

Oryana Board Policies

March 2009

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Ends Policies

Economy: Because of Oryana, our community has a vibrant cooperative business that stimulates cooperative activity.

Localism: Because of Oryana, our community has an accessible and healthy marketplace for goods produced locally that have a positive environmental and social impact.

Wellness: Because of Oryana, our community has direct access to solutions that contribute to health and wellness.

Education: Because of Oryana, our community has opportunities to learn about the interconnectivity between healthful foods, environmental stewardship, and social responsibility.

Community: Because of Oryana, ecologically regenerative and socially just community development efforts are nourished and supported.

Model Workplace: Because of Oryana, our community has a model workplace which demonstrates a professional culture of mutual support and open communications, which is based on the balance of personal and organizational needs.

Executive Limitations

2.0. Global Executive Constraint

The GM shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of cooperative principles and commonly accepted business and professional ethics and practices.

2.1. Treatment of Consumers

The General Manager will not fail to ensure that our customers receive high value in our products and services. The GM will not:

1. Fail to offer a range of products and services that meet our customers' needs.
2. Allow an unsafe or unpleasant shopping experience for our customers.
3. Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.

2.2. Membership

The General Manager will not fail to establish, maintain, and promote a vital membership program that builds a sense of ownership among members. The GM will not:

1. Elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing information that fail to protect against improper access to the information elicited.
3. Fail to provide volunteer opportunities for members to participate in the cooperative.
4. Fail to ensure that members are aware of Board actions, meetings, activities and events.
5. Change the membership equity requirement.

2.3. Treatment of Staff

With respect to relations with paid and volunteer staff, the General Manager will not cause or allow conditions which are unfair, unsafe, or unclear. The GM will not:

1. Cause or allow discrimination or harassment among employees and potential employees.
2. Operate without written personnel policies that: (a) clarify rules for staff, (b) provide for effective handling of grievances, (c) protect against wrongful conditions, and (d) protect against retaliation.
3. Fail to provide for appropriate documentation, security and retention of personnel records and all personnel related decisions.
4. Fail to operate without staff having a clear understanding of (or being trained in) personnel policies.

2.4 Financial Condition and Activities

With respect to the actual, ongoing financial conditions and activities, the GM shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from board priorities established in Ends policies. The GM will not:

1. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
2. Use restricted funds for any purpose other than that required by the restriction.
3. Allow liquidity, or the ability to meet cash needs in a timely and efficient fashion, to be insufficient.
4. Fail to settle contracts, payroll, loans or other financial obligations in other than a timely manner.
5. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
6. Allow operations to generate an inadequate net income.
7. Fail to generate sufficient member equity.
8. Acquire, encumber or dispose of real estate.
9. Allow financial record keeping systems to be inadequate or out of conformity with GAAP

2.5 Financial Planning and Budgeting

The GM may not cause or allow planning to deviate materially from the board's Ends priorities, risk financial jeopardy, or fail to be derived from a strategic long-term plan. The GM will not cause or allow plans that:

1. Omit credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
2. Contain insufficient information to support assumptions.
3. Are not updated at least annually.
4. Do not protect the long-term health of the Co-op as described in Financial Conditions policy.
5. Do not provide for governance development (as set forth in Board Process policy 4.11).
6. Leave the Co-op unprepared for loss of key management personnel.

2.6. Asset Protection

The GM shall not allow assets to be unprotected, unreasonably risked, or inadequately maintained. The General Manger will not allow:

1. Inadequate security of premises and property.

2. Uncontrolled purchasing or purchasing subject to conflicts of interest.
3. Lack of due diligence in contracts.
4. Equipment and facilities to be uninsured, inadequately insured, or otherwise unable to be replaced if damaged destroyed, including coverage for any losses incurred due to business interruption.
5. Unnecessary exposure to liability or lack of insurance protection from claims of liability.
6. Data, intellectual property, or files to be unprotected from loss, theft or significant damage.
7. Damage to the co-op's good will, its public image, its credibility, or its ability to accomplish ends.

2.7. Emergency GM Succession

To protect the board from sudden loss of GM services, the GM shall not permit there to be fewer than one other executive sufficiently familiar with board and GM issues and processes to take over with reasonable proficiency as an interim successor.

2.8. Compensation and Benefits

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the GM shall not cause or allow jeopardy to financial integrity or to public image but will be guided by principles of a fair and livable wage and benefit package in exchange for the value of work performed.

