



*POLICY NUMBER: II - 1
ADOPTED: 10/16/06*

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: GLOBAL GOVERNANCE COMMITMENT

The purpose of the board, on behalf of the owners, is to see to it that Sevananda Cooperative (a) achieves appropriate results for appropriate persons at an appropriate cost, and (b) avoids unacceptable actions and situations.

POLICY NUMBER: II - 2
ADOPTED: 10/16/06
AMENDED: 8/16/10
AMENDED: 8/21/12

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: GOVERNING STYLE

The board will govern 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) proactively rather than reactivity.

Accordingly:

1. The board will cultivate a sense of group responsibility. The board, not the staff, will be responsible for excellence in governing. The board will be the initiator of policy, not merely a reactor to staff initiatives. The board will use the expertise of individual members to enhance the ability of the board as a body, rather than to substitute the individual judgments for the board's values.
 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 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.
 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 be an excuse for not fulfilling its commitments.
 6. The board will monitor and discuss the board's process and performance at each meeting. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-GM Linkage categories.
- 7 A. The Board of Directors shall arrive at decisions by consensus. In cases where no consensus is reached, at the succeeding meeting of the Board of Directors, the same motion as worded will be carried by a three quarters (3/4) majority. Directors must be present to vote and a quorum of directors is required as defined in the Bylaws.

7. B. If the Board of Directors is unable to reach consensus in matters pertaining specifically to the Board of the Directors, the board may make these decisions carried by a three quarters (3/4) majority during the same meeting of the Board of Directors, in specific instances including but not limited to

- Appointment of a director
- Election of board officers
- Reinstatement of a director (8/10)

8. To promote transparency and educate member owners about the board, the board must adhere to the following meeting procedures:

- a. Agenda: Prior to any meeting, the board is required to post an agenda at least 24 hours in advance of the meeting, at the regular meeting site and on the Sevananda website.
- b. Minutes: All meetings must be documented by minutes. Minutes must include a description of each motion or proposal made and a record of all votes. Any vote that is not unanimous will be noted in roll call format reflecting the name and vote of each person. The board is allowed no later than until the next regularly scheduled meeting to approve prior minutes as official and make them available to member owners the within 7-business days in-store and on Sevananda website. (8/12)

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: BOARD JOB DESCRIPTION

Specific job outputs of the board, as an informed agent of the ownership, are those that ensure appropriate organizational performance.

Accordingly:

1. The board will produce the link between the organization and the ownership.
2. The board will produce written governing policies that, at the broadest levels, address each category of organizational decision.
 - 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-GM Linkage: How power is delegated and its proper use monitored, the GM role, authority and accountability.
3. The board will produce assurance of GM performance (against policies in 2a and 2b) and board performance (against policies in 2c and 2d, and against).

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: AGENDA PLANNING

To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda which (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 cycle will conclude each year on the last day of **December** so that administrative planning and budgeting can be based on accomplishing a one year segment of the board's most recent statement of long term Ends.
2. The cycle will start with the board's development of its agenda for the next year.
 - a. Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and arranged in the first quarter, to be held during the balance of the year.
 - b. Governance education, and education related to Ends determination, (e.g. presentations by futurists, demographers, advocacy groups, staff, etc.) will be arranged in the first quarter, to be held during the balance of the year.
3. Throughout the year, the board will attend to consent agenda items as expeditiously as possible.
4. GM monitoring will be included on the agenda if monitoring reports show policy violations, or if policy criteria are to be debated.
5. GM remuneration will be decided after a review of monitoring reports received in the last year during the month of **February**.

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: PRESIDENT'S ROLE

The Board President assures the integrity of the board's process, and secondarily, may occasionally represent the board to outside parties.

Accordingly:

1. The job result of the President is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - a. Meeting discussion content will be only those issues, which, according to board policy, clearly belong to the board to decide, not the GM.
 - b. Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.
2. The authority of the President consists in making decisions that fall within topics covered by board policies on Governance Process and Board-GM Linkage, with the exception of (a) employment termination of a GM 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.
 - a. The President is empowered to chair board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing).
 - b. 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 GM.
 - c. 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.
 - d. The President may delegate this authority, but remains accountable for its use.

