



## POLICY TYPE: ENDS

Revised in person 1/8/19

### Policy Type: Ends

Sevananda Natural Foods Market is a cooperative that exists to cultivate community through:

- Wholistic health and wellness;
- Innovative sustainable and humane systems;
- Informed, invested, and engaged stakeholders;
- Collaborative relationships that are equitable and empowering;
- Economic expansion;
- Local and global networks

POLICY NUMBER: II – 1  
ADOPTED: 10/16/06  
Revised 11/30/18

## POLICY TYPE: GOVERNANCE PROCESS

### ***POLICY TITLE: GLOBAL GOVERNANCE COMMITMENT***

The purpose of the board, on behalf of Sevananda's members is to ensure the success of Sevananda by working together effectively, empowering and holding accountable professional management, providing strategic leadership and perpetuating our democratic organization.

Notes: and stakeholders- discussion about bring together with bylaws, differentiating between members and owners

POLICY NUMBER: II – 2  
ADOPTED: 10/16/06  
AMENDED: 8/16/10  
AMENDED: 8/21/12  
Revised 11/30/18

## POLICY TYPE: GOVERNANCE PROCESS

### ***POLICY TITLE: GOVERNING STYLE***

The board will govern with an emphasis on (a) outward vision, (b) encouragement of diverse viewpoints, (c) strategic leadership, (d) collective decision making, (e) future and proactivity.

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'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 maintain team discipline, authority and responsibility.
4. The board will monitor and discuss the board's process and performance.

Notes:

For training committee or whatever committee takes on the responsibility of board orientation:: Continual board development will include orientation of new board members in the board's governance process and periodic board discussion of process improvement.

Compare BYLAWS § II, 2.3 and revise for consistency : We are adding "at least two weeks instead 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.

## 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 has a direct responsibility to practice, protect, promote and produce the link between the organization and the ownership; as per the bylaws.
2. The board will produce written governance policies that, at the broadest levels, hold accountable a GM and uses a strategic process to establish the value of GM compensation in accordance with GM contract.
3. The board will produce assurance of GM performance and board performance.

## POLICY TYPE: GOVERNANCE PROCESS

### ***POLICY TITLE: AGENDA PLANNING***

To accomplish its Ends with a governance style consistent with board bylaws, the board will follow a strategic multi-year work plan, an annual agenda that focuses our vision for Sevananda's growth, expansion and progression.

1. We will create and modify as necessary an annual calendar including tasks and events related to our multi-year work plan, membership meetings and linkage activities, board training schedule, monitoring schedule and the GM evaluation and compensation decision as outline in our board GM linkage policy.
2. Board meeting agenda will be determined by the Board's president and may be modified at the meeting by the majority of the board

## POLICY TYPE: GOVERNANCE PROCESS

### ***POLICY TITLE: OFFICERS' ROLES***

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

1. No officer has any authority to supervise or direct the GM.
2. Officers may delegate their authority but remain accountable for its use.
3. Existing officers will conduct officer orientation / training with incoming officers.
4. The president assures the integrity of the Board's process in accord with our policies.
  - a. The president is authorized to make decisions that are consistent with Board Process and Board-GM Relationship policies in order to facilitate the Board's functioning.
  - b. The president will chair and set the agenda for Board meetings and ensures deliberation will be fair, open and thorough but also timely, orderly and kept to the point.
  - c. The president plans for leadership (officer) perpetuation.
  - d. The president may represent the Board to outside parties.
5. The vice-president will perform the duties of the president in her or his absence.
6. The treasurer is responsible for supporting the Board in all finance related board work.
  - a. The treasurer will lead the Boards process for creating and monitoring the Board's (not the Cooperative's) budget.
  - b. The treasurer will facilitate the Board's understanding of the financial condition of the Cooperative.
  - c. The Treasurer shall make quarterly reports to the members in writing.
7. The secretary will make sure the Board's documents are accurate, up to date and timely as well as accurately and appropriately maintained.
  - a. The secretary will document the draft and record the final versions of any new policy and committee charter.
  - b. The Secretary shall maintain a minute book of the Board is meetings and the General Membership meetings.

POLICY NUMBER: II - 6

ADOPTED: 3/24/14

AMENDED: 5/20/18

Formerly II-7, Renumbered &

Revised 11/30/18

## POLICY TYPE: GOVERNANCE PROCESS

### **POLICY TITLE: BOARD MEMBERS' CODE OF CONDUCT**

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

1. Every director is responsible at all times for acting in good faith, in a manner which 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, personal services or the preservation of personal relationships that supersede accountability to the board between any director and the Cooperative except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.
  - b. At a new director's first board meeting, he/she will complete the "Conflict of Interest Disclosure" form, and will verbally report to the whole board the potential conflicts. Any subsequent potential conflicts will be reported to the whole board immediately.
  - 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.\*\**

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 action of the Board

POLICY NUMBER: II-7

ADOPTED: 10/16/06

*Formerly II-8 & 9, Renumbered*

*Revised 11/30/18*

## POLICY TYPE: GOVERNANCE PROCESS

### ***POLICY TITLE: BOARD COMMITTEE PRINCIPLES***

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

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

POLICY NUMBER: II-8  
ADOPTED: 10/16/06  
AMENDED: 11/15/2010  
*Formerly II-10, Renumbered &  
Revised 11/30/18*

## POLICY TYPE: GOVERNANCE PROCESS

### ***POLICY TITLE: COST OF GOVERNANCE***

We will invest in the Board's governance capacity.

