in clean, friendly cooperative grocery stores...that you can own!

### VISION

We are the peoples' choice for food and community.

### GUIDING PRINCIPLES

- We believe in supporting individual and community health and well-being
- We believe in operating all businesses for the benefit of the community, society and the planet
- We believe in treating people fairly, equitably, and respectfully in all human relationships
  - We believe in people having a say in the issues affecting their lives
  - We believe in educating people about the issues that affect their lives

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## ENDS STATEMENTS

Policy Type: Ends Statement  
Policy Title: E1 – Right Products at Right Prices for Consumers  
Adopted: July 2004  
Last Revised: [December 2006](#)

The TPSS Co-op will provide a wide variety of products for consumers at competitive prices.

E1.1 The General Manager will perform an annual survey of member-owners including questions assessing how well their product and budget needs are being met by the TPSS Co-op.

### MONITORING

This policy will be monitored on an annual basis by internal summary report.

Policy Type: Ends Statement  
Policy Title: E2 – Non-Product Benefits for Member-Owners  
Adopted: July 2004  
Last Revised: [December 2006](#)

The TPSS Co-op will provide a wide variety of non-product benefits for member-owners at a minimum cost to member-owners.

E2.1 Non-product benefits will include, but are not limited to, member education and awareness of the benefits of belonging to a co-op and the co-op principles and how TPSS Co-op adheres to them.

E2.2 Non-product benefits will promote a sense of co-op community.

E2.3 The General Manager will create and execute an annual plan for providing non-product benefits for member owners.

E2.1.1 The annual plan will include suggested improvements to non-product benefits.

E2.1.2 The annual plan will address member education regarding non-product benefits.

E2.4 The General Manager will perform an annual survey of member-owners including questions assessing how well their non-product benefit needs are being met by the TPSS Co-op.

### MONITORING

This policy will be monitored on an annual basis by internal summary report.

Policy Type: Ends Statement  
Policy Title: E3 – Social and Economic Factors  
Adopted: July 2004  
Last Revised: [December 2006](#)

The TPSS Co-op will contribute to a socially and economically vibrant community, promoting a sense of TPSS Co-op community as well as supporting the at-large communities of Takoma Park, Silver Spring, and nearby farmers and businesses.

E3.1 The General Manager will create and execute an annual plan for contributing to a socially and economically vibrant community.

E3.1.1 The annual plan will address how the co-op supports local businesses and farmers.

E3.1.2 The annual plan will address member education regarding how the co-op contributes to a socially and economically vibrant community.

E3.2 The General Manager will perform an annual survey of member-owners including questions assessing how well they believe the Co-op is doing at contributing to a socially and economically vibrant community.

#### MONITORING

This policy will be monitored on an annual basis by internal summary report.

Policy Type: Ends Statement  
Policy Title: E4 – Environmentally Sustainable Business Practices  
Adopted: [December 2006](#)

The TPSS Co-op will minimize its impact on the environment and contribute to improved community awareness of environmental responsibilities.

E4.1 The General Manager will create and execute an annual plan for conducting co-op business in an environmentally sustainable fashion, addressing reducing waste (through such activities as recycling, reduced packaging, composting, etc.), reducing raw resource consumption (through such activities as buying sustainable office products), reducing energy consumption, using alternative energy sources, and promoting greater community environmental awareness.

E4.2 The General Manager will educate members on co-op environmental stewardship.

E4.3 The General Manager will perform an annual survey of member-owners that includes questions assessing how well they believe the Co-op is doing at minimizing its environmental footprint and educating the community on environmental issues.

#### MONITORING

This policy will be monitored on an annual basis by internal summary report.

Policy Type: Ends Statement  
Policy Title: E-5 – A Great Place to Work  
Adopted: July 2008  
Last Revised: [July 2008](#)

The TPSS Co-op will be an empowering and positive workplace for employees.

E.5.1 Employees will be treated with fairness, dignity, and respect.

E.5.2 Employees will work in a safe and healthy environment.

E.5.3 Employees will be well trained for their positions.

Monitoring: This policy will be monitored on an annual basis by an internal summary report and by direct inspections.



## EXECUTIVE LIMITATIONS

Policy Type: Executive Limitation  
Policy Title: L – Global Executive Constraint  
Adopted: July 2002  
Last Revised: [July 2002](#)

The General Manager shall not cause or allow any practice, activity, decision or organizational circumstance which is either imprudent or in violation of commonly accepted business and/or professional ethics.

