



## Board Candidate Application Packet

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Dear Prospective Board Candidate,

Thank you for your interest in serving on the Rogers Park Food Co-op (RPFC) Board of Directors. We ask that you read the enclosed information carefully before filling out the application as there is important information regarding the responsibilities of board members.

### Candidate Requirements

1. Must be fully-vested Owners in good standing by Oct 15, 2017.
2. Submit your candidate application, including a picture of yourself, to the Election Committee in electronic format by the deadline (see schedule).
3. Attend at least one regular meeting of the Board of Directors which are currently held on the first and Thursday of each month from 7:00-8:30 p.m.
4. Attend one Orientation Session for Prospective Board Candidates (see schedule).
5. Agree to abide by the Director's Code of Ethics and Code of Conduct (see page, 9-10 of this packet), if elected to serve on the Board.

*Please see enclosed timeline for event dates and deadlines.*

As a grassroots community owned business with a social mission, The Rogers Park Food Co-op is governed by a unique set of values and principles. It is important to know that it is The Board's legal responsibility to represent The Owners and set strategic policy accordingly.

There are many ways in which to be involved with the RPFC through volunteering, committees, or special assignment. Serving on The Board is a unique combination of not only time and commitment, but passion. We are passionate about co-operating and working strongly together for a healthy and more vibrant community.

Please feel free to contact us with any questions that you may have.

We look forward to co-operating with you!

Members of the Election Committee

# Cooperative Principles and Values

## Cooperative Principles

### 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.

### Democratic Member Control

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

### 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. They 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 the 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.

### Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into 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.

### 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.

### 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.

### Concern for Community

While focusing on member needs, co-operatives work for the sustainable development of their communities through policies accepted by their members.

### Cooperative Values

Basic cooperative values are general norms that cooperators, cooperative leaders and cooperative staff should share; the values should determine their way of thinking and acting. This list of ten values was proclaimed by the International Co-operative Alliance in 1995.

Self-help

Self-responsibility

Democracy

Equality

Equity

Solidarity

Honesty

Openness

Social Responsibility

Caring for others



## Frequently Asked Questions For Prospective Candidates

### What is the Board of Directors and what does it do?

The Board of Directors is the elected governing body of the RPFC. Directors are elected by, and represent the Ownership at large. Terms for Directors range from one to three years as needed to ensure no more than three terms are scheduled to expire every year.

The Board is responsible for ensuring organizational performance on behalf of all of RPFC's Owners. This work includes developing clearly stated expectations through written policies; delegating responsibility for, and authority over, the achievement of stated objectives; and monitoring compliance with written policies.

Food Cooperatives are dynamic businesses. As such, The Board of the RPFC should be both strategic in the short-term and visionary in the long-term with regards to the future of the cooperative and our community.

### Board Focus

- How can RPFC benefit and empower the community?
- What is the significance of the cooperative economy?
- How can RPFC promote the transformation of society?

By devoting time to focus on the big-picture vision of the RPFC, the Board will ensure that we adequately position our organization for the maximum benefit of our Owners, as well as anticipate trends and values which may have a critical impact on our relevance and survival.

The Board governs the organization and will at the appropriate time hire and delegate all operational duties to one employee, the General Manager (GM). We are now, and will continue to be, involved in strategic planning, financial oversight, ownership linkage, and community outreach.

### What does the Board of Directors NOT do? (when the store is up and running)

The Board of Directors does not make decisions about, become involved with, or take part in any of the day-to-day activities or decisions regarding the operation of RPFC. The Board's sole official connection to the operations of the cooperative is through the GM.

### What are the requirements for running?

Directors must be Owners of the RPFC in good standing without a substantial conflict of interest resulting from an affiliation with any enterprise that is in competition with the Co-op (See Bylaws at

<http://www.rogersparkfoodcoop.com/bylaws>). Once elected, Directors must sign a Statement of Agreement and publicly disclose any potential conflicts of interest. As for personal qualifications, previous Board and cooperative experience is helpful, but not a prerequisite for Directorship. More important are: willingness to work closely and cooperatively with the other Directors; commitment to providing the time and energy necessary to accomplish the Board's objectives and fulfill the required term; the ability to learn quickly; and organizational skills.