Further, without limiting the scope of the previous statement by the following, the GM shall not

1. Change the GM's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees
2. Promise or imply permanent or guaranteed employment
3. Establish current compensation and benefits that deviate materially from the geographical market or cooperative standards for the skills employed, except where such a standard is demonstrably exploitive or inadequate.
4. 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 in revenue
5. Establish or change benefits so as to cause inequitable situations, including those that
 - a. Incur unfunded liabilities
 - b. Allow any employee to lose benefits already accrued from any previous plan
 - c. Provide less than some basic level of benefits to all full time employees so long as it does not cause financial hardship

2.9. Communication and Support to the Board

The GM shall not cause or allow the board to be uninformed or unsupported in its work. The GM will not

1. Neglect to submit monitoring data required by the board (see policy 3.4 on monitoring GM performance) in a timely, accurate, and understandable fashion, directly addressing the provisions of board policies being monitored
2. Fail to report in a timely manner any actual or anticipated noncompliance with any policy of the board
3. Allow the Board to be unaware of relevant trends, public events of the Cooperative, or internal and external changes which affect the assumptions upon which Board policy has previously been submitted
4. Fail to advise the board if, in the GM'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 GM
5. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other
6. Deal with the Board in a way that favors or privileges certain board members over others except

when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.

7. Fail to supply for the board's consent agenda, all decisions delegated to the GM yet required by law, regulation, or contract to be board-approved.

Board – General Manager Delegation

3.0. Global Governance-Management Connection

The board's sole official connection to the organization's operation will be through a chief executive officer, titled General Manager.

3.1. Unity of Control

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

3.2. Accountability of the GM

The GM is the board's only link to the organization's operation and conduct, so that all authority and accountability of staff is considered the authority and accountability of the GM. The board will view GM 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 GM performance.

3.3. Delegation to the GM

The board will instruct the GM through written policies and prescribe organizational ends to be achieved, describe organizational situations and actions to be avoided, and allow the GM to use any reasonable interpretation of these policies. The board will never prescribe operational means that have been delegated to the GM. The board may change its Ends and Executive Limitations policies.

3.4. Monitoring GM Performance

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

1. Monitoring is simply to determine the degree to which board policies are being met. Information that does not do this will not be considered to be monitoring information.
2. The board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses 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 member or members of the board assess compliance with the appropriate policy criteria.
3. In every case, the board will judge (a) the reasonableness of the GM's interpretation and (b) whether data demonstrate accomplishment of the interpretation.
4. 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.
5. All policies that instruct the GM 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 follow the schedule outlined in the Board Annual Calendar.
6. The Board will evaluate the General Manager annually, based on a summary of monitoring reports

The schedule will be established in the Board's annual calendar.

Board Process

4.0. Global Governance Commitment

The purpose of the board, on behalf of the Oryana membership, is to see to it that Oryana (a) achieves its goals as specified in board Ends policies and (b) avoids unacceptable actions and situations (as prohibited in board Executive Limitations policies).

4.1. Governing Style

The board will govern lawfully with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of board and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.

Accordingly:

1. The board will cultivate a sense of group responsibility. The board will be responsible for excellence in governing and be the initiator of policy. The board will not use the expertise of individual members to substitute for the judgment of the board, although the expertise of individual members may be used to enhance the understanding of the board as a body.
2. The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives. The board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
3. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the board can change its Governance Process policies at any time, it will scrupulously observe those currently in force.
4. Continual board development will include orientation of new board members in the board's Governance Process and periodic board discussion of process improvement.
5. The board will allow no officer, individual, or committee of the board to hinder or serve as an excuse for not fulfilling group obligations.
6. The board will monitor and discuss the board's process and performance on a regular basis. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.
7. The board will follow the decision making process outlined in its Bylaws, Article 5, Section 2.

4.2. Board Responsibilities

The job of the Board is to represent the member-owners in ensuring appropriate organizational performance.

Accordingly, the board has direct responsibility to create

1. The linkage between the ownership and the operational organization
2. Written governing policies that realistically address the broadest levels of all organizational decisions and situations
 - a. Ends: organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost)
 - b. Executive limitations: constraints on executive authority that establish the prudence and ethics

- boundaries within which all executive activity and decisions must take place
- c. Governance process: specification of how the board conceives, carries out, and monitors its own task
 - d. Board-management delegation: how power is delegated and its proper use; the GM's role, authority, and accountability
3. Assurance of successful organizational performance on Ends and Executive Limitations (2A and 2B above); and assurance of board performance (2C and 2D above)
 4. A board that can continue to lead into the future, using as our tools: recruitment, training, and ongoing professional development, including monitoring and self-evaluation

4.3. Agenda Planning

To accomplish its work with a governance style consistent with board policies, the board will follow an annual agenda that (a) completes a re-exploration of Ends policies annually and (b) continually improves board performance through board education and enriched input and deliberation.