Policy Type: Executive Limitation  
Policy Title: L1 – Customer Service and Value  
Adopted: July 2002  
Last Revised: [November 2005](#)

Value and service to customers shall not fall significantly behind market standards. Accordingly, the General Manager shall neither cause nor allow:

- L1.1. Quality and freshness of product to drop below market standards.
- L1.2. Customers to be without access to information and educational opportunities regarding food, nutrition, health, consumer and environmental issues.
- L1.3. Conditions, procedures or decisions which are discriminatory, disrespectful, unsafe, unduly undignified, unnecessarily intrusive or which fail to provide appropriate confidentiality and privacy.
- L1.4. Customers to be without access to a written product selection policy that clearly states the criteria that buyers use when selecting product to be carried.

#### MONITORING:

This policy will be monitored annually through an internal summary report.

Policy Type: Executive Limitation  
Policy Title: L2 – Staff Treatment  
Adopted: July 2002  
Last Revised: [February 2008](#)

Paid staff and volunteers shall not be subjected to unfair, undignified, or unsafe treatment or conditions. Accordingly, the General Manager shall neither cause nor allow:

- L2.1. Discrimination based on race, religion, color, creed, gender, political affiliation, sexual orientation, national origin, sex, age, marital/parental status, veterans status, or mental or physical disability.
- L2.2. Staff exposure to unsafe, unhealthy or illegal conditions.
- L2.3. An Employee Handbook not to exist for staff treatment.
- L2.4. Staff to have no known procedure within the Employee Handbook by which grievances of any reasonable type can be fairly and thoroughly reviewed and documented in a timely manner.
  - L2.4.1 Until the board approves a grievance procedure the TPSS Coop will operate under the grievance procedure as delineated in the Employee Handbook, August 2004.
- L2.5. The General Manager not to report immediately to the board any complaints of discrimination or harassment made against the General Manager or head of Human Resources
- L2.6. A lack of descriptions for positions or job responsibilities.
- L2.7. Staff to be untrained in the responsibilities of their positions.
- L2.8. Staff to be uninformed about opportunities to apply for open positions within the organization.
- L2.9. Staff to be prevented from reporting to the board any allegations of improper or illegal management actions.
- L2.10. Staff to be reprimanded or retaliated against for reporting suspected wrongdoing.

#### MONITORING

This policy will be monitored annually through an internal summary report.

Policy Type: Executive Limitation  
Policy Title: L3 – Compensation and Benefits  
Adopted: July 2002  
Last Revised: [December 2006](#)

With Respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the General Manager may not cause or allow jeopardy to fiscal integrity or public image. Accordingly, he or she may not:

- L3.1 Change his or her own compensation or benefits.
- L3.2 Promise or imply permanent or guaranteed employment.
- L3.3 Establish current compensation and benefits which:
  - L3.3.1 Deviate materially from the geographic and professional market for the skills employed.
  - L3.3.2 Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses of revenue.
- L.3.4 Establish or change pension benefits so the pension provisions:
  - L.3.4.1 Cause unfunded liabilities to occur or in any way commit the organization to benefits which incur unpredictable future costs.
  - L.3.4.2 Treat the General Manager differently from other comparable key employees.
  - L.3.4.3 Are instituted without prior monitoring of these provisions.

**MONITORING:**

This policy will be monitored annually through an internal summary report.

Policy Type: Executive Limitation  
Policy Title: L4 – Financial Condition  
Adopted: July 2002  
Last Revised: [October 2005](#)

Actual financial conditions and performance shall not incur fiscal jeopardy or compromise board policies on Ends. Accordingly, the General Manager shall not:

- L4.1. Incur indebtedness in the name of the organization, other than trade payables incurred in the ordinary course of business, unless specifically authorized by the board.
- L4.2. Use reserve funds for any purpose other than that designated for the reserve fund.
- L4.3. Settle payroll, debts, and taxes in other than a timely manner, or fail to note in the GM's monthly report all payables currently past due.
- L4.4. Make expenditures that deviate materially from board policies on Ends and Limitations.
- L4.5. Have a fiscal year-end net income of less than 90% of the Cooperative Grocer average for a comparable business.
- L4.6. Cause or allow sales growth of less than 90% of the Cooperative Grocer average for a comparable business.
- L4.7. Maintain a current ratio of less than 90% of the Cooperative Grocer average for a comparable business. (Current Assets / Current Liabilities).
- L4.8. Make expenditures for capital assets in excess of \$5000 not part of the budget without prior approval of the board.
- L4.9. Have the debt to equity ratio of current liabilities and long term liabilities to total equity exceed 110% of the Cooperative Grocer average for a comparable business.

#### MONITORING

This policy will be monitored quarterly through an internal summary report and annually through an external review or audit.

Policy Type: Executive Limitation  
Policy Title: L5 – Budgeting/Financial Planning  
Adopted: July 2002  
Last Revised: [July 2004](#)

Budgeting for all or any part of a fiscal period shall not risk fiscal jeopardy, deviate materially from board policies on Ends, or fail to be derived from a strategic plan. Accordingly, the General Manager shall not:

- L5.1. Submit a budget that contains too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow, subsequent audit trails, and disclosure of planning assumptions.
- L5.2. Submit a budget that projects budgeted expenses to exceed projected income levels or that does not project income conservatively, without board approval.
- L5.3. Submit a budget that deviates from board policies on Ends when making allocations among competing budgetary needs.