### **How much time would I need to put into serving?**

The Board holds two regular meetings for two hours each month, at which attendance is expected. Beyond this regular meeting, the time commitment for a Director varies from week to week but typically averages out to about 20 hours per month, including preparation for regular monthly meetings as well as specially-called Board meetings, and participation on committees. In addition, the Board holds a mandatory orientation session soon after the elections, providing basic training plus giving Directors a chance to relax and get to know each other better.

### **What compensation is there for serving?**

At this time, there is no compensation. This policy may be revisited when the store is up and running.

### **I'm sure I have the time to commit, and I want to serve the RPFC ; how can I make up my mind whether or not to run?**

You may obtain additional information about serving on the Board of Directors by talking to a member of the Election Committee or any of the current Directors to get a personal perspective of what service on the RPFC Board of Directors is all about.

Additionally, as a requirement to run for a seat on The Board, all prospective candidates are requested to attend at least one board meeting to gain better understanding of how the board functions on an operational level.

### **When will elections be held?**

Elections are held prior to the Annual Owners Meeting (see attached schedule)

### **OK, I've decided to run - now what?**

To help the Ownership make an informed decision regarding the Directors they elect, we ask you to fill out the Board Candidate Application included in this packet. **Please email your completed application back to the Elections Committee by the due date (see schedule).** The answers to the essay questions, along with a photograph of yourself, may be published in the RPFC Newsletter.



## Board Candidate Application

*Any RPFC Owner in good standing may run for a seat on the Board of Directors by meeting the following criteria:*

1. **Be an Owner in good standing**  
By October 15, 2017
2. **Attend one Orientation Session for Prospective Board Candidates**  
Jan. 6, 2018 (10:30am-12) or Jan 10, 2018 (7-8:30pm)
3. **Fully complete and submit the Board Candidate Application with photograph**  
By January 22, 2018
4. **Attend a minimum of one regular Meeting of the Board of Directors.**  
1st and 3rd Thursday of the Month
5. **Agree and sign the Director's Code of Ethics, Code of Conduct, and Director Working Agreement**

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone # \_\_\_\_\_

E-mail \_\_\_\_\_

Place of employment \_\_\_\_\_

Position/Title \_\_\_\_\_

Education/ Training (degree, major, etc.) \_\_\_\_\_

How long have you been an owner of RPFC ? \_\_\_\_\_

**Please also include a photograph of yourself for publication in the RPFC Newsletter. Portions of your application may be included in the Newsletter.**

## Responsibilities of Board Members

*Please read carefully and thoughtfully; initial each item to indicate that you are willing to take on these responsibilities. In general, members of a co-op Board of Directors have the same duties as the Directors on any business. In addition, co-op Boards must act on behalf of the Owners (as fiduciaries), meaning that individual Directors have to balance individual interests, business interests, and member interests when making decisions. To do this, Directors must be able to:*

- \_\_\_\_\_ Uphold fiduciary duty on behalf of the RPFC's Owners
- \_\_\_\_\_ Exercise due diligence in monitoring the RPFC's financial condition
- \_\_\_\_\_ Abide by all items contained in the Statement of Agreement, which includes the Code of Ethics, Code of Conduct, and Conflict of Interest policy (last two pages of this packet)
- \_\_\_\_\_ Maintain confidentiality when required
- \_\_\_\_\_ Faithfully honor all legal obligations that come with Directorship, which include the:
  - \_\_\_\_\_ **Duty of care** (make informed decisions in good faith; act as a prudent person; use a good process for decision making; be honest; ensure adequate record keeping)
  - \_\_\_\_\_ **Duty of loyalty** (always act in the best interest of the cooperative; disclose and avoid conflicts of interest; engage in no self dealing; maintain confidentiality)
  - \_\_\_\_\_ **Duty of Attention/Diligence** (attend meetings; participate in discussions; be prepared; review materials; ask questions; know and adhere to state laws and co-op bylaws; support Board decisions and policies; honor contracts; ensure payment of all tax obligations)

## Expectations of Board Members

*Please read carefully and thoughtfully; initial each item to indicate that you are willing to meet the expectation.*