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: OTHER OFFICERS' ROLES

The Board elects officers to help it maintain the integrity of its process, its legal responsibility, and its responsibility for its own expenses. Officers are empowered to sign document for the cooperative when required and allowed by Board policy.

1. The job result of the Vice President is that the President's term may be fulfilled until the next officer elections in case the President becomes unable to serve. Accordingly, the Vice President will:
 - a. Become familiar with the duties of the President.
 - b. In so doing, actively work in partnership with the President.
2. The job result of the Secretary is that the Board's activities are recorded and archived with integrity. Accordingly, the Secretary will ensure that:
 - a. Board directors receive timely minutes of Board Meetings which accurately reflect legal standards.
 - b. Meeting minutes and litigation documents are archived in perpetuity., and Sensitive documents (including but not limited to; financial reports, monitoring reports, monthly committee reports, GM contracts, GM appraisals, elections materials, corporate book & seal, etc.) are kept in a secure location for a minimum of 7 years, or more if required by law, or as deemed necessary by the board. After any document's term of record expires, the documents should be shredded. However, prior to any board document being shredded, those documents will be scanned into an electronic copy. (5/18)
 - c. The Board Books (Governance and Readings) are updated annually, with old documents being archived.
 - d. New directors receive copies of these books, and one copy is reserved for inspection by members.
 - e. There is a place to meet and refreshments for board meetings.

3. The job results of the Treasurer is that the Board and membership are knowledgeable regarding the finances of the cooperative, and that the Board's budget is maintained with integrity. Accordingly, the Treasurer will ensure that:
 - a. The Board develops, approves and abides by a budget and tracks itemized expenses on a quarterly basis in accordance with the Cost of Governance policies. (11/10)
 - b. The membership receives an annual financial report, and that quarterly reports are made available to interested members.
 - c. New directors receive financial statement training and an explanation of the current financial situation.
 - d. The GM bonus is calculated as per contract.

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: BOARD MEMBERS' CODE OF CONDUCT

We each commit ourselves to the bylaws and policies of Sevananda and to ethical, professional, respectful, and lawful conduct.

1. Every director is responsible at all times for acting in good faith, in a manner which she/he reasonably believes to be in the best interests of the Cooperative, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
2. Directors must demonstrate unconflicted loyalty to the interests of the Cooperative's owners. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other Boards or staffs, and the personal interest of any director acting as an individual consumer or member.
 - a. There will be no self-dealing or any conduct of private business or personal services between any director and the Cooperative except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.
 - b. On or before a new director's first board meeting, he/she will complete the "Conflict of Interest Disclosure" form, and at the first board meeting will verbally report to the whole board the potential conflicts. Any subsequent potential conflicts will be reported to the whole board immediately. (5/18)
 - c. When the Board is to decide on an issue about which a director has an unavoidable conflict of interest, that director shall abstain from the conversation and the vote.
 - d. A director who applies for employment must first resign from the Board.
3. Directors may not attempt to exercise individual authority over the organization.
 - a. When interacting with the GM or employees, directors must carefully and openly recognize their lack of authority.

- b. When interacting with the public, the press, or other entities, directors must recognize the same limitation and the inability of any director to speak for the Board except to repeat explicitly stated Board decisions.
- 4. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
- 5. Directors are expected to attend Board of Directors scheduled events, defined as: regular monthly meetings, strategic planning sessions, the annual member meeting, and training retreats. Any Director should refrain from being absent for three or more scheduled events of the Board, within any twelve-month period. (5/18)
- 6. Directors will support the legitimacy and authority of the Board's decision on any matter, irrespective of the director's personal position on the issue.
- 7. Any director who does not follow the code of conduct policy can be removed from the Board by a 2/3 majority vote of the remaining Board, as reflected in Bylaw 2.7. (5/18)
 - a. The board member being reviewed and voted on will have an opportunity to advocate on their own behalf, in person or in writing, as chosen by that board member under review. (5/18)

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: BOARD COMMITTEE PRINCIPLES

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 GM.