#### MONITORING

This policy shall be monitored annually through an internal summary report.

Policy Type: Executive Limitation  
Policy Title: L6 – Asset Protection  
Adopted: July 2002  
Last Revised: November 2005

Assets shall not be inadequately maintained, unnecessarily risked, or unprotected. Accordingly, the General Manager shall neither cause nor allow:

- L6.1 Insurance coverage of stock, building, furniture, and equipment to fall below 90% replacement value.
- L6.2 Unnecessary exposure of the organization, staff, or the board to claims of liability.
- L6.3 Purchasing that unnecessarily risks conflicts of interest.
- L6.4 Receipt, processing, or disbursement of funds under controls insufficient to meet the board-appointed auditor's standards.
  - L6.4.1. An absence of, and less than strict compliance with, written procedures established by the General Manager with respect to the handling of cash.
- L6.5 Any unnecessary risk to building and equipment from improper wear and tear or insufficient maintenance.
- L6.6 Operation of the organization in a way that unnecessarily risks theft, loss, or damage to property.
- L6.7 Fail to protect intellectual property, information and files from loss or significant damage.
- L6.8 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 where necessary to facilitate ease in operation transactions.
- L6.9 Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of its mission.

#### MONITORING

This policy will be monitored annually through an internal summary report and an external review or audit.

Policy Type: Executive Limitation  
Policy Title: L7 – Communication and Counsel to the Board  
Adopted: July 2002  
Last Revised: May 2006

With respect to providing information and counsel to the board, the general manager may not permit the board to be uninformed. Accordingly, he or she may not:

- L.7.1 Neglect to submit monitoring data required by the board (see policy on Monitoring Executive Performance) in a timely, accurate and understandable fashion, directly addressing provisions of the board policies being monitored.
  - L7.1.1 Allow the board to be uninformed about his/her interpretation, which will include a description of the kinds of data that will be used to judge compliance.
- L.7.2 Let the board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established.
- L.7.3 Fail to advise the board if, in the general manager's opinion, the board is not in compliance with its own policies on Governance Process and Board-Staff Relationship, particularly in the case of board behavior which is detrimental to the work relationship between the board and general manager.
- L.7.4 Fail to marshal for the board as many staff and external points of view, issues and options as needed for fully informed board choices.
- L.7.5 Present information in unnecessarily complex or lengthy form.
- L.7.6 Fail to deal with the Board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.
- L.7.7 Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

## MONITORING

This policy will be monitored de facto on a monthly basis at board meetings, and annually through an internal summary report.

Policy Type: Executive Limitation  
Policy Title: L8 – Executive Succession  
Adopted: July 2002  
Last Revised: [July 2004](#)

The General Manager shall not operate without a plan for emergency management succession. Accordingly, the General Manager shall neither cause nor allow:

- L8.1 Failure to establish a "chain of command" to be used at any time the General Manager is unable to serve (planned or emergency absence).
- L8.2 There to be fewer than one other executive familiar with board and general manager issues and processes.

#### MONITORING

This policy will be monitored annually through an internal summary report.

Policy Type: Executive Limitation  
Policy Title: L9 – Membership  
Adopted: September, 2003  
Last Revised: January 2009

- L9.1 The General Manager shall not fail to adopt goals and objectives to guide the member relations, decisions and programs. There shall be a regular analysis of owner needs and interests to update these goals and objectives.
- L9.2 The General Manager shall not fail to assure that there are events/programs that educate the community regarding cooperative principles and the role of the coop in our community.
- L9.3 The General Manager shall not fail to carry out a yearly owner-relations calendar of events and plan regular activities as established by the board, including, but not limited to two (2) owner meetings per year.
- L9.4 The General Manager shall not fail to provide resources, including personnel, to support the board in fulfilling its duties in governing the coop.
- L9.5 The General Manager shall not fail to ensure that there is an up to date ownership database at all times.
- L9.6 The General Manager shall not fail to include in the budget operational resources to enable compliance with all membership limitations.
- L9.7 The GM shall not fail to develop and maintain systems and processes by which membership statistics can be accurately reported monthly to the board.
- L9.8 The GM shall not fail to provide the board with membership statistics by store, that include at least the minimum of the following:
  - L.9.8.1 Percentage of sales to members (total members sales/total sales)
  - L.9.8.2 Sales/members/week (weekly sales to members /total members shopping during week)
  - L.9.8.3 Net new members/month (total new members less terminated members)
  - L.9.8.4 Net new capitalizations/month
- L9.9 The GM shall not fail to allocate adequate resources to meet the following membership priorities:
  - L9.9.1 Establish and maintain a Member Education Program that would include education regarding: the cooperative principles, the coop history (world-wide and local), the Rights and Responsibilities of a Member. This program should be offered at least four times per year.
  - L9.9.2 Establish and maintain a Member Recruitment and Retention Program which should include at least one (1) Membership Drive per fiscal year.
  - L9.9.3 Conduct an annual Member Satisfaction Survey, approved by the board, to track and determine member needs.