- \_\_\_\_\_ Shop regularly at the Co-op when it opens.
- \_\_\_\_\_ Be prepared for meetings, including reading--carefully and thoughtfully--the agenda packet in advance of every Board meeting.
- \_\_\_\_\_ Participate fully in Board meetings. Attend all monthly meetings, as well as any meetings of committees you may serve on (2-5 hours a week). Special projects may require more time commitment.
- \_\_\_\_\_ Actively participate in Board discussion via email or phone between meetings as necessary.
- \_\_\_\_\_ Attend the TBA Board Orientation (this is mandatory).
- \_\_\_\_\_ Attend Owner Gatherings and other special events.
- \_\_\_\_\_ Actively participate in the annual election by spending time in the store (or other get-out-the-vote activities) to remind Owners to vote.

## Candidate Questionnaire

Please answer the following four questions *as thoroughly as possible, while keeping your answers to 200 words or less*. Your answers may be published on the RPFC website and in the Newsletter. We encourage you to be concise and thoughtful in each of your responses.

1. Why do you want to serve on the Board of Directors of the RPFC?
2. What is your passion? How could we see that passion in action in your day-to-day life?
3. List some of the organizations, causes, initiatives, and groups of which you have been apart.  
How do you believe your involvement with these groups has prepared you to serve on the RPFC Board of Directors?
4. Describe an experience in which you worked on a team.  
What did you offer the team? How did you *compromise* for the team's benefit?
5. Briefly describe *two or three* possible ways you could handle the following situation. How you would *ultimately act*?  
You've recently been elected to the RPFC Board. A close friend and local food producer privately asks you to help her business by having the Board publicly denounce the alleged unethical business practices of her closest competitor, whose products are already sold at RPFC. The business owner says she will deeply discount RPFC orders for her product for a year if you help her.
6. Could you share with us some ideas you may have for owner recruitment to the co-op?

### Optional

Is there anything else you'd like to tell us?

Do you have other experiences that you see as being related to the work of the Board?

*You may choose as an alternative or addition to submit a resume. A resume will also be made available to RPFC Owners.*





## Statement of Agreement

### I. Code of Ethics

The Board of Directors of the Rogers Park Food Co-op adopts the following Code of Ethics to clarify any uncertainty regarding the authority (role) of the Board or of the individual Directors. This Code of Ethics is proposed to create greater unanimity and closer coordination between Directors and among Directors, management, and employees.

To that end, we the Directors of the RPFC agree that:

The **Board's authority** is limited to overseeing the affairs of the cooperative in a manner deemed beneficial to the cooperative as a whole. To do this, we employ a manager to be responsible for the overall and day-to-day management of the business under the direction of the Board and work with management to set the future direction of the co-op. We are also responsible for carrying out other duties as provided by the bylaws or by general or specific corporate laws.

Each **Director's authority** is equal only to the rights and authority of any individual owner of the cooperative except when the Board is in formal meeting. No individual Director may take action on behalf of the cooperative alone unless explicitly delegated that authority by action of the Board, and no individual Director has any particular rights to information not made available to all Directors.

The **authority of the manager**, as approved by the Board in the General Manager's job description, is to manage the affairs of the cooperative. The manager shall employ, supervise, and discharge all employees, agents and laborers and engage in all negotiations and discussions on behalf of the cooperative as necessary and/or directed by the Board.

While Directors may **disagree** with a policy approved by or action taken by the majority of the Board, they will support that policy or action as being the considered judgment of the Board. An individual Director shall have the right to present further evidence and argument to the Board for further consideration in a manner consistent with the Board's practices. The Board shall have the duty to reconsider its actions appropriately.

All Directors will maintain **confidentiality** as needed to protect the co-op's interests and financial viability. This means that all Directors shall not discuss disputed or confidential corporate actions, policies, or issues with the co-op's Owners, employees or the general public unless all Directors agree that such information is no longer confidential. All issues related to personnel, real estate, market strategy and goals, pending litigation, and details of the co-op's financial status will be considered sensitive issues subject to confidentiality unless or until full disclosure is approved by the Board as a whole.