Accordingly:

1. Board committees are to help the board do its job, not to help or advise the staff. Committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees will normally not have direct dealings with current staff operations.
2. 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 in order not to conflict with authority delegated to the GM.
3. Board committees cannot exercise authority over staff. Because the GM works for the full board, he or she will not be required to obtain approval of a board committee before an executive action.
4. Board committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a board committee, which has helped the board create policy on some topic, will not be used to monitor organizational performance on that same subject.
5. Committees will be used sparingly and ordinarily in an ad hoc capacity.
6. This policy applies to any group which is formed by board action, whether or not it is called a committee and regardless whether the group includes board members. It does not apply to committees formed under the authority of the GM.

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: BOARD COMMITTEE STRUCTURE

A committee is a board committee only if its existence and charge come from the board, regardless whether board members sit on the committee. Committees will assist the board as necessary, and will be used in a way that will not interfere with board holism. Their work is limited to those tasks specifically delegated to them by the board.

Standing committees address continual tasks and exist until dissolved by the board. Ad hoc committees address one-time tasks and cease to exist upon their completion.

1. Standing committees include:

- a. The Finance Committee, which reviews Sevananda's finances on an annual basis in order to assist with long-term planning for the co- operative's financial future.
- b. The Policy Committee, which reviews Sevananda's Board Policies and Bylaws on an annual basis in order to submit recommendations for any needed updates.
- c. The Member Linkage Committee, which crafts an annual and tri-annual plan for linking to members for approval by the Board. The Member Linkage Committee also takes the initiative in marshaling resources with which to enact the linkage plans.
- d. The Product Policy Committee, which routinely surveys store products for compliance with board stated product priorities. The Product Policy Committee also assures that changes to board stated product priorities are based solely on their survey of member owners.
- e. The Training Committee, connects the board to, and also develops thorough training in how to use policy governance model; fiduciary duties of Board members; and what members should do to fulfill each of their respective roles and duties; cooperative development and principles; and the rules and regulations that govern cooperatives.
- f. The Elections Committee, which is responsible for organizing free and fair elections each year for Sevananda's Board of Directors, shall operate in accordance with Bylaws 2.1, 2.2, and 4.6. (5/18)

POLICY TYPE: GOVERNANCE PROCESS

POLICY TITLE: COST OF GOVERNANCE

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

Accordingly:

1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
 - a. Training and retraining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase existing member skills and understandings.
 - b. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.
 - c. Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
2. Costs will be prudently incurred while assuring high quality. (11/10)
3. The board shall review its vendors annually.(11/10)

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: GLOBAL EXECUTIVE CONSTRAINT

The GM shall not cause or allow any practice, activity, decision, or organizational circumstance, which is unlawful, imprudent, contrary to explicit bylaw, in violation of commonly accepted business and professional ethics or generally accepted accounting principles.

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: TREATMENT OF MEMBERS

With respect to interactions with member-owners or those applying to be member- owners, the GM shall not cause or allow conditions, procedures, or decisions which are unsafe, undignified, biased, unnecessarily intrusive, disrespectful, misrepresentative, or which fail to provide appropriate confidentiality or privacy.

Further without limiting the scope of the previous statement by the following, he or she shall not:

1. Breach confidentiality regarding individual member-owner sales, purchase data, credit data, or personal information.
2. Allow access to or use of member-owner personal information by any entity other than Sevananda, without an explicit release to do so.
3. Fail to ensure that member-owners are fully informed of their rights and responsibilities as co-owners of the business.
4. Deny a grievance process to those who believe they have not been accorded reasonable treatment as it relates to their protections under this policy.

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: TREATMENT OF CUSTOMERS

With respect to interactions with consumers, or those applying to be consumers, the GM shall not cause or allow conditions, procedures, or decisions which are unsafe, undignified, biased, unnecessarily intrusive, disrespectful, misrepresentative, or which fail to provide appropriate confidentiality or privacy.