#### MONITORING:

This goal will be monitored de facto on a monthly basis at board meetings, and annually through an internal summary report.

## GOVERNANCE PROCESS

Policy Type: Governance Process  
Policy Title: G – Global governance Commitment  
Adopted: July 2002  
Last Revised: [May 21, 2006](#)

The purpose of the board, on behalf of the owners, is to see to it, through the process of developing, writing and monitoring of policy, that the cooperative organization:

- (1) achieves appropriate results for owners, shoppers, staff and volunteers at an appropriate cost, and
- (2) avoids illegal, unethical, and other similar actions and situations

Policy Type: Governance Process  
Policy Title: G1 – Governance Style  
Adopted: July 2002  
Last Revised: [May 23, 2004](#)

The board will govern in a way that (1) emphasizes future vision (more than past or present), (2) emphasizes initiative and strategic leadership (not operational detail), (3) provides clear distinctions between board and management roles, and (4) deliberates in many voices but governs in one voice. Accordingly:

- G1.1 The board will direct the organization through careful establishment of written policies reflecting the board's values about ends to be achieved and means to be avoided, with a focus on intended long-term effects.
- G1.2 The board will cultivate a sense of group responsibility for excellence in governing, enforcing upon itself whatever discipline is needed in matters such as attendance, preparation, policy-making principles, and respect of roles. The board will allow no representative or committee to hinder or be an excuse for not fulfilling board commitments or following board policy.
- G1.3 The board will monitor and discuss the board's process and performance regularly, including comparisons of actual board activity and discipline to written board policies on Governance Process and Board-General Manager Linkage.
  - G1.3.1 All policies under Governance Process and Board-General Manager Linkage should be reviewed annually. Each quarter several different policies will be chosen for review, so that all policies are reviewed by the end of the year. Evaluation of board activities relating to member/owner linkage will be a part of this cycle as well.
  - G1.3.2 Responsibility for preparing and presenting the above brief monitoring reports will rotate among all board members, or be assigned in accordance with written board policy.

MONITORING: This policy will be monitored annually through the board self-evaluation.

Policy Type: Governance Process  
Policy Title: G2 – Board Job Description  
Adopted: July 2002  
Last Revised: July 2002

The job of the board is to represent the owners in determining and demanding appropriate organizational performance, within the boundaries presented by the By-laws. Accordingly:

- G2.1. The board obtains its authority from and represents the member-owners. The board is responsible for linkage with member-owners. The relationship with owners is the board's primary relationship. The board has the fiduciary and legal responsibility to represent the best interests of the member-owners, and to always act in the best interest of the coop as a whole.
  - G2.1.1 To make informed policy decisions, the board must understand the values and needs of the member-owners. The board must, therefore, obtain adequate and appropriate information on the member-owners.
  - G2.1.2 The board shall report periodically to the member-owners on its role, its activities, and its decisions.
    - G2.1.2.1 The board will ensure the effective communication of the vision and mission of the cooperative to the members.
    - G2.1.2.2 At least annually, the board shall disseminate a statement of its values, and a report of the cooperative's financial resources and how those resources have been translated into services.
  - G2.1.3 The board will ensure that the member equity program contributes adequate capital for the cooperative
    - G2.1.3.1 The board is responsible for ensuring that the process and benefits of becoming a member in the cooperative are clear and available to everyone.
    - G2.1.3.2 The board will build and sustain a sense of ownership, pride and loyalty among members
    - G2.1.3.3 The board will ensure that there are member recruiting activities at all cooperative sponsored events. The board shall participate in all such recruitment activities
  - G2.1.4 The board will ensure that the cooperative meets all requirements of law and the bylaws for the relationship with members.
- G2.2. The board will enact written policies that guide the organization in four areas.
  - G2.2.1 Ends: Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
  - G2.2.2 Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
  - G2.2.3 Governance Process: Specification of how the board conceives, carries out, and monitors its own tasks, as defined in the bylaws and these policies.
  - G2.2.4 Board-General Manager Linkage: How power is delegated and its proper use monitored; the General Manager role, authority, and accountability.
- G2.3. The board will assure General Manager performance through monitoring against board policies on Ends (Goals) and Executive Limitations (G2.2.1 and G2.2.2).
- G2.4. The board will perpetuate itself through recruitment, training, and ongoing professional development, including monitoring and self-evaluation.