Directors **serve as representatives** of the cooperative. We shall conduct ourselves in a professional manner that fosters confidence and reflects positively on the co-op, its Owners, and its staff. We respect the rights of others - Directors, staff and Owners - to communicate their ideas free from interruption and without intimidation.

### II. Code of Conduct

As a co-op Director, I pledge to do my best for the Rogers Park Food Cooperative and will:

Devote the time needed to fulfill the responsibilities of the position;

Attend and actively participate in the Board's training sessions and annual planning retreat to enhance Board understanding and cohesiveness;

Consider the business of the co-op and its Owners to be confidential in nature;

Disclose any personal or organizational conflict of interest that I may have and refrain from discussing or voting on any issues related to that conflict;

Be honest, helpful, diligent, and respectful in my dealings with the co-op, with other Directors, and with the co-op's management, staff and Owners;

Work for continued and increased effectiveness in the co-op's ability to serve its Owners;

Be a team player and agree to abide by the majority action of the Board, even if it is not my own personal opinion;

Present the agreed-upon view of the Board of Directors, rather than my own, when I speak for the co-op to employees, Owners, shoppers, and the general public;

Refrain from asking for special privileges as a Board member and from interfering with management's authority;

Work to ensure that the co-op is controlled in a democratic fashion by its Owners and that all elections are open, fair, and encourage the participation of all Owners;

Strive at all times to keep Owners informed of the co-op's status and plans, and of the Board's work, as appropriate;

Continually seek to learn more about the co-op and its operations and about my responsibilities as a Board member by pursuing educational opportunities.

### III. Conflict of Interest

*I affirm that, to the best of my knowledge, neither I, nor any of my affiliates (hereinafter defined) have any financial or other personal interest, direct or indirect, that is incompatible with the proper discharge of my fiduciary duties as a member of the Board of Directors of the Rogers Park Food Co-op would tend to impair my independence, judgment or action in performance of my duties as Director, except as described below. I further affirm that, to the best of my knowledge, neither I nor any of my affiliates is an officer or managing agent of any municipal, state, federal, or private granting or contracting entity that provides or receives funds or other benefits to or from the Rogers Park Food Co-op except as described below. As used herein, I understand the term "affiliate" to mean any relative, business or professional partner or associate, or other person or entity (including without limitation any corporation or partnership in which I have a personal or financial interest) with whom I have any significant relationship.*

*Conflict Disclosure (Use other side if needed)*

I, \_\_\_\_\_, as a Rogers Park Food Co-op Director, agree to abide by this Statement of Agreement. I agree that if, in the opinion of the majority of co-op Directors, I have violated the letter or spirit of this agreement that I shall resign my position on the Board immediately.

\_\_\_\_\_  
Signature of co-op Director

\_\_\_\_\_  
Date



## Working Agreement

I, \_\_\_\_\_, understand that as a member of the board of directors of RPFC, I have a legal and ethical responsibility to ensure that the organization does the best work possible in pursuit of its ends. I believe in the purpose and the mission of the organization, and I will act responsibly and prudently as its steward.

### As part of my responsibilities as a director:

1. I will comply with the requirements of directors as outlined in the Rogers Park Food Co-op bylaws.
2. I will interpret RPFC's work and values to the community, represent it in a professional manner, and act as a spokesperson.
3. In turn, I will interpret our owners' needs and values to the board, speak out for their interests, and on their behalf, and hold the board of directors accountable.
4. I will actively participate in a minimum of five events scheduled by the Rogers Park Food Coop outreach committee per year. One of these events will be the Annual Meeting of Owners.
5. I will actively participate in the day-to-day responsibilities and tasks of the RPFC Board. As a working board, there are many tasks that the board is currently responsible for. While striving to honor the different skills, abilities, and availability of every director, each is expected to be an active participant in this start up work.
6. I will stay informed about what's going on in the organization. I will ask questions and request information in a positive and constructive manner. I will come prepared to board meetings by reading the agenda and supporting documentation ahead of time. I will participate in and take responsibility for making decisions on issues, policies, and other matters. I will not stay silent if I have questions or concerns.
7. Directors are encouraged to participate in personal and professional development opportunities within the cooperative community. They are also obligated to participate in internal board development programs, such as internal board retreats.
8. I will work in good faith with staff and other directors as partners toward achievement of our goals.
9. If I don't fulfill the responsibilities as stated herein, I will expect the board president to discuss my responsibilities with me. I understand that if I am not meeting these responsibilities, I may be asked to resign from the board of directors.

