



Bloomington Cooperative Services

Board of Directors Policy Register

Version March 27th, 2024

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Table of Contents

Ends	
A – Ends	3
Executive Limitations	
B – Global Executive Constraint	4
B1 – Financial Condition	5
B2 – Planning and Budgeting	6
B3 – Asset Protection	7
B4 – Membership Rights and Responsibilities	8
B5 – Treatment of Consumers	10
B6 – Staff Treatment and Compensation	11
B7 – Communication to the Board	12
B8 – Board Logistical Support	13
B9 –Emergency GM Succession	14
Board Process	
C – Global Governance Commitment	15
C1 – Governing Style	16
C2 – The Board’s Job	17
C3 – Agenda Planning	18
C4 – Board Meetings	19
C5 – Directors’ Code of Conduct	20
C6 – Officers’ Roles	21
C7 – Board Committee Principles	23
C8 – Governance Investment	26
C9 – Self Perpetuation	27
C10 – Board Election	28
Board Management Relationship	
D - Global Board-Management Connection	29
D.1 - Unity of Control	30
D.2 - Accountability of the GM	31
D.3 - Delegation to the GM	32
D.4 - Monitoring GM Performance	33
D.5 – Evaluating GM Performance	34
D.6 – Whistleblower Policy	35

Appendices

A. - B6 - Staff Treatments Appendix	38
B. - 7 International Cooperative Principles	39
C. - Policy Governance Documents	40
D. - Indiana Code 23-17-27-2	43
E. - Monitoring Decision Tree	44
F. - Four Pillars of Cooperative Governance	45

Policy Type: Ends
Policy Title: A – Global End
Last Revised: March 29, 2018

Because of BCS, people in Bloomington and South Central Indiana will have...

- A market for local, fair and healthful products, produced with care for the land, animals, and future generations.
- A democratic cooperative-ownership model that provides meaningful employment and strengthens the community.
- A robust and sustainable local food economy with fair prices for producers and all owner-members.
- Access to education on food systems, cooperative values, and the interconnectedness of food, health, and the environment.

Policy Type: Executive Limitations
Policy Title: B – Global Executive Constraint
Last Revised: March 2, 2011

The General Manager shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.

Policy Type: Executive Limitations
Policy Title: B1 – Financial Condition and Activities
Last Revised: August 25, 2016

With respect to the actual, ongoing financial conditions and activities, the General Manager 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. Allow net income to be insufficient to the extent it causes a change in the business plan.
2. Allow net income to be below zero.
3. Allow operations of individual business locations to generate an inadequate contribution to net income.
4. Allow liquidity, or the ability to meet cash needs in a timely and efficient fashion, to be insufficient.
5. Allow solvency, or the relationship of debt to member/owners' equity, to be insufficient.
6. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
7. Acquire, encumber or dispose of real estate.
8. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
9. Allow payment of contracts, payroll, loans or other financial obligations to be made in an untimely manner.
10. Use restricted funds for any purpose other than that required by the restriction.
11. Allow financial record keeping systems to be inadequate or out of conformity with GAAP (Generally Accepted Accounting Principles).

Policy Type: Executive Limitations
Policy Title: B2 – Business Planning and Financial Budgeting
Last Revised: April 6, 2011

The General Manager shall not cause or allow business planning and budgeting for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board’s Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

The GM will not cause or allow plans that:

1. Risk incurring those situations or conditions described as unacceptable in the Board policy “Financial Condition and Activities.”
2. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Plan expenditures in any fiscal year that would result in default under any of the Cooperative’s financing agreements or cause the insolvency of the Cooperative.
4. Have not been evaluated for feasibility.
5. Provide less for Board prerogatives during the year than is set forth in the Governance Investment Policy.

Policy Type: Executive Limitations
Policy Title: B3 – Asset Protection
Last Revised: April 06, 2011

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

The GM will 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 inadequate security of premises and property.
4. Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
 - a. Allow improper usage of members' and customers' personal information.
5. Allow uncontrolled purchasing or purchasing subject to conflicts of interest.
6. Allow lack of due diligence in contracts.
7. Allow damage to the Cooperative's public image.
8. Allow the deposit of the cooperatives liquid assets to be in accounts which are not fully insured.
9. Will not allow an inadequate segregation of duties so that one individual has complete authority over any financial transaction.

Policy Type: Executive Limitations
Policy Title: B4 – Membership Rights and Responsibilities
Last Revised: April 27, 2017

The General Manager will not allow owner-members to be uninformed or misinformed of their rights and responsibilities.

The GM will not:

1. Create or implement a member equity system without the following qualities:
 - a. The required owner-member equity, or fair share, is determined by the Board.
 - b. Owner-members are informed that equity investments are at risk. While they are generally refundable, the board retains the right to withhold refunds when necessary to protect the Cooperative's future.
 - c. Equity will not be refunded if such a refund would lead to a net decrease in total owner-member paid-in equity, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.
2. Implement a patronage dividend system that does not:
 - a. Comply with IRS regulations.
 - b. Allow the Board to examine a range of options and implications, and make a timely determination each year concerning how much, if any, of the Cooperative's net profit will be allocated and distributed to owner-members.
3. Fail to provide new owner-members and to make available at all times to existing owner-members the following information regarding owner-member rights and responsibilities:
 - a. Information Rights: owner-members have rights to confidential (e.g., detailed financial information) and non-confidential (e.g., board agenda, minutes, bylaws, policies) information of the co-op.
 - i. Make non-confidential information available in a timely fashion.
 - ii. Develop a process through which owner-members may see confidential information in a timely fashion, in accordance with Indiana State Code.
 - b. Participation Rights:
 - i. Communicate to the board.
 - ii. Vote in Co-op elections.