Further without limiting the scope of the previous statement by the following, he or she shall not:

1. Use methods of collecting, reviewing, or storing customer information that fail to protect against improper access to the information elicited.
2. Fail to inform consumers of how information that is gathered may be used.
3. Fail to operate facilities with appropriate accessibility.
4. Fail, where appropriate, to encourage long-term relationships.
5. Fail to establish with consumers a clear understanding of what may be expected and what may not be expected from the services offered.
6. Fail to inform consumers of this policy or to provide a way to be heard for persons who believe they have not been accorded a reasonable interpretation of their protection under this policy.

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: TREATMENT OF STAFF

The General Manager shall not treat staff in any way that is unfair, unsafe, or unclear. The GM will not:

1. Operate without written personnel policies that:
 - a. Clarify rules for staff
 - b. Provide for fair and thorough handling of grievances in a way that does not include the board as a participant in the grievance process
 - c. Are accessible to all staff
 - d. Inform staff that employment is neither permanent nor guaranteed
 - e. Provide appropriate confidentiality and privacy.
2. Cause or allow personnel policies to be inconsistently applied.
3. Provide for inadequate documentation, security and retention of personnel records and all personnel-related decisions.
4. Operate without adequate training or regular evaluations.

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: TREATMENT OF VENDORS

With respect to interactions with vendors, or those applying to be vendors, the GM shall not cause or allow conditions, procedures, or decisions which are unfair, disrespectful, undignified, unnecessarily intrusive, discriminatory, arbitrary, capricious, deceptive, deceitful, exploitative, unsafe, or that fail to provide appropriate confidentiality.

Further, without limiting the scope of the foregoing, he or she shall not:

Use procedures that elicit information for which there is no demonstrable necessity.

Use methods of collecting, reviewing, or storing vendor information that fail to protect against improper access to that information.

Fail to establish with vendors a clear understanding of expectations.

Fail, where appropriate, to encourage long-term relationships.

Fail to engage in contracts/ agreements with vendors that are mutually beneficial and provide for transparency and clarity in pricing.

Fail to pay vendors within agreed upon terms.

Fail to inform vendors of this policy.

Fail to provide a grievance procedure for vendors who believe that they have not been accorded a reasonable interpretation of their protections under this policy.

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: PRODUCTS & SERVICES

With respect to the products and services offered by the cooperative, the General Manager may not cause or allow a deviation from the board's stated priorities.

Further, s/he shall not:

1. Fail to maintain and publicize to the public a products and Services statement for each business which is consistent with board stated priorities which specifically include:
 - a. Excluding animal flesh or byproducts for which the animal must be killed, intended for human consumption.
 - b. Excluding from our product line, to the extent possible, genetically modified foods and report on:
 - i. labeling all products which contain no genetically modified ingredients, including those made in store
 - ii. eliminating genetically modified ingredients from all products made in store
 - iii. refraining from offering products which contain genetically modified ingredients at all public store events. (8/13)
 - c. Excluding products such as soaps and cosmetics that have been developed using cruel and abusive animal laboratory tests.
 - d. Avoid purchasing from companies and, in appropriate cases, countries, that disregard human rights and environmental health.
 - e. Giving preference to local suppliers, producers, growers and those who demonstrate humane and non-exploitative business practices.
 - f. Excluding from our product line, to the extent possible, products containing artificial chemicals and products that have been subjected to irradiation.

- g. Excluding, to the extent possible, refined sugars.
2. Fail to operate with policies and procedures that ensure that the cooperative complies with its Products and Services statement.
 3. Fail to ensure that member product review procedures are available, open, fair, and in accordance with cooperative principles.

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: FINANCIAL PLANNING/BUDGETING

The General Manager must not cause or allow business planning and budgeting to deviate significantly from the Board's Ends priorities, risk financial jeopardy, or fail to be derived from a multi-year plan.