**In turn, the organization will be responsible to me in the following ways:**

1. The board president will send a meeting agenda, with supporting documentation and pre-reading, in advance of each board meeting.
2. Opportunities will be available to me to participate in the development of the RPFC business and vision; additionally, I can request or suggest such opportunities.
3. All directors and staff will have a voice and an opportunity to provide feedback, suggestions, and ideas for improvement.
4. Directors and staff will respond in a straightforward fashion to questions that I feel are necessary to carry out my fiscal, legal, and ethical responsibilities to this organization. Directors and staff will work in good faith with me toward achievement of our goals.
5. If the organization does not fulfill its commitments to me, I can call on the board president to discuss the organization's responsibilities to me.

Signed by:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
President of the Board of Directors

\_\_\_\_\_  
Date

## APPENDIX

### I

#### ROGERS PARK FOOD CO-OP VISION

##### AN INNOVATIVE GROCERY CO-OP, PROVIDING BETTER FOOD CHOICES AND EDUCATION TO OUR COMMUNITY.

- Our Co-op shall be a democratically controlled grocery business owned, managed, operated by and accountable to members of our culturally diverse community, bringing people together around food in a friendly and welcoming space.
- Our Co-op shall feature wherever possible locally grown, organic and fair trade products, produced using sustainable farming techniques, displaying honest labeling and partnering with vendors demonstrating ethical business practices.
- Our Co-op shall be an economic engine for our neighborhood providing good paying jobs, mentoring for young adults and sourcing local products which shall ensure that money gets reinvested in our region while encouraging the testing of new ideas, incubating business opportunities and promoting local prosperity.
- Our Co-op shall be accountable to our community providing nutrition and food preparation education, shall be focused on food and social justice and shall have a strategic plan for giving back to the community fostering strong relationships.

## APPENDIX II

### BOARD OF DIRECTOR AND OFFICER DUTIES

#### Article IV Board of Directors

##### Section 4.1 - Powers and duties.

The business and affairs of the Co-op shall be managed under the direction and supervision of the Board of Directors

*The duties of the Board shall include, but not be limited to:*

1. overseeing the operations and finances of the Co-op
2. establishing policies to guide operational decisions
3. engaging a general manager and monitoring and evaluating his or her performance
4. securing good conditions of employment and reasonable employee benefits
5. assuring that the purpose and mission of the Co-op are properly carried out.

##### Section 4.7 - Committees.

The Board may appoint special or standing committees to advise the Board

- Committees shall include at least one director.
- Not relieve the Board of its responsibilities
- Minimum a Finance Committee and an Audit Committee.

##### Section 4.8 - Termination. Unless excused by the Board for good cause

1. Absent from three consecutive Board meetings or
2. Four meetings in any one-year period,, shall be presumed to have resigned.

#### Article V Meetings of the Board

##### Section 5.1 - Meetings. The Board of Directors may determine the times and places.

- Special meetings may be called by the President and shall be called by the Secretary upon request of any three directors.
- Meetings of the Board shall be held no less frequently than once in each two-month period.

##### Section 5.6 - Action without a meeting. Any urgent action required or permitted to be taken at a meeting of the Board may be taken without a meeting only if a written consent to the action is signed by all directors and filed with the minutes of meetings.

#### Article VI Officers

##### Section 6.1 - Designation and qualifications. The principal officers of the Co-op shall consist of President, Vice President, Secretary, Treasurer, and General Manager. The Board may designate other officers or assistant officers. Principal officers shall be directors, except the General Manager who shall not be a director..

**Section 6.3 - Duties.** In addition to signing or attesting to formal documents on behalf of the Co-op as authorized by the Board, officers shall have the following duties and such additional duties as are determined by the Board:

- A. The President
  - Assure the orderly conduct of all meetings
  - Coordinate the activities of the Board
  - Maintaining effective communication with the general manager
  - Present a report of operations at the annual meeting of owners.
  