- iii. Attend board meetings, propose agenda items and speak during public comment.
 - iv. Create a committee, subject to board policy, or serve on a committee that reports to the board.
 - v. Run for the board and serve if elected (if an owner-member is also an employee certain restrictions apply).
 - vi. Petition the board to call a special membership meeting.
- c. Participation Responsibilities: owner-members have the responsibility to participate in the co-op as defined in the bylaws in order to maintain active status. This includes:
- i. Patronizing the co-op within the past three years and/or voting.
 - ii. Meet commitment to paying equity investment as scheduled.
 - iii. Maintain a correct US postal and/or email address with the co-op.
- d. Civil Responsibilities in order to maintain active status as an owner-member:
- i. Treat co-op staff with courtesy and respect under all circumstances.
 - ii. Treat other co-op shoppers with courtesy and respect at all times.
 - iii. Abide by the standards of behavior established by the board, co-op committees and/or other groups that meet to conduct co-op business.

Monitoring

The following represent some of the methods a board might use to monitor compliance with this policy:

Owner-member surveys, Staff surveys, Shopper surveys, Store statistics on local, organic, Fair Trade Staff product research and Health Department reports.

Policy Type: Executive Limitations
Policy Title: B5 – Treatment of Consumers
Last Revised: April 27, 2017

The General Manager will not be unresponsive to customer needs and customer access to reliable information about food.

The GM will not fail to:

1. Solicit and consider customer opinion regarding preference, product requests, complaints, and suggestions through a system that responds in a timely fashion to the customer opinions.
2. Provide a safe shopping experience for our customers.
3. Be respectful of customers.
4. To offer food and products which are safe, clean, and not in conflict with an established Product Policy.
5. Consider the economic, social, and environmental circumstances where food is prepared.
6. Offer for purchase goods from the co-op at prices generally comparable to those in the community.
7. Provide nutritional information about food sold by the co-op, including the food prepared by the co-op itself.

Policy Type: Executive Limitations
Policy Title: B6 – Treatment and Compensation
Last Revised: September 28, 2017

The GM will not:

1. Operate without written personnel policies that:
 - a. Clarify rules for staff, through the provision of an employee manual to each employee
 - b. Provides for fair and thorough handling of grievances as set out in the employee handbook
 - c. Allow for an annual evaluation of employees
 - d. Are accessible to all employees
 - e. Inform staff that employment is neither permanent nor guaranteed
2. Cause or allow personnel policies to be inconsistently applied
3. Establish compensation and benefits that are internally or externally inequitable
4. Fail to post timely internal announcements of all opportunities for development and promotion and to interview all qualified internal candidates
5. Allow inadequate documentation, security and retention of personnel records and all personnel related decisions
6. Change the GM's own compensation and benefits, except as their benefits are consistent with a package for all other employees

Policy Type: Executive Limitations
Policy Title: B7 – Communication to the Board
Last Revised: April 6, 2011

The General Manager shall not cause or allow the Board to be uninformed or unsupported in its work.

The GM will not:

1. Submit monitoring reports that are untimely, inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
2. Report any actual or anticipated noncompliance with any policy of the Board along with a plan for reaching compliance, in an untimely manner.
3. Allow the Board to be unaware of relevant trends, public events of the Cooperative, or significant internal and external changes which may affect Board policy.
4. Withhold their opinion if the GM believes 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. Deal with the Board in a way that favors or privileges certain Board members over others except when responding to officers or committees duly charged by the Board.
6. 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.

Policy Type: Executive Limitations
Policy Title: B8 –Board Logistical Support
Last Revised: April 6, 2011

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

The GM will 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 Board Members to be without an updated copy of the Policy Register and the Bylaws.
4. Provide inadequate information and notice to members concerning Board actions, meetings, activities and events.

Policy Type: Executive Limitations
Policy Title: B9 –Emergency GM Succession
Last Revised: April 6, 2011

To protect the Board from sudden loss of GM services, the GM shall not have less than one other manager sufficiently familiar with Board and GM issues and processes to enable them to take over with reasonable proficiency as an interim successor.

Policy Type: Board Process
Policy Title: C – Global Governance Commitment
Last Revised: June 1, 2011

Acting on behalf of our owners, the Board ensures that our cooperative produces benefit and value and conducts business according to the “7 International Cooperative Principles” (see appendix A), while avoiding unacceptable actions and situations.

Policy Type: Board Process
Policy Title: C1 – Governing Style
Last Revised: April 23, 2020

We will govern in a way that emphasizes empowerment and clear accountability.

In order to do this, we will:

1. Focus our vision outward and toward the future as designated in our Ends Policy.
2. Observe the “10 Policy Governance Principles” (see appendix C).
3. Maintain group discipline, authority and responsibility.
4. Clearly distinguish Board and General Manager roles.
5. Encourage diverse viewpoints.
6. Obey all relevant laws and bylaws.