Further, without limiting the scope of the previous statement by the following, the GM must not allow a budget process which:

1. Creates plans or annual budgets that
 - a. Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities."
 - b. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
2. Provides less for Board prerogatives during the year than is set forth in the board budget.

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: FINANCIAL CONDITION AND ACTIVITIES

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

Accordingly, the General Manager must not:

1. Cause the cooperative to incur indebtedness other than trade payables incurred in the ordinary course of doing business and/or leases for equipment required in the ordinary course of doing business, unless previously authorized by the Board.
2. Allow late payment of payroll, debt, or other financial obligations in a timely manner.
3. Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. Fail to disclose to the board any and all fiscal activity including such activities outside the ordinary course of doing business.
5. Allow sales growth to be inadequate or operate without pricing policies, expense controls, and a budget sufficient to generate a rolling 4-quarter net income before tax of 0.5% of sales or greater.
6. Allow solvency (the relationship of debt to equity) to be insufficient.
7. Use restricted funds for any purpose other than that required by the restriction.
8. Fail to meet or exceed all requirements of written contracts, loans or other external obligations.
9. Acquire, encumber or dispose of real estate.

10. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
11. Allow growth in numbers of member/owners and member/owner equity to be insufficient.
12. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: ASSET PROTECTION

The GM shall not allow cooperative assets to be unprotected, inadequately maintained or unreasonably risked.

Further, without limiting the scope of the previous statement by the following, the Gm must not:

1. Fail to insure against liability losses to board members, staff and the organization itself in an amount greater than the average for comparable organizations.
2. Unnecessarily expose the organization, its board or staff to claims of liability.
3. Make any purchases: (a) wherein normally prudent protection has not been exercised against conflict of interest or, (b) of any non-retail purchase (i) of over \$5000 without having obtained comparative prices and quality; (ii) make any capital expenditure of \$15,000 or more not in the capital budget without board approval. Orders shall not be split to avoid these criteria.
4. Allow hardcopy or electronic data, intellectual property, or files to be unprotected from loss, theft, or significant damage.
5. Allow equipment and facilities to be inadequately insured, maintained, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
6. Allow inadequate security of premises and property.
7. Allow deposits or investments to be unreasonably risked.
8. Endanger the organization's public image or credibility, particularly in ways that would hinder its achievement of Ends policies.
9. Fail to keep all appropriate licenses current.
10. Allow lack of due diligence in contracts.
11. Allow improper usage of members' and customers' personal information.

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: 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 fiscal integrity or public image.

Accordingly, he or she may not:

1. Change his or her own board determined compensation and benefits, or any contractual arrangement with which he benefits directly or indirectly.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
4. Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:
 - a. Incur unfunded liabilities.
 - b. Provide less than some basic level of benefits to all full time employees, though differential benefits to reward longevity are not prohibited.
 - c. Allow any employee to lose benefits already accrued from any foregoing plan.
 - d. Treat the GM differently from other key employees.
5. Distribute more than 6% of pre-tax income (based on annual external audit) to staff in the form of profit sharing, and if profit sharing is paid out, he or she shall not fail to distribute at least \$10 to each eligible staff member.

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: EMERGENCY GM SUCCESSION

The GM shall not fail to protect the cooperative from sudden loss of GM services.

Further, without limiting the scope of the previous statement by the following, he or she shall not:

Fail to have emergency short-term planning in place for this contingency.

POLICY TYPE: EXECUTIVE LIMITATIONS

POLICY TITLE: COMMUNICATION AND SUPPORT TO THE BOARD

The GM shall not permit the board to be uninformed or unsupported in its work.

Accordingly, he or she may not:

1. Neglect to submit monitoring data required by the board (see policy on Monitoring GM Performance) in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored.
2. Let the board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in new vendors or, in the assumptions upon which any board policy has previously been established.
3. 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-GM Linkage, particularly in the case of board behavior, which is detrimental to the work relationship between the board and the GM.
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.
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. Fail to provide a mechanism for timely official board, officer or committee communications. (10/12)
7. 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.
8. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the board.
9. Fail to supply for the consent agenda all items delegated to the GM yet required by law or contract to be board-approved, along with the monitoring assurance pertaining thereto.
10. Edit, or allow editing of, communications between the board and member owners, without Board approval [the board added language "without Board approval"]. (10/12)

POLICY TYPE: BOARD-GM LINKAGE

POLICY TITLE: GLOBAL GOVERNANCE-MANAGEMENT CONNECTION

The board's sole connection to the operational organization, its achievements and conduct will be through a Chief Executive Officer titled General Manager (GM).