1. We will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
2. We will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
  - a. We will use training and retraining liberally to orient new directors and board candidates, as well as to maintain and increase existing directors' skills and understanding.
  - b. We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.
  - c. We will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
  - d. We will use professional and administrative support.
3. We will develop the Board's annual budget in a timely way so as to not interfere with the development of the Cooperative's annual budget.

## POLICY TYPE: GOVERNANCE PROCESS

### ***POLICY TITLE: BOARD MEETINGS***

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

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

POLICY NUMBER: III - 1  
ADOPTED: 11/21/05  
*Revised 11/30/18*

## 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 and cooperative 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. Will not prevent any employee from reporting unethical or illegal activity to the Board or discriminate or retaliate against any employee for reporting unethical or illegal activity.
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.

Note: discuss employees as member owners interview/vetting/application process

Note: Suggest to GM meritorious for team members or incentivize for member sign ups (gift card)

## POLICY TYPE: EXECUTIVE LIMITATIONS

### **POLICY TITLE: FINANCIAL PLANNING/BUDGETING**

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

The GM must not:

1. Create plans or budgets that
  - 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.
  - c. Do not address excellence in business systems and operations.
  - d. Have not been tested for feasibility.
2. Provide less for Board prerogatives during the year than is set forth in the board budget.

## POLICY TYPE: EXECUTIVE LIMITATIONS

### ***POLICY TITLE: 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.

The GM must not:

1. Allow sales growth to be inadequate.
2. Allow operations to generate an inadequate net income.
3. Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. Allow solvency (the relationship of debt to equity) to be insufficient.
5. Allow growth in ownership and owner paid-in equity to be insufficient.
6. Default on any terms that are part of the Cooperative's financial obligations.
7. Allow late payment of contracts, payroll, loans or other financial obligations.
8. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
9. Acquire, encumber or dispose of real estate or enter into long-term real estate leases without board approval.
10. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
11. Use restricted funds for any purpose other than that required by the restriction.
12. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).
13. Fail to disclose to the board any and all fiscal activity including such activities outside the ordinary course of doing business.

## **POLICY TYPE: EXECUTIVE LIMITATIONS**

### ***POLICY TITLE: ASSET PROTECTION***

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

The GM must not:

1. Allow equipment and facilities to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
2. Allow unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Allow deposits or investments to be unreasonably risked.
4. Allow inadequate security of premises and property.
5. Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
  - a. Allow improper usage of member-owners' and customers' personal information.
6. Allow purchasing that is uncontrolled or subject to conflicts of interest.
7. Allow lack of due diligence in contracts.
8. Allow vendor agreements that are contrary to the Ends
9. Allow damage to the Cooperative's public image.
10. Fail to keep all appropriate licenses current.
11. Fail to have a product policy that is consistent with and lives into our Ends.

*POLICY NUMBER: III-8*

*ADOPTED: 11/21/05*

*Revised 11/30/18*

*Formerly III-10*

## **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.

*POLICY NUMBER: III-9*

*ADOPTED:*

*11/21/05*

*Draft Revision 11/30/18*

*Formerly III-11*

## **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:

1. Fail to have an emergency short-term plan in place that includes one manager sufficiently familiar with Board and GM issues and processes to enable them to take over with reasonable proficiency as an interim successor.
2. Fail to communicate the emergency plan to the board on an annual basis.

*POLICY NUMBER: III – 10*

*ADOPTED: 11/21/05*

*AMENDED: 10/16/12*

*Revised 11/30/18*

*Formerly III-12*

## **POLICY TYPE: EXECUTIVE LIMITATIONS**

*AMENDED: 10/16/12*

### ***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. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the board.
3. 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.
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-GM Linkage, particularly in the case of board behavior, which is detrimental to the work relationship between the board and the GM.
5. 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.
6. Fail to inform the board of changes to the product policy.

## POLICY TYPE: EXECUTIVE LIMITATIONS

### ***POLICY TITLE: BOARD LOGISTICAL SUPPORT***

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

The GM must not:

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

POLICY NUMBER: IV - 1  
ADOPTED: 3/24/14  
Revised 11/30/18

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

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

## POLICY TYPE: BOARD-GM LINKAGE

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### POLICY TITLE: MONITORING GM PERFORMANCE

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

1. The Board's policy monitoring process is the foundation of our annual evaluation of the GM.
  - a. Each year the Board will review a summary of the monitoring reports received during the previous 12 months. Based on that review, the Board will present an evaluation letter to the GM. That letter will constitute our full evaluation.
2. The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses policy interpretations and compliance information to the Board; (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or (c) by direct Board inspection, in which a designated director or committee assesses compliance with the policy.
3. The Board's standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but we will always judge with a "reasonable person" test rather than with interpretations favored by individual directors or by the Board as a whole.
4. The Board will accept that the GM is compliant with a policy if the monitoring report includes a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
5. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.