Policy Type: Board Process
Policy Title: C2 – The Board’s Job
Last Revised: January 31, 2019

In order to govern successfully, we will:

1. Articulate the vision of the cooperative in our Ends Policy, communicate this vision to the owner-members, and provide opportunities for owner-member input. Therefore the board, will:
 - a. At least annually, disseminate a statement of its values and a report of the organization’s financial resources and obligations (the balance sheet) and how those resources have been translated into services (the income statement).
 - b. Communicate at least quarterly with the membership through printed and/or electronic media.
 - c. Provide opportunities for owner-member input through comment periods at board meetings and having board members available for discussion at stores or special events.
 - d. Post documents such as the bylaws, board agendas, and approved meeting minutes on the website. Paper copies of these documents are also available through the co-op’s primary business office to owner-members upon request.
 - e. Requests for information other than the bylaws, agendas, minutes, and newsletters by owner-members will be considered in accordance with guidelines set in Indiana Statute, IC 23-17-27-2 (See Appendix C) and the Shareholder Access to Information Protocol.
2. Hire, compensate, delegate responsibility to, and hold accountable a General Manager (see section D. Board Management Relationship policies).
3. Have written governing policies that realistically address the broadest levels of all organizational decisions and situations. We will write these policies in the form of:
 - a. Ends that reflect the owner-member’s values (what, for whom, and at what value).
 - b. Executive Limitations (binding, prudent and ethical limitations) as described in the Policy Governance principles.
 - c. Board Process (how the board carries out its tasks).

- d. Board and General Manager relationship (how power is delegated and its proper use monitored).
4. Rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board- Management Relationship.
5. Perpetuate the Board's leadership capacity using ongoing education, training and recruitment.

Policy Type: Board Process
Policy Title: C3 – Agenda Planning
Last Revised: March 27, 2024

We will follow an annual agenda that focuses our attention upward and outward.

1. Our annual governance cycle will run from November 1st to October 31st.
2. We 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 our Board- Management Relationship policies.
3. Throughout the year, we will attend to consent agenda items as expeditiously as possible.
4. We will limit the amount of meeting time taken up by Executive Limitations monitoring reports, focusing discussion on policy compliance and policy criteria that need review.

Policy Type: Board Process
Policy Title: C4 – Board Meetings
Last Revised: March 27, 2024

Board meetings are to address current issues, make voting decisions, and carry out other Board business.

1. We will use Board meeting time only for work that is the whole Board's responsibility.
 - a. We will avoid committee issues, operational matters and personal concerns.
 - b. When a committee brings an issue to the whole Board for a final decision, the committee shall have already discussed it thoroughly and arrived at a clear recommendations. These recommendations shall be posted in the Board Packet and every board member shall have read them and come prepared to make final decision.
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 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. The meeting agenda will be determined by the Board president, and may be modified at the meeting by a majority vote of the Board.
5. Humor shall be encouraged when appropriate.

Policy Type: Board Process
Policy Title: C5 – Directors’ Code of Conduct
Last Revised: June 28, 2018

We each commit ourselves to ethical, businesslike and lawful conduct.

1. Every director is responsible at all times for acting in good faith, in a manner which they reasonably believe 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 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 confidential information.
 - b. 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.
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 will prepare for and attend all trainings and Board meetings as specified in the bylaws.
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 shall resign from the Board if requested to do so by a 2/3 majority vote of the remaining Board.

Policy Type: Board Process
Policy Title: C6 – Officers’ Roles
Last Revised: October 4, 2023

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. Officers, as ‘interested parties’ to Bloomingfoods’ alcohol permit, must be prepared to sign the permit. This permit requires disclosure of past felony/misdemeanor convictions and activities with other alcohol permits, and restricts employment in some law enforcement positions.
4. The President ensures the Board acts consistently with Board policies.
 - a. The President is authorized to use any reasonable interpretation of the provisions in the Board Process and Board-Management Relationship policies.
 - b. The President will chair and set the agenda for Board meetings.
 - 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 their absence. In addition, the Vice-President will:
 - a. Coordinate the GM review.
 - b. Coordinate the mini retreat.
6. The Treasurer facilitates the Board’s understanding of the financial condition of the Cooperative. The Treasurer shall interpret the financial records for the Board.
 - a. The Treasurer ensures that a designated person oversees the maintenance of the financial records, the reporting of financial information, and the filing of required reports and returns.
 - b. The Treasurer leads the Board’s process for monitoring the corporation’s budget.
 - c. The Treasurer leads the Board’s process for creating and monitoring the Board’s budget.
 - d. The Treasurer leads the Board’s process for GM compensation.
 - e. The Treasurer chairs the Board’s Finance Committee.
7. The Secretary ensures the Board’s documents are accurate, up-to-date,

and appropriately maintained.

- a. The Secretary ensures that a designated person takes the minutes of all meetings of the Board, its committees, and owner-members.