MONITORING: This policy will be monitored annually through the board self-evaluation.

Policy Type: Governance Process  
Policy Title: G3 – Agenda Planning  
Adopted: July 2002  
Last Revised: July 2002

To accomplish its job with a governance style consistent with board policies, the board will follow an annual agenda that (1) annually completes re-exploration of Ends policies and links with owners, (2) continually improves board performance through board education and enriched input and deliberation, and (3) ensures efficient use of board meeting time and input from and prior review by all directors. Accordingly:

- G3.1 The board's annual governance cycle will start with the board's development in July of its agenda for the next year. The board calendar will include all board events such as ownership meetings, board training, monitoring schedule, and review of specific policies. The calendar will be reviewed on a regular basis.
- G3.2 At the end of each board meeting, the board's current policy discussion and the annual calendar will provide the basis for determining the broad outlines of the next meeting's agenda. The following process will be used to determine the board's agenda:
  - G3.2.1 In the interim before the next meeting, directors should review the designated policy areas scheduled for the "next agenda" and consider if there are policies that they would like to see added, modified, or deleted. They should then prepare a written statement describing these policy changes, along with a discussion of their rationale, for review by other directors.
  - G3.2.2 The board president will collect these written statements, determine relevancy and priority for discussion, and produce an agenda for the next board meeting. Urgent items that show up in the interim and require board attention may also be included.
  - G3.2.3 General Manager monitoring reports will be included on a "proposed agenda" discussion is necessary only if monitoring reports show policy violations or if policy criteria are to be reviewed.
  - G3.2.4 The agenda and all written statements and reports will be included in the next board packet.
  - G3.2.5 The agenda, as so determined, may be modified by the board at the beginning of the next meeting.

MONITORING: This policy will be monitored annually through the board self-evaluation.

Policy Type: Governance Process  
Policy Title: G4 – Board Meetings  
Adopted: April 2004  
Last Revised: April 2004

The primary method for the board to accomplish its goals is through regularly scheduled, open meetings. Accordingly:

- G4.1 The board will hold regularly scheduled meetings as often as is determined necessary by the board. In no case shall this be less than 6 times per year.
  - G4.1.1 All meeting times, dates, and places shall be posted in advance. In addition, a proposed agenda shall also be posted.
- G4.2 Special meetings of the board can be called at any time. A special meeting may be called by at least three current board members. All Board members must be notified in advance of such a meeting, and all reasonable effort must be made to find a convenient time for all board members.
- G4.3 All decision-making by the board will be done through the consensus process.
  - G.4.3.1 At least one half of the board members must be present as a quorum for any decision making.
  - G.4.3.2 Consensus may be suspended with the approval of three quarters (3/4) of the board voting. If consensus is suspended, a simple majority is needed for the issue being voted on to pass.
  - G.4.3.3 If a decision needs to be made between meetings, board members may vote via mail, telephone or electronic means.
- G.4.4 All board meetings shall be open to TPSS Co-op members.
  - G.4.4.1 The board, on its own determination, may close a meeting, or portion of a meeting, if it determines that it requires confidential discussion of personnel, contract negotiations, or other specified matters involving real estate or the legal or financial integrity of the TPSS Co-op.

MONITORING: This policy will be monitored annually through the board self-evaluation.

Policy Type: Governance Process  
Policy Title: G5 – Board Officer’s Roles  
Adopted: July 2002  
Last Revised: April 2004

The board president, vice president, treasurer and secretary assure the integrity of the board's process and, secondarily, occasionally represent the board to outside parties. Accordingly:

- G5.1 The board president's job is to ensure the board behaves consistently according to its own rules and those legitimately imposed upon it from outside the organization.
  - G5.1.1 Board meetings will cover issues which, according to board policy, clearly belong to board to decide, not the General Manager.
  - G5.1.2 Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
- G5.2. The board president is authorized to make decisions falling within board policies on Governance Process and Board-General Manager Relationship, except where the board specifically delegates portions of this authority to others. The board president is authorized to use any reasonable interpretation of the provisions in these policies. In particular, the board president has the following responsibilities:
  - G5.2.1 Chair board meetings, with all the commonly accepted power of that position.
  - G5.2.2 Develop the board budget specified in G7.2.
  - G5.2.3 The board president whose term is ending shall solicit interested and willing directors to compose an initial slate of officers for the next year. That slate will be presented at the first full board meeting following the fall annual ownership meeting. The board president shall ensure that, at a minimum, a new President (permanent or temporary) is selected at that meeting. The new President shall ensure that the remaining officers are elected by the following meeting. Should an officer position become vacant at a later time, the board shall elect a replacement officer.
  - G5.2.4 Assuring that the Board acquires the necessary monitoring data and creates an internal report disclosing board compliance with policies on Governance Process and Board-General Manager Linkage for annual report to the owners.
  - G5.2.5 Represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within areas delegated to her or him.
  - G5.2.6 The board president may delegate this authority but remains accountable for its use.
- G5.3. The board president has no authority to make decisions about board policies on Ends or Executive Limitations.
  - G5.3.1 The board president has no authority to supervise or direct the General Manager except as explicitly board authorized.
- G5.4 The board president must have been on the board for at least one year prior to being appointed president.
- G5.5 The board vice-president’s role is to assist the president in all of the above activities and responsibilities and to act for the president when she/he is not available, and to sign official documents when necessary.
  - G5.5.1 If the office of President becomes vacant, the vice president will become acting president and carry out all duties and responsibilities delegated to the president until such time as a new president is named by the board.
- G5.6 The Treasurer is responsible for assuring the timely compilation and submission of regular financial reports to the board and conducting annual financial audits as required by the by-laws. The treasurer will act as an ex-officio member of the finance committee, and sign all documents when necessary.
  - G5.6.1 The treasurer should have previous financial and business experience.
  - G5.6.2 The treasurer must have been on the board for at least one year prior to being appointed treasurer.
- G5.7 The secretary is responsible for assuring the maintenance of all board related records other than financial records, assuring that minutes of all membership and board meetings are recorded, maintained in an orderly manner, distributed to the board members, and made available to the membership. In addition, the secretary is also responsible for the timely reporting of all major business

and policy decisions to the membership, the organization and maintenance of a manual recording policy decisions made by the board, and ensuring that the by-laws are updated according to board and membership decisions.

G5.7.1 The secretary will sign official documents when necessary.

MONITORING: This policy will be monitored annually through the board self-evaluation.

Policy Type: Governance Process  
Policy Title: G6 – Directors' Code of Conduct  
Adopted: July 2002  
Last Revised: [August 2008](#)

The board commits itself and its representatives to ethical and businesslike conduct, including proper use of authority and appropriate decorum when acting as representatives. Accordingly:

- G6.1 Directors have the following responsibilities:
  - G6.1.1 Represent unconflicted loyalty to the interests of the ownership as a whole.
  - G6.1.2 Be aware of and follow the organization's bylaws, including avoidance of conflict of interest.
  - G6.1.3 Be aware of and follow the organization's policies.
  - G6.1.4 Perform board duties in good faith, with honesty and personal integrity, employing such care as an ordinarily prudent person in a like position would use under similar circumstances.
  - G6.1.5 Openly and impartially consider all issues and matters, researching issues and seeking additional expertise where needed.
  - G6.1.6 Prepare for and attend all board meetings or notify the board president when an absence is unavoidable.
- G6.2. Board representatives do not have individual authority over the organization except as explicitly set forth in board policies or the bylaws.
  - G6.2.1 Individual board representatives' interactions with the General Manager or staff recognize the lack of authority vested in individual directors except when explicitly board-authorized.
  - G6.2.2 Individual board representatives' interactions with the public, press, owners, or other entities recognize the same limitation as stated with reference to the GM or staff in G6.2.3 above, and the inability of any board representative to speak for the board except to repeat explicitly stated board decisions.
  - G6.2.3 Board representatives will give no consequence or voice to individual judgments of General Manager or staff performance.
- G6.3. Board representatives will respect the confidentiality appropriate to issues of a sensitive nature, while serving on the board and after they retire, resign, or are removed from the board. Generally speaking, personnel, real estate, marketing, legal, strategic planning, and financial matters will be considered sensitive issues subject to directors' good faith and discretion unless or until made specifically clear by board action.
- G6.4 Board representatives shall recognize that they project an image as a representative of the organization and shall conduct themselves in a professional manner that fosters confidence and reflects positively on the organization, its owners, and its staff.

MONITORING: This policy will be monitored on a regular basis, at least once every three years, through a responsible process of board self-evaluation.

Policy Type: Governance Process  
Policy Title: G7 – Board Committee Principles  
Adopted: July 2002  
Last Revised: April 2009