- B. The Vice President
  - Responsible for performing the duties of the President in his or her absence
  - Assist the President in the performance of his or her duties.
  
- C. The Secretary
  - Recording and keeping of adequate minutes of all meetings of the Board and of owners,
  - Issuing notices
  - Authenticating records of the Co-op.
  
- D. The Treasurer
  - Maintenance of financial records
  - Issuance of financial reports
  - Filing of all required reports and returns
  - Present a financial report at the annual meeting of owners.
  
- E. The General Manager
  - administering the day-to-day activities of the Co-op under the direction and control of the Board.

## APPENDIX

### III

#### BASIC PRINCIPLES OF POLICY GOVERNANCE

(modified from *The Community Mercantile Board Candidate Packet*)

Policy Governance is a fundamental redesign of the role of a board, emphasizing values, vision and the empowerment of both board and staff. It is built on ten principles:

**1. The Trust in Trusteeship**

Boards exist within an organization acting on behalf of some identifiable ownership to which they are answerable. Simply put, a board governs on behalf of persons who are not seated at the table.

The primary relationship the board must establish, maintain, clarify, and protect is its relationship with its owners, keeping in contact with them, and hearing their voices.

**2. The Board Speaks with One Voice or Not at All**

A board is a corporate entity entrusted by its owners with the authority to govern and lead the organization. If the board is to lead, then on each given issue it must speak with a single voice. The strength of this voice arises from the diversity of viewpoints and intentions its members bring to the board, as well as from the way the board focuses on these two components. This one-voice principle doesn't require or imply unanimity. On the contrary, the board must embrace all the diversity it can on behalf of the ownership. Differences among trustees are not only respected, but also encouraged. Rarely will a vote be unanimous. Those board members who lose a vote, however, must accept that the board has spoken and that its decision is now to be implemented. No board should present conflicting messages to its ownership or its staff.

The principle of one voice can be undermined by charging board officers with roles of management, and by creating committees with mandates related to areas of staff responsibility. A board chair who supervises the chief executive, or a committee set up to instruct staff, must inevitably violate the one-voice principle in order to function.

The principle of one voice can also be undermined by individual board members who, thinking they are being helpful, go directly to staff with instruction or guidance. Unless a board masters the art of speaking as a group, it has little power to lead. A board speaks with one voice...or it doesn't speak at all.

**3. Board Decisions Are Predominantly Policy Decisions**

Policy is defined as the value or perspective that underlies action. Board policies express the board's soul; embody the board's beliefs, commitments, values, and visions; and express its wisdom. Board policies should be generated by the board itself, not brought to it from other sources. Policies develop out of the board's struggle with values, from the stage of initial musing to crafting a written document. The board decides what to have policies about, and to what level of detail it will develop them.



Board policies fit into four categories:

#### **ENDS**

The board defines which needs are to be met by the organization, for whom, and at what cost. Written with a long-term perspective, these mission-related policies embody the board's vision and the organization's reason for being. (See appendix.)

#### **EXECUTIVE LIMITATIONS**

The board establishes the boundaries of acceptability within which staff procedures and activities can responsibly be left to staff. These policies limit the means by which Ends shall be achieved.

#### **BOARD-STAFF LINKAGE**

The board clarifies the manner in which it delegates authority and how it evaluates performance relative to Ends and Limitations.

#### **GOVERNANCE PROCESS**

The board determines its philosophy, its accountability, and the specifics of its own job.

Except for what belongs in bylaws, these categories of board policy contain everything the board has to say about values and perspectives that underlie all organizational decisions, activities, practices, budgets, and goals.

#### **4. The Board Formulates Policy by Determining the Broadest Values Before Progressing to More Narrow Ones**

Values come in sizes; large values contain ranges within which smaller ones occur, like a nested set. A board establishes control over large issues with broad policies, and subsequently decides how much further to detail them. Then it delegates further definition to someone else, fully empowering them to do so, and accepting any reasonable interpretation of its policies. Ends and Limitations policies are delegated to staff whereas Governance and Linkage policies are under the purview of the Board President.

The board may develop policy to whatever detail it wishes, so long as it does so from broad to narrow, and does not skip levels in the process. (When they approach policy-making this way, Boards can exercise leadership and maintain effective control without micromanaging.)