Policy Type: Board Process
Policy Title: C7 – Board Committee Principles
Last Revised: July 5, 2023

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

1. Committees will reinforce and support the wholeness of the Board.
 - a. In particular, committees help the whole Board move forward when they research alternatives and bring back options and information.
2. Committee membership will consist of the following:
 - a. Minimum of one Board member serving as chair or Board liaison.
 - b. Active owner-members, whenever possible, unless specifically restricted by the Board. Owner-members who wish to serve on a committee will be asked to sign the same documents we ask Board members to sign. Potential owner-member committee members will abide by any additional limitations imposed via pertinent committee charter/s. Appointed owner-members agree to serve on the committee for a set term to be jointly determined by the committee and the owner-member under consideration.
 - c. GM may assign one or more employees to participate in a committee as information or activities resources and in accord with Policy B 8.2.
3. The Board will establish, regularly review and control committee responsibilities in written committee charters.
 - a. Charters will lay out committee expectations, make-up of committee membership (i.e. Board, staff, owner-members), and authority to make sure they do not conflict with authority delegated to the GM.
 - b. Charters will describe any additional guidelines or procedures for owner-members serving on committees.
 - c. Charters will be reviewed and updated annually, ideally within one month of new Board member orientation (i.e., when committee makeup is established for the coming year).
4. Any group that is formed by Board action is considered a committee with regard to C-7 Policy, whether or not it is referred to as a committee in general use. It does not apply to committees formed under the authority of the GM.
5. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
6. Board committees cannot exercise authority over staff.
7. The Board may assign tasks to committees, and committees must prioritize these tasks accordingly.

8. All committees, whether standing or ad hoc, must establish either annual or time-restricted goals, and provide an annual or summary report.
 - a. Committees will make meeting minutes available to the whole Board by the Board meeting immediately following the committee meeting.

Policy Type: Board Process
Policy Title: C8 – Governance Investment
Last Revised: April 7, 2022

We will invest in the Board’s governance capacity.

1. We will make sure that Board skills, methods and support systems 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 of all directors.
 - a) We will use training and retraining liberally to orient new directors, as well as to maintain and increase existing directors’ skills and understanding.
 - b) We will arrange outside monitoring assistance as requested by the GM(s) or a majority of the board, so that the Board can exercise confident control over organizational performance.
 - 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, and meet with them as needed to maintain board documents and processes.
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. In no case will we complete this work later than May.
4. We will appoint ex officio board members (i.e., staff, Kelley Fellows, or owner-members with a specific skill set) as deemed appropriate.
 - a) Ex officio board members will be appointed for a specific timeframe, and for a specific purpose.
 - b) Ex officio board members will be expected to attend all open board meetings. They will be invited to participate fully in board discussion. They will sign conflict of interest and confidentiality documents; they will be given access to board materials, as deemed appropriate. They will not have voting rights nor will they have the legal responsibilities of directors.
 - c) Ex officio board members may be invited to attend executive sessions of the board by a majority board vote.
 - d) Ex officio board members serve on a volunteer basis and will not be compensated.
5. We will appoint a parliamentarian, as specified in the bylaws, as deemed appropriate. This position may be filled by a director or may be filled by an owner-member who will serve ex officio.

Policy Type: Board Process
Policy Title: C9 – Self Perpetuation
Last Revised: April 23, 2020

1. The board will ensure that it remains a source of continuing effective leadership through the recruitment, election, and development of skilled, committed, and motivated members. It shall establish a committee for the purpose of self-perpetuation. When necessary, it may also delegate administrative tasks to management to ensure a smoothly functioning election process.
2. The board may fill vacancies as directed by Article 4, sec. 4 of the bylaws.

Policy Type: Board Process
Policy Title: C10 – Board Election
Last Revised: October 4, 2023

1. Nominations packets for the Board of Directors' election will be available at all stores in early April.
2. An article notifying the owner-membership of the Board election and a call for Board candidates will be placed in the appropriate media used to inform owner-members in April and May.
3. The election process requires that all applications for the Board election be submitted by early June. Applications received after this deadline will not be accepted. They may be held for consideration in the following year's election. The Board may extend the deadline, with GM permission, if the number of applications does not allow for a contested election.
4. The Board Perpetuation committee will review applications received by the deadline and recommend candidates for the election according to the perceived needs of the Board, and to ascertain:
 - a. None work with or hold interest in a direct competitor. If in doubt the GM will determine current direct competitors.
 - b. None have resigned or been removed in from Bloomingfoods or other Boards due to inappropriate conduct or lack of participation.
 - c. Candidates can commit to the minimum requirements of 12-17 hours per week, plus 3 retreat days per year and sufficient access and abilities to access G-Drive and remote/hybrid meetings with video and voice.
 - d. Candidate understand and have not knowingly violated fiduciary responsibilities, confidentiality, or conflicts of interest at Bloomingfoods or prior organizations.
 - e. By June 30th, all applicants will be notified of the recommendations of the Perpetuation Committee.
5. Any applicant who is not recommended by the Board Perpetuation committee that still desires to run for election may do so by filing a petition that includes the names of at least 70 BCS members who have been fully-paid members for at least 60 days. The deadline for filing petitions to the Perpetuation Committee is August.
6. Potential candidates identified as working with or holding interest in a direct competitor are not eligible for petition process.
7. Candidate statements will appear in September via appropriate media;

voting by owner-members will begin at least 2 weeks before the Annual Meeting.