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

- G7.1 Board committees are to help the board do its job or advise staff. Their work is limited to those tasks specifically delegated to them by the board.
- G7.1.1 Board committees may be either standing committees which persist or ad hoc committees formed for a particular purpose and later dissolved. Policies under G6 apply to both.
  - G7.1.2 Board committee responsibilities are established in a written committee charter approved by the board. Changes to a committee charter must be approved by the board.
  - G7.1.3 Board committees report solely to the board and only as specified by the board in the committee charter.
  - G7.1.4 Board committee chairs are appointed by the board (see G4.2.3). Directors may serve on any board committee of their choosing, and non-directors may serve at the discretion of the committee chair, unless otherwise stated in the committee charter or by board directive.
  - G7.1.5 Board committees ordinarily assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's focus on governance, board committees normally do not deal with current staff operations.
  - G7.1.6 Board committees may not speak or act for the board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated so as not to conflict with authority delegated to the General Manager.
  - G7.1.7 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 an executive action. Board committees may not direct the work of any staff person. Any need for staff participation or support shall go through the board and the GM respectively.
  - G7.1.8 Board standing committees will meet regularly and post advance notice of the time, place and date of all meetings. Minutes of meetings will also be posted as well as provided to the board secretary.
  - G7.1.9 All board committee meetings are open to members, unless the meeting or a portion of the meeting is designated as committee only by the board or the committee.
- G7.2 The job of board committee chairs is to ensure the integrity of the committee and its process. Board committee chairs are appointed by the board (see G4.2.3) and have the following responsibilities:
- G7.2.1 Preside over committee meetings, determining their agenda and coordinating work to complete the committee's tasks effectively.
  - G7.2.2 Ensure the establishment of the committee budget and the subsequent monitoring of this budget.
  - G7.2.3 Ensure that committee minutes, budgets, and reports are maintained and included in the board packet.
  - G7.2.4 Add pertinent committee proposals to the board agenda, thoroughly discussed and researched by the committee.
  - G7.2.5 Ensure that the committee and its owners are in compliance with board policies and the committee charter.
  - G7.2.6 Ensure that important committee documents are preserved in a centralized location for use by subsequent committee owners or chairs.

MONITORING: This policy will be monitored annually through the board self-evaluation.

Policy Type: Governance Process  
Policy Title: G8 – Cost of Governance  
Adopted: July 2002  
Last Revised: [July 2002](#)

Because poor governance costs more than learning to govern well, the board will invest in its governance capacity. Accordingly:

- G8.1 Board skills and methods will be sufficient to assure governing with excellence.
  - G8.1.1 Training will be used to orient new directors and board candidates, as well as to maintain and increase skills of existing directors.
  - G8.1.2 Outside monitoring assistance will be arranged as needed so the board can exercise confident control over organizational performance. This includes but is not limited to fiscal review.
  - G8.1.3 Outreach will occur as needed to link the board to owner viewpoints and values.
- G8.2 Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability, and shall be monitored and recorded by the board treasurer.

MONITORING: This policy will be monitored annually through the board self-evaluation.

## BOARD GENERAL MANAGER LINKAGES

Policy Type: Board – General Manger Linkages  
Policy Title: M – Global Board-General Manager Linkage  
Adopted: July 2002  
Last Revised: [July 2002](#)

The board's sole official connection to the operational organization, its achievements and conduct will be through a General Manager.

Policy Type: Board – General Manger Linkages  
Policy Title: M1 – Delegation to the General Manager  
Adopted: July 2002  
Last Revised: [November 2007](#)

The board’s job is generally confined to establishing topmost policies, leaving implementation and subsidiary policy development to the General Manager. Ends policies direct the General Manager to achieve certain results: Executive Limitations policies constrain the General Manager to act within acceptable boundaries of prudence and ethics. All board authority delegated to staff is delegated through the General Manager, so that all authority and accountability of staff can be phrased – insofar as the board is concerned – as authority and accountability of the General Manager.

- M1.1 The General Manager is authorized to establish all further policies, make all decisions, take all action, and develop all activities that are true to the board’s policies. The board may, by extending its policies, “undelegate” areas of the General Managers authority, but will respect the General Manager’s choices so long as the delegation continues.
- M1.2 No individual board owner, officer, or committee has the authority over the General Manager. Information may be requested, but if such request, in the General Manager’s judgment, is disruptive, inappropriate, or requires a material amount of time, it may be refused.
- M.1.3 The General Manager may not perform, allow or cause to be performed any act which is contrary to explicit board constraints on executive authority (See Executive Limitations policies).
- M.1.4 Should the General Manager deem it necessary to violate board policy, (s)he shall inform an officer of the board. Informing is simply to guarantee no violation may be intentionally kept from the board, not to request approval. Officer response, either approving or disapproving, does not exempt the General Manager from subsequent board judgment of the action.

Policy Type: Board – General Manger Linkages  
Policy Title: M2 – Monitoring General Manager Performance  
Adopted: July 2002  
Last Revised: [November 2007](#)

Monitoring executive performance is synonymous with monitoring organizational performance against board policies on Ends and on Executive Limitations. Any evaluation of General Manager Performance, formal or informal, may be derived only from these monitoring data.