#### **5. The Board Defines and Delegates, Rather than Reacting and Ratifying**

Boards are accustomed to approving plans brought to them by staff. Predictable problems arise: The very act of approving forces boards to become entangled in trivia. To avoid feeling like rubber stamps, boards may nit-pick. Approvals are usually issued without clarifying the criteria used in giving approval. Further, approving staff plans freezes into place details, which cannot then be changed without board re-approval. This obstructs staff creativity and agility (a severe disadvantage to the organization) and weighs down the board with detail (diverting time from deciding the very policies that would make such role confusion unnecessary). Having board policies in place ahead of time allows board and staff alike to know whether a staff plan is approvable, since all the criteria by which approval is given are clearly stated for all to see.

The board does need to be assured that staff plans are true to the applicable board policies and that reassurance is gained by policy-focused monitoring. This also reinforces the one-voice principle, because the board has already stated its criteria for approval and board members are not thrown back onto diverse personal criteria.

**6. Ends Determination is the Pivotal Duty of Governance**

The justification for any body lies in what difference it can make. The cooperative organization exists so that the world can be a better place. The kind of thinking needed in order to make a difference requires a sense of the whole; an overview, a high vantage point. The board will become more of a think tank for vision than a reviewer of staff decisions and activities. It will focus on outcomes; focus on the reasons for which the organization exists at all.

An issue is an Ends issue if, and only if, it directly describes what good, for whom, and at what cost. If not, it is not an Ends issue—no matter how important, no matter who decides it, no matter how closely related it is to goals, strategies, mission, or perceived board work. Ends language is never about what the organization will be doing; it is always about what will be different for those it serves. Distinguishing ends from means enables the board to free itself from trivia, to delegate clearly and powerfully, and to turn its attention to large issues.

**7. The Board Controls Staff Means by Limiting Rather than Prescribing**

The organization's conduct, activities, methods, and practices are its "means" rather than its ends. Board means relate to how the board will organize, structure, and conduct itself in order to accomplish its job. Staff means are the various arrangements and actions needed to accomplish the ends or to safeguard the operations that produce them. The board must resist the temptation to prescribe staff means (i.e., the board does not tell staff how to do its job).

The board's role is one of boundary setting—specifying in writing which staff means would be unacceptable, unapprovable, or off limits. Beginning with broad prohibitions, advancing thoughtfully toward more detailed ones, the broader statements act as a safety net. Producing a "don't do it" list sounds negative, but in outcome is not. It allows a secure freedom, the boundaries of which need not be guessed, and within which staff creativity and action are encouraged. This key method of means constraint enables a board to govern with fewer pages of pronouncements, less dabbling in details of implementation, and greater accountability.

**8. The Board Explicitly Designs Its Own Products and Process**

The board states what it expects of itself, its code of conduct, the way it will plan and implement its agenda, and the nature of its relationship with it'/owners. And the board treats its own governance policies as iron-clad commitments. In developing its governance policies, the board again follows a broad-to-narrow approach, beginning with the broadest form of the question, "What is our job?"

The board may create committees to help get its own job done, but not to help staff with theirs.

**9. The Board Forges a Linkage with Management That is Empowering and Safe**

Board and GM constitute a leadership team. Clear differentiation in their roles and responsibilities enable them to fulfill and excel in them, mutually support each other, and influence each other toward ever greater integrity and capability for leadership.

The board has the right to expect performance, honesty, and straightforwardness from its GM. Boards may be understanding about performance, but should never bend an inch on integrity. In turn, the GM rightfully expects the board to be clear about the rules and then play by them, to fulfill its own job, and to speak with one voice.

**10. Performance is Monitored Rigorously, but Only Against Policy Criteria**

In Policy Governance, monitoring is conducted only against criteria currently stated in Ends and Limitations policies. When a board adopts the discipline of monitoring only what it has already addressed in policy, it should be driven to develop all the policies needed. The board will require information that directly addresses existing criteria and will receive relevant monitoring data. This should enable the board to maintain a focus on important issues and to avoid becoming mired in minutia.

# Candidate Application Timeline