8. Election results will be announced within one week of the close of voting.
9. Newly elected Board members begin their terms of office at the first official Board meeting on or after November 1st. The old Board, including officers, serve until that time.
10. If the October Board meeting has not been held prior to the end of voting. Newly elected Board members will attend with ex-officio status.

Policy Type: Board-Management Relationship
Policy Title: D – Global Board-Management Connection Last
Last Revised: July 23, 2020

The Board’s primary official connection to the operations of the cooperative will be through the General Manager. The Board is also empowered to directly task the Board Administrator.

Policy Type: Board-Management Relationship
Policy Title: D1 – Unity of Control
Last Revised: June 1, 2011

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

1. Decisions or instructions of individual directors, officers, or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power.
2. In the case of directors or committees requesting information or assistance without Board authorization, the GM can refuse any requests that, in the GM's opinion, may disrupt operations or that require too much staff time or resources.

Policy Type: Board-Management Relationship
Policy Title: D2 – Accountability of the GM
Last Revised: September, 6, 2023

The General Manager is the Board's only link to operational achievement and conduct.

1. The Board will view GM performance as identical to organizational performance so that the Cooperative's accomplishment of Board-stated ends and avoidance of Board- proscribed means will be viewed as successful GM performance.
2. The Board will not instruct, or evaluate any employee other than the GM and Board Administrator.
 - a. All communications with staff, via a committee or not, will include at least one GM and two board members. When the co-op has a GM Team, emails to a GM will include two GMs and two board members.

Policy Type: Board-Management Relationship
Policy Title: D3 – Delegation to the GM
Last Revised: September 21, 2021

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 management of the cooperative. (The term “policy” here does not refer to the Policy Register, but to operational policies).
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 applies immediately following the next GM monitoring report of that policy.

Policy Type: Board-Management Relationship
Policy Title: D4 – Monitoring GM Performance
Last Revised: December 9, 2021

The Board will systematically and rigorously monitor the GM’s job performance.

1. Monitoring is how the Board determines the degree to which the GM is following Board policies. Information that does not directly relate to Ends or Executive Limitations policies is not 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 director or committee assesses compliance with the policy criteria.
3. In every case, the 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 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 GM is compliant with a policy if he/she presents 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.

Policy Type: Board-Management Relationship
Policy Title: D5 – Evaluating GM Performance
Last Revised: August 4, 2022

The Board will systematically and rigorously evaluate the GM's job performance.

1. The Board will evaluate the performance of the General Manager on an annual basis, and more often under special circumstances. The evaluation will be based on the fiscal year of the Cooperative by a process agreed to by the Board and the GM. The evaluation will be based on the monitoring reports and other information as has been agreed to. The Board's evaluation will be completed no later than August.
2. As part of the evaluation process the Board will also complete the GM compensation and employment agreement process no later than the month of the anniversary date.
3. To avoid a conflict of interest, employee owner-members who serve as directors will not participate in the evaluation and compensation process for the GM.
 - a. Employee directors will be excluded from materials prepared specifically for the GM evaluation and compensation process.
 - b. Employee directors will be excluded from the executive session in which the GM evaluation and compensation are discussed.
 - c. Employee directors may participate in written portion(s) of information gathering for evaluations.
4. Employee directors will not participate in the portion of any executive session which addresses a personnel issue.

Policy Type: Board-Management Relationship
Policy Title: D6 – Whistleblower Policy
Last Revised: October 4, 2023

It is the responsibility of all Board members, employees, and member-owners to report concerns about violations of local, state or federal law, Bloomingfoods’ bylaws, and/or policies that govern Bloomingfoods’ operations. This whistleblower policy is intended to provide a channel for employees or others to raise serious concerns internally so that the Board can determine whether corrective action is necessary. This policy governs situations where the well-being or long-term survival of the cooperative is concerned. Most work-related grievances of a staff person or group of staff persons fall under the grievance policy described in the Employee Handbook and in policy B6—Staff Treatment and Compensation. “Whistleblower” complaints shall be first reported to the President of the Board and the Compliance Officer.

In the event that such a violation is reported, the Board of Directors shall not:

1. Operate without a duly appointed Compliance Officer.
 - a. Bloomingfoods’ Compliance Officer will be the Parliamentarian, if one exists, or an elected member of the Board of Directors, selected by the Board as a whole. The Compliance Officer will serve for one board year, from November through October.
 - b. The Compliance Officer is responsible for ensuring that all complaints about unethical, imprudent, or illegal conduct are investigated and resolved.
 - c. The Compliance Officer will advise the Board of Directors of all complaints and their resolution, and will provide a summary report at least annually.
 - d. Should the Compliance Officer have a conflict of interest in any case, the Board will elect another director to serve.
2. Ignore a complaint made in good faith.
 - a. Complaints or concerns about suspected ethical and legal violations will be made in writing to the Compliance Officer.
 - b. The Compliance Officer will acknowledge receipt of the reported violation or suspected violation in writing.
 - c. The Compliance Officer will ensure that all reports are promptly investigated by a person judged to be appropriate by the Board of Directors and demonstrable corrective action is taken.
 - d. The Compliance Officer shall immediately notify the Board Treasurer of any concerns or complaint regarding corporate accounting

practices, internal controls, or auditing, and work with all parties concerned until the matter is resolved.