- M2.1 The purpose of monitoring is simply to determine the degree to which board policies are being fulfilled. Information which does not do this will not be considered to be monitoring. Monitoring will be as automatic as possible, using a minimum of time so that meetings can be used to create the future rather than to review the past.
- M2.1.1 In every case, the standard for compliance shall be any reasonable GM interpretation of the board policy being monitored. The board is the 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.”
- M2.2 A given policy may be monitored in one or more of three ways:
- M2.2.1 Internal report: Disclosure of compliance information to the board from the General Manager.
- M2.2.2 External Report: Discovery of compliance information by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the board. Such reports must assess executive performance only against policies of the board, not those of the external party unless the board has previously indicated that party’s opinion to be the standard.
- M2.2.3 Direct Board Inspection: Discovery of compliance information by a board owner, a committee or the board as a whole. This is a board inspection of documents, activities or circumstances directed by the board which allows a “prudent person” test of policy compliance.
- M2.2.4 Ethical Complaint Resolution Procedure (ECRP): Discovery of compliance via the ECRP should a complaint be submitted.

TPSS Cooperative Board of Representatives  
Ethical Complaint Resolution Procedure

(This procedure links to Policy M 2.2.4 Direct Board Inspection)

The Board recognizes that the day-to-day management of store operations, including personnel matters and financial and other resources, are the responsibility of the General Manager. However, the Board also recognizes that as a part of its responsibility to monitor the General Manager's executive performance, it must be accountable to the employees and members of the Co-op in the event that the General Manager's actions are potentially unethical or the effects of her/his actions have potentially unethical consequences. This Ethical Complaint Resolution Procedure (ECRP) is not intended to provide an avenue for solving complaints or disagreements with the General Manager, but is for the purpose of addressing **serious and egregious unethical behavior**. Only current employees of the co-op may utilize this procedure. For represented employees, union policies supersede this procedure.

If an employee believes that the General Manager has engaged in any of the following, s/he may file a written complaint with the Board:

- Financial improprieties
- Unethical use or allocation of cooperative resources

A complaint under this ECRP may be filed only on behalf of oneself, and not on behalf of any other employee(s).

The complaint must be submitted in writing and include the following:

1. The employee's name, address, telephone, and email address.
2. The employee's job title and department, weekly hours, and amount of time employed at the store.
3. The date(s) on which the alleged action(s) occurred and a detailed description of those actions and why they constitute unethical behavior.
4. Allegations should be supported by relevant supporting documentation.
5. A clear statement of the resolution that the complainant is seeking.

Upon receipt of a written complaint, the Board shall convene a confidential ECR committee, which shall consist of four (4) non-staff Board representatives and one (1) employee who will be selected annually by non-represented co-op staff to represent them on the ECR committee.

The Committee shall review the documentation provided by the complainant, and if necessary, request additional information from either the complainant or the General Manager. If necessary and appropriate, the committee may also meet with the complainant, the General Manager, or other experts as necessary and appropriate.

After discussion and consultation the committee shall reach a determination about the validity of the grievance and formulate recommendations about appropriate remedial action and/or resolution. The committee's findings and recommendations shall be presented to the full Board in Executive session.

The full Board will determine what actions, if any, shall be taken and how to communicate these with the complainant and the General Manager.

M2.3 Upon the choice of the board, any policy can be monitored by any method at any time. For regular monitoring however, each Ends and Executive Limitations policy will be classified by the board according to frequency and method.

Policy	E1- Social Responsibility	Internal/Annually	
	E-2 Long Term Success	Budget/Annually	GM Report/Monthly
	E-3 Ownership	Budget/Annually	GM Report/Monthly
L - Global Executive Constraint		N/A	
	L1-Customer Service and Value	Budget/Annually	GM Report/Monthly
	L2-Staff Treatment	HR Docs/Annually	GM Report/Monthly
	L3-Compensation and Benefits	Internal/Monthly	
	L4-Financial Conditions	Internal/Quarterly	External/Annual
	L5-Budgeting/Financial Planning	Discussion/Annual	
	L6-Asset Protection	Internal/Annual	External/Annual
	L7-Communication and Counsel to the Board	GM Eval/Annually	Direct Insp./Periodically
	L8-Executive Succession	Internal/Annually	
G-Global Governance Commitment			
	G1-Governing Style	Board Self-Eval./Annually	
	G2-Board Job Description	Board Self-Eval./Annually	
	G3-Agenda Planning	Board Self-Eval./Annually	
	G4-Board President's Role	Board Self-Eval./Annually	
	G5-Representatives' Code of Conduct	Board Self-Eval./Annually	
	G6-Board Committee Principles	Board Self-Eval./Annually	
	G7-Cost of Governance	Board Self-Eval./Annually	
M-Global Board-General Manager Linkage			
	M1-Delegation to the General Manager		GM Report/Direct Inspection.
	M2-Monitoring General Manager Performance		GM Report/Direct Inspection.

M.2.4 Each September the board will have a formal evaluation of the General Manager. This evaluation will only consider monitoring data as defined here, but as it has appeared over the intervening year.