1. The board's annual governance cycle will run from January 1 to December 31.
2. The cycle will start with the board's development of its agenda for the next year, including consultations with selected groups in the ownership, or other methods of gaining ownership input, and governance education and education related to ends determination.
3. The Board will limit the amount of meeting time taken up by monitoring reports, discouraging discussion unless the reports indicate policy violations, or the policy criteria themselves need review.
4. The Board will create, and modify as necessary, an annual calendar that includes the items mentioned in this policy, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in Policy 3.4.6.

4.4. Board Meetings

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

1. Meetings will be open to the membership except when closed session is officially called.
2. Directors may request a closed session but:
 - a. The purpose of the session must be stated.
 - b. The Board may include no one else or anyone else it chooses.
 - c. When possible, announcement of the closed session should be on the published agenda.
3. Meeting discussion content will only be those issues which, according to Board policy, clearly belong to the Board to decide, rather than the General Manager.
5. Deliberation will be timely, fair, orderly and thorough, but also efficient, limited to time and kept to the point.
6. Meetings are chaired by the President. Decisions are made according to the bylaws. A recording secretary takes minutes.
7. The agenda is set by the Board President with input from the Executive Committee and the General Manager and includes "Member input on issues" toward the beginning and "Critique" at the end. Any Director may add or delete items from the agenda. To request addition of an item to the printed agenda, a Director will contact the Board President in a timely manner.

4.5. President's Role

The President ensures the integrity of the board's process by facilitating meetings that are efficient, open, orderly, and consist solely of issues that clearly belong to the board to decide or monitor in accordance with board policy. 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 her or him. The President may delegate this authority but remains accountable for its use. The President ensures that other Board officers and directors carry out their duties.

4.6 Vice President's Role

The Vice-President's role is to help the Board maintain the relationship between the Board and the Member-owners.

Accordingly:

1. The Vice-President will ensure that the election and referenda process follows the Board's policies.
2. The Vice-President will be the liaison between the Board and the GM to ensure that all special events like Member Meetings are structured in a way that helps the Board do its work.
3. In accordance with our bylaws, the Vice-President will perform the duties of the President in her/his absence,

4.7 - Secretary's Role

The Secretary's role is to ensure the integrity of the Board's documents.

Accordingly,

1. The Secretary will ensure that all board documents and filings are timely and accurate.
 - a. The Secretary will act as the Board's liaison with the Board Assistant by a) assuring that directors and board associates (General Manager, minute-takers, facilitator, etc) receive a complete meeting packet before each meeting; b) assuring that all meeting minutes are accurate and well-formatted; and c) assuring that all Board documents (electronic and paper) are safely archived for an appropriate length of time.
 - b. The Secretary will assure that the policy register is updated to reflect changes approved by the board of directors, that policies are coherent and adhere to the Policy Governance model, and that the latest electronic and print version is distributed to the directors and GM.
2. In accordance with our bylaws, the Secretary will certify by her/his signature the results of voting in all elections and referenda put to the membership of the Co-op
3. The authority of the Secretary is access to and control over board documents, and the reasonable use of staff time.
4. Arrange for proper meeting facilities for the Board meetings.

4.8 - Treasurer's Role

The Treasurer's role is to help ensure that the Board creates and follows good policy relating to the financial condition of the cooperative and the Board itself.

Accordingly,

1. The Treasurer will create and monitor the Board's (not the co-op's) budget.
2. The Treasurer will chair any committee charged with researching financial policies, or with hiring an auditor.

4.9 Board Members' Code of Conduct

The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members, avoiding any conflict of interest with respect to their fiduciary responsibilities. Board members will come to meetings properly prepared for deliberation and will accept and support the final determination of the board on any matter. Except for participation in board deliberations about whether the GM has achieved any reasonable interpretation of board policy, members will not express individual judgments of performance of employees or the GM and will respect the confidentiality appropriate to issues of a sensitive nature. If a board member is found to have

violated this code the President shall provide counsel to that member to prevent future violations. The President may remove a board member in accordance with the bylaws.

4.10. Board Committee Principles

Board committees, when used, will be created for a specific purpose. A committee will not speak or act for the Board as a whole except when formally given that authority, nor will they exercise any authority over staff. This does not preclude the GM from involving any or all Board members as desired.

Examples of committees may include (but are not limited to): Linkage, Board Candidate Searches, and Audit

4.11. Governance Investment

The board will not fail to invest in its governance capacity including but not limited to funds derived from the annual budget. Accordingly, resources may be used for any or all of the following: trainings and retreats, seminars and conferences, consultants and facilitators, materials, third-party monitoring and advice, outreach with owners, administrative and meeting support, and other costs determined by the Board to enhance their capacity to govern.