- e. There is no time restriction on when a complaint can be brought forward.
3. Accept complaints or reports without sufficient verifiable evidence.
 - a. Anyone filing a written complaint concerning a suspected violation must provide verifiable evidence for believing the information disclosed indicates a violation.
 - b. Any allegations that have been determined to have been made maliciously or knowingly to be false will be viewed as a serious offense and referred to HR for disciplinary action.
 - c. The Board may require confidentiality to protect the best interests of the co-op until the matter is settled.
 4. Permit any retaliation against the person reporting the violation.
 - a. Anonymous complaints will not be accepted. If the whistleblower does not wish to be publicly identified, complaints will be kept confidential to the extent possible, in the context of a thorough investigation.
 - b. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

Appendix A

7 International Cooperative Principles

1st Principle: Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership.

Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle: Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6th Principle: Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

Appendix B

POLICY GOVERNANCE® SOURCE DOCUMENT

Why a Source Document?

A “source” is a point of origin. A source document is a “fundamental document or record on which subsequent writings, compositions, opinions, beliefs, or practices are based.” (Webster’s)

Without a simply expressed clear point of source, interpretations, opinions, writings and implementations may intentionally or unintentionally diverge from the originating intent and ultimately be undifferentiated. The point of source (“authoritative source”) is John Carver, the creator of Policy Governance, with Miriam Carver his fellow master teacher.

Without a simply expressed clear source document, Policy Governance is not reliably grounded and not transferable as a paradigm of governance. It is left vulnerable to interpretation, adaptation and impotence. This document has been produced by the International Policy Governance Association and approved by John and Miriam Carver as being true to source.

What Policy Governance is NOT!

1. Policy Governance is not a specific Board structure. It does not dictate Board size, specific officers, or require a CEO. While it gives rise to principles for committees, it does not prohibit committees nor require specific committees.
2. Policy Governance is not a set of individual “best practices” or tips for piecemeal improvement.
3. Policy Governance does not dictate what a Board should do or say about group dynamics, methods of needs assessment, basic problem solving, fund raising, and managing change.
4. Policy Governance does not limit human interaction or stifle collective or individual thinking.

What Policy Governance IS!

Policy Governance is a comprehensive set of integrated principles that, when consistently applied, allows governing Boards to realize owner-accountable organizations.

Starting with recognition of the fundamental reasons that Boards exist and the nature of Board authority, Policy Governance integrates a number of unique principles designed to enable accountable Board leadership.

Principles of Policy Governance

1. **Ownership:** The Board connects its authority and accountability to those who morally if not legally own the organization—if such a class exists beyond the Board itself—seeing its task as servant-leader to and for that group. “Owners,” as used in the Policy Governance model, are not all stakeholders, but only those who stand in a position corresponding to shareholders in an equity corporation.
2. **Governance Position:** With the ownership above it and operational matters below it, governance forms a distinct link in the chain of command or moral authority. Its role is commander, not advisor. It exists to exercise that authority and properly empower others rather than to be management’s consultant, ornament, or adversary. The Board—not the staff—bears full and direct responsibility for the process and products of governance, just as it bears accountability for any authority and performance expectations delegated to others.
3. **Board Holism:** The Board makes authoritative decisions directed toward management and toward itself, its individual members, and committees only as a total group. That is, the Board’s authority is a group authority rather than a summation of individual authorities.
4. **Ends Policies:** The Board defines in writing the (a) results, changes, or benefits that should come about for specified (b) recipients, beneficiaries, or otherwise defined impacted groups, and (c) at what cost or relative priority for the various benefits or various beneficiaries. These are not all the possible “side benefits” that may occur, but those that form the purpose of the organization, the achievement of which constitutes organizational success. Policy documents containing solely these decisions are categorized as “Ends” in describing the Policy Governance model, but can be called by whatever name a Board chooses, as long as the concept is strictly preserved.
5. **Board Means Policies:** The Board defines in writing those behaviors, values-added, practices, disciplines, and conduct of the Board itself and of the Board’s delegation/ accountability relationship with its own subcomponents and with the executive part of the organization. Because these are non-ends decisions, they are called “Board means” to distinguish them from ends and staff means. In describing the Policy Governance model, documents containing solely these decisions are categorized as Governance Process and Board-Management Delegation, but can be called by whatever name a Board chooses, as long as the concept is strictly preserved.
6. **Executive Limitations Policies:** The Board makes decisions with respect to its staff’s means decisions and actions only in a proscriptive way in order simultaneously (a) to avoid prescribing means and (b) to put off

limits those means that would be unacceptable even if they work. Policy documents containing solely these decisions are categorized as “Executive Limitations” in describing the Policy Governance model, but can be called by whatever name a Board chooses, as long as the concept is strictly preserved.