POLICY TYPE: BOARD-GM LINKAGE

POLICY TITLE: UNITY OF CONTROL

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

Accordingly:

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

POLICY TYPE: BOARD-GM LINKAGE

POLICY TITLE: ACCOUNTABILITY OF THE GM

The GM 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 GM.

Accordingly:

1. The board will never give instructions to persons who report directly or indirectly to the GM.
2. The board will refrain from evaluating, either formally or informally, any staff other than the GM.
3. 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.
4. To assist and ensure successful GM performance to the stated Ends required by the Board, the GM is required to have one Self Care day per month. This day is to be mandatorily scheduled and taken when it is operationally feasible and does not interfere with or facilitate hardship upon the operation. This day is also to be financially budgeted into the overall operations budget to be approved yearly by the Board. (12/17)

POLICY TYPE: BOARD-GM LINKAGE

POLICY TITLE: DELEGATION TO THE GM

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

Accordingly:

1. The board will develop policies instructing the GM to achieve certain results, for certain recipients at a specified cost. These policies will be developed systematically from the broadest (most general) level to more defined levels, and will be called Ends policies.
2. The board will develop policies, which limit the latitude the GM may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies.
3. As long as the GM uses any reasonable interpretation of the board's Ends and Executive Limitations policies, the GM is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
4. The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and GM domains. By doing so, the board changes the latitude of choice given to the GM. But as long as any particular delegation is in place, the board will respect and support the GM's choices.

POLICY TYPE: BOARD-GM LINKAGE

POLICY TITLE: 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. Data, which do not do this, will not be considered to be monitoring data.
2. The board will acquire monitoring data by one or more of three methods: (a) by internal report, in which the GM discloses 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, and (c) by direct board inspection, in which a designated member or members of the board assess compliance with the appropriate policy criteria.
3. For each policy reported on the GM will be expected to provide the following information:
 - a. The relevant policy being monitored;
 - b. His or her interpretation of said policy;
 - c. The rationale for his or her interpretation;
 - d. Relevant data sufficient for the board to determine compliance or noncompliance.
4. In every case, the standard for compliance shall be any reasonable GM interpretation of the board policy being monitored.
5. All policies, which 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 depend on a routine schedule.

GM Monitoring Schedule

<u>Policy</u>	<u>Suggested Month</u>	<u>Method</u>
General Executive Constraint -Annual	January	Internal
Emergency GM Succession -Annual	February	Internal
Financial Condition and Activities -Quarterly	Feb, May, Aug, Nov	Internal
Ends Policy Review -Annual	March	Internal
Actual (Financial Condition and Activities – Audit) -Annual	March	External
Asset Protection – Audit -Annual	March	External
Treatment of members -Annual	April	Internal
Treatment of customers -Annual	April	Internal
Compensation & Benefits -Annual	June	Internal
Treatment of staff -Annual	June	Internal
Products and Services -Annual	July	Internal
Treatment of vendors -Annual	September	Internal
Asset Protection – GM -Annual	October	Internal
Budget/Financial Planning -Semi Annual	November/ May	Internal
Communication & Support to Board -Annual	December	Direct Inspection

POLICY TYPE: ENDS

Sevananda exists such that the commonhealth is sustained.

The commonhealth is a community characterized by:

- A culture of service
- Knowledgeable members
- A network of local, viable services
- An environment that is sustainable and nourishing
- Local, regional, global connectedness
- Relationships which are fair, inclusive, interactive and empowering
- An economy that is thriving, autonomous, and mutually beneficial for all involved