7. **Policy “Sizes”:** The Board’s decisions in Ends, Governance Process, Board-Management Delegation, and Executive Limitations are made beginning at the broadest, most inclusive level and, if necessary, continuing into more detailed levels that narrow the interpretative range of higher levels, one articulated level at a time. These documents—which replace or obviate Board expressions of mission, vision, philosophy, values, strategy, and budget—are called the Policy Governance model, but can be called by whatever name a Board chooses, as long as the concept is strictly preserved.
8. **Delegation to Management:** If the Board chooses to delegate to management through a chief executive officer, it honors the exclusive authority/accountability of that role as the sole connector between governance and management.
9. **Any Reasonable Interpretation:** In delegating further decisions—beyond the ones recorded in Board policies—the Board grants the delegate the right to use any reasonable interpretation of those policies. In the case of Ends and Executive Limitations when a CEO exists, that delegate is the CEO. In the case of Governance Process and Board-Management Delegation, that delegate is the CGO (chief governance officer) except when the Board has explicitly designated another Board member or Board committee.
10. **Monitoring:** The Board monitors organizational performance through fair but systematic assessment of whether a reasonable interpretation of its Ends policies is being achieved and a reasonable interpretation of its Executive Limitations policies is being avoided. If there is a CEO, this constitutes the CEO's evaluation.

All other practices, documents, and disciplines must be consistent with the above principles. For example, if an outside authority demands Board actions inconsistent with Policy Governance, the Board creatively uses the consent agenda or other device to be lawful without compromising governance.

Policy Governance is a precision system that promises excellence in governance only if used with precision. These governance principles form a seamless paradigm or model. As with a clock, removing one wheel may not spoil its looks but will seriously damage its ability to tell time. So in Policy Governance, all the above pieces must be in place for Policy Governance to be effective. When all brought into play, they allow for a governing Board to realize owner accountability. When they are not used completely, true owner accountability is not available.

Policy Governance Boards live these principles in everything they are, do and say.

Produced by International Policy Governance Association in consultation with John and Miriam Carver, 2005 - 2007.

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Appendix C

Indiana Code 23-17-27-2

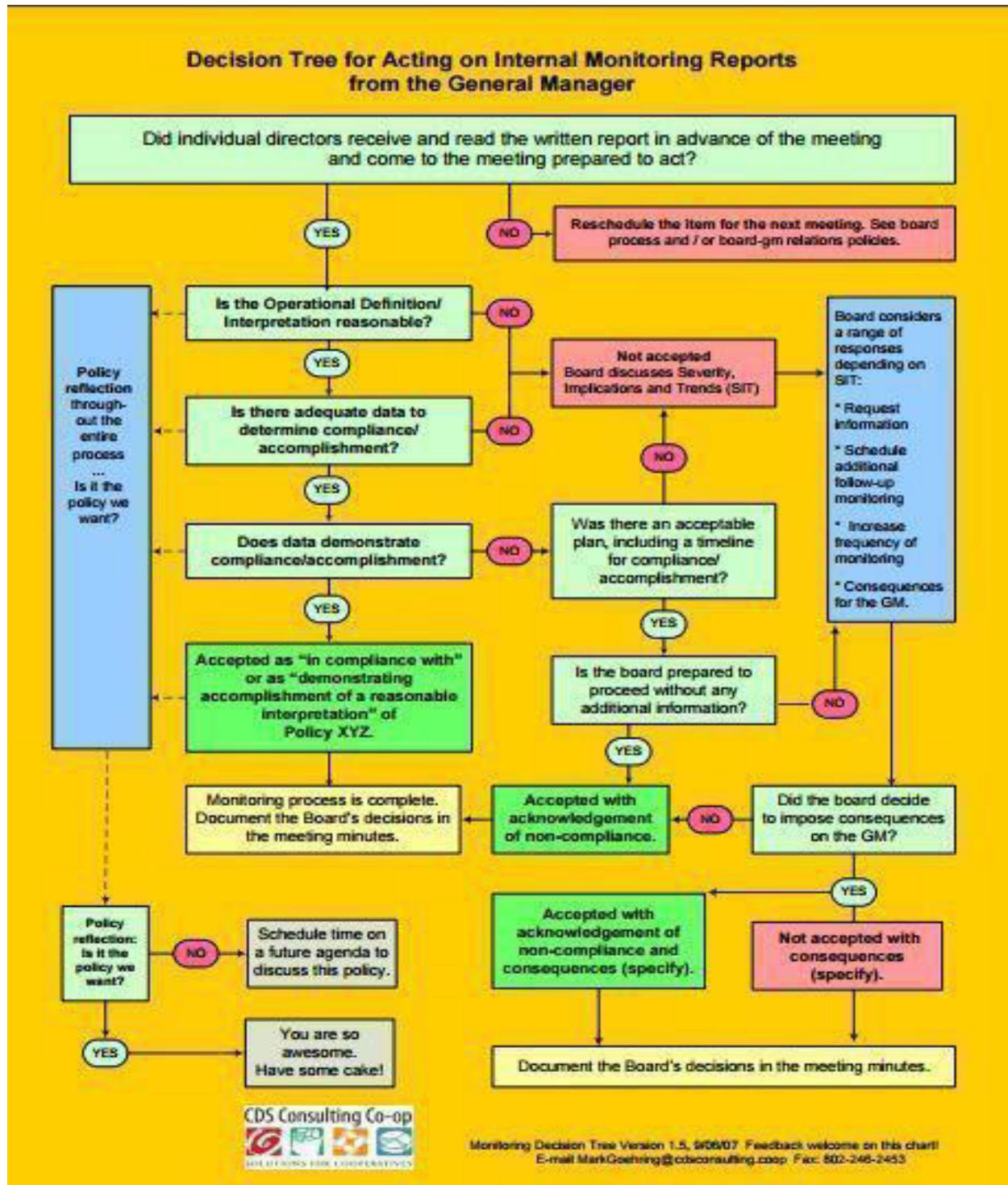
Member's right to inspect and copy records

Sec. 2.

1. Subject to subsection (e) and section 3(c) of this chapter, a member is entitled to inspect and copy, at a reasonable time and location specified by the corporation, the records of the corporation described in section 1(e) of this chapter if the member gives the corporation written notice or a written demand at least five (5) business days before the date on which the member desires to inspect and copy.
2. Subject to subsection (e), a member may inspect and copy, at a reasonable time and reasonable location specified by the corporation, the following records of the corporation if the member meets the requirements of subsection (c) and gives the corporation written notice at least five (5) business days before the date on which the member desires to inspect and copy:
 - a. Excerpts from records required to be maintained under section 1(a) of this chapter, to the extent not subject to inspection under subsection (a).
 - b. Accounting records of the corporation.
 - c. Subject to section 5 of this chapter, the membership list.
3. A member may inspect and copy the records identified in subsection (b) only if the following conditions exist:
 - a. The member's demand is made in good faith and for a proper purpose.
 - b. The member describes with reasonable particularity the purpose and the records the member desires to inspect.
 - c. The records are directly connected with the purpose.
4. This section does not affect the following:
 - a. The rights of a member to inspect records under IC 23-17-11-1 or, if the member is in litigation with the corporation, to the same extent as any other litigant.
 - b. The power of a court, independently of this article, to compel the production of corporate records for examination.
5. The articles of incorporation or bylaws of a religious corporation may limit or abolish the right of a member under this section to inspect and copy a corporate record.
6. The articles of incorporation of a corporation may limit or abolish the following:
 - a. The right of a member to obtain from the corporation information as to the identity of contributors to the corporation.
 - b. The right of a member or the member's agent or attorney to inspect or

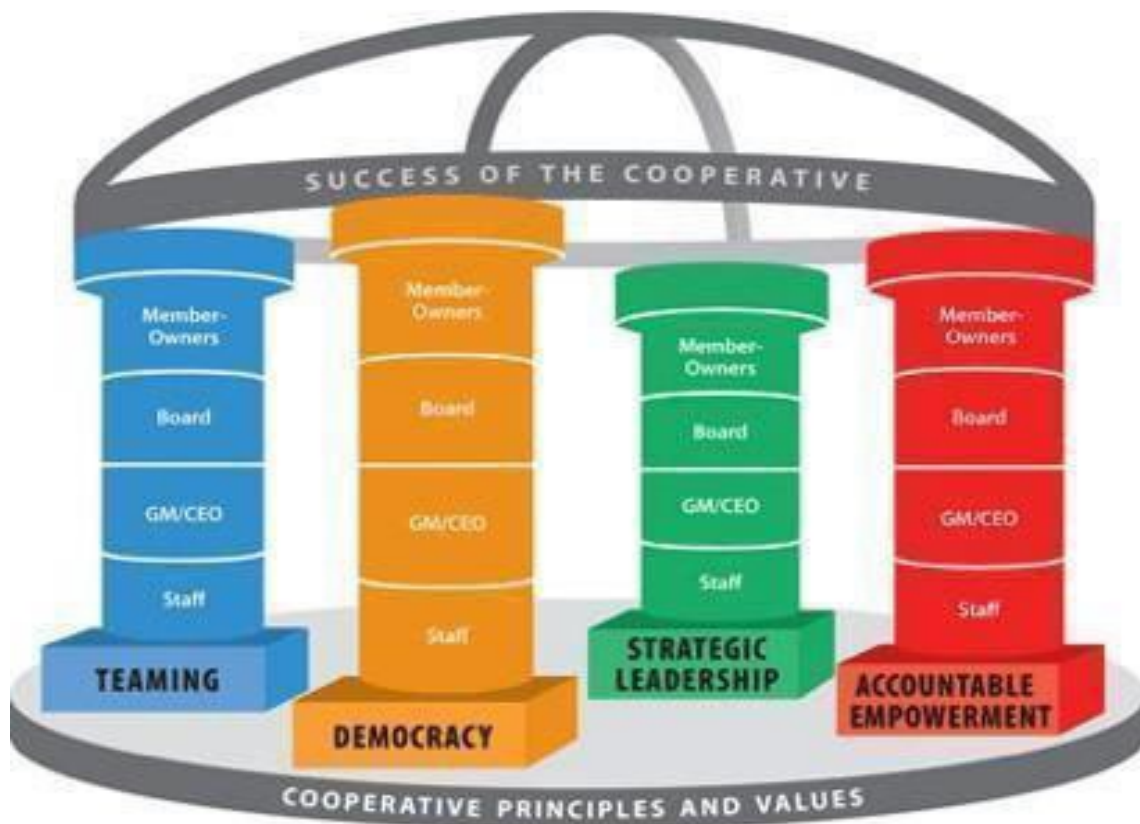
copy the membership list if the corporation provides a reasonable means to mail communications to other members through the corporation at the expense of the member making.

Appendix D



Appendix E

This image is from “The Four Pillars of Cooperative Governance” article by Marilyn Scholl and Art Sherwood, found in the January - February 2014 issue of *Cooperative Grocer*.



Four Pillars of Cooperative Governance