

Controlled Document

PFC Natural Grocery & Deli

Kalamazoo, Michigan

BOARD POLICIES

Adopted January 7, 2005

“Traditions are not to be discarded but built upon. The Board is creating tomorrow’s traditions with the actions it takes today. Leadership compels us to be true to tomorrow more than to yesterday.”

from *Boards That Make A Difference* by John Carver

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POLICY TYPE:

Ends

POLICY TITLE:

E. Global Ends Policy - VISION

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 12.19.06 | 1.26.10 | 11.27.12

PFC of Kalamazoo exists to create access to food for all that is healthy for people, land, and the economy.

E.1 People

Because of PFC:

E.1.1 Bridges exist between our multiple diverse communities.

E.1.2 Kalamazoo is a food sovereign community.

E.2 Land

Because of PFC:

E.2.1 There is a healthier ecological system.

E.3 Economy

Because of PFC:

E.3.1 Cooperative business exists in our community.

E.3.2 Local jobs exist in our community.

E.3.3 Local money stays in our local economy.

POLICY TYPE:

Governance Process

POLICY TITLE:

G. Global Governance Commitment

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 1.23.07

The Board is accountable to the Ownership for PFC's performance through all of its activities. The purpose of the Board, working solely on behalf of the Ownership, is to assure that People's Food Co-op achieves its stated ends and avoids unacceptable actions and situations.

POLICY TITLE:

G.1 Governing Style

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 5.27.08

The Board will govern with an emphasis on (1) outward vision rather than internal preoccupation with Co-op functioning, (2) encouragement of diversity of viewpoints, (3) strategic leadership more than its own administrative detail, (4) clear distinction of Board and General Manager roles, (5) collective rather than individual decisions, (6) the future rather than past or present, and (7) proactivity rather than reactivity.

G.1.1 The Board will govern using the policy governance model, as originally developed by John Carver in his book, *Boards That Make A Difference*.

G.1.2 The Board will cultivate a sense of group responsibility. The Board, not the Staff, will be responsible for excellence in governing. The Board will initiate policy, not merely react to Staff initiatives. The Board will use the expertise of individual owners to enhance the ability of the Board as a body rather than to substitute individual judgments for the Board's values. The Board will allow no officer, individual, or committee of the Board to hinder or be an excuse for not fulfilling board commitments.

G.1.3 The Board will direct, control, and inspire the organization through careful establishment of written policies reflecting the Board's values and perspectives about ends to be achieved and means to be avoided. The Board's major policy focus will be on the intended long-term effects outside the organization, not on the operational or programmatic means of attaining those effects.

G.1.4 The Board will enforce upon itself whatever standards are needed to govern with excellence.

G.1.5 The Board will monitor and discuss the Board's process and performance in such a way that all policies are reviewed annually. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-GM Linkage categories.

POLICY TYPE: [Governance Process Continued](#)

POLICY TITLE:

G.2 Board Job Description

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 1.23.07 | 12.16.08 | 12.15.09

The measure of the success of the Board's organizational performance is tied to values-driven representation of ownership.

G.2.1 The Board will create opportunities for linkage between The People's Food Cooperative and its owners.

G.2.2 The Board will produce written governing policies that, at the broadest levels, address each category of organizational decision.

- Ends: Organizational products, effects, results, benefits, outcomes, recipients and their cost or relative worth.
- Executive Limitations: Constraints on executive authority that establish the boundaries of prudence and ethics within which all general manager activity and decisions must take place.
- Governance Process: Specification of how the Board conceives, carries out, and monitors its own task.
- Board-GM Linkage: How authority is delegated, and its use monitored; the authority and accountability of the General Manager.

G.2.3 The Board will assure excellence of GM/organizational performance by GM's compliance with and interpretation of Executive Limitations and Ends policies.

G.2.4 The Board will employ self-discipline to matters, such as attendance, meeting and work preparations, policy-making principles, respect of roles, and ensuring continuance of governing

capability. Continual Board development will include orientation of new Board Directors in the Board's governance process and periodic Board discussion of process improvement.

The following list of duties and responsibilities reflect the ideals of board work, which will vary with individual volunteer commitments, work and family requirements, reasonable advance scheduling, and other situations. The Board will annually review its compliance with these duties and responsibilities. Compliance will be determined in how each board director has best fulfilled the Board's needs as evidenced by the completion of the year's board work.

- Be loyal to the organization
- Take initiative and provide leadership
- Support the Co-op by being an active Owner
- Actively recruit new Co-op Owners and encourage their participation in PFC
- Serve as an advocate for PFC
- Be accessible to communicate with Ownership, Staff, and/or other Board Directors as needed
- Discharge the duties of attention, loyalty, and care in good faith, with ordinary prudence, and in the best interests of the organization
- Read, understand, and support PFC policies and by-laws
- Hold in confidence any information so designated
- Disclose conflicts of interest immediately
- Adhere to the obligations set forth in the Declaration of Candidacy (see Policy appendix)
- Attend all regular and special Board meetings
- Attend all official meetings of the ownership that would require board action or involvement
- Attend the annual board retreat and the annual board-staff teambuilding event
- Prepare for each Board meeting by reading material distributed prior to the meeting and being ready for discussion
- Keep Board materials up to date either in notebook or electronic form and bring these materials to all official board meetings
- Participate actively in discussion; share viewpoints; support the majority decision.
- Participate in board work appropriate to each director's expertise, needs, and available volunteer hours
- Fulfill commitments within agreed-upon deadlines
- Pledges to work in the PFC tradition of cooperative decision making

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POLICY TYPE: [Governance Process Continued](#)

POLICY TITLE:

G.3 Director's Code of Conduct

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 03.11.08 | 03.24.09 | 8.28.12

The Board commits itself and its individual Directors to ethical, businesslike and lawful conduct including proper use of authority and appropriate decorum when acting as Board directors.

G.3.1 In their role as Board Directors, Directors must represent unconflicted loyalty to the interests of the PFC Ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. It also supersedes the personal interest of any Board director acting as a consumer of PFC's services. Any potential conflicts of loyalty or interest must be disclosed to the Board of Directors, and conflicted Directors must recuse themselves from decisions as needed to maintain loyalty to the interests of PFC.

G.3.2 Directors must avoid conflicts of interest regarding their fiduciary responsibility. A direct conflict of interest would exist if any Director has an affiliation with or material interest in any entity that conflicts with, or might reasonably be assumed to conflict with, the interests of People's Food Co-op. An indirect conflict of interest may arise when a director is an employee, director, officer, or otherwise associated with another organization that may be benefited or harmed by actions of the Board.

- Directors will immediately disclose to the President, or at a Board meeting, any direct or indirect conflict of interest involving a matter before the Board.
- Directors will not participate in final deliberation or vote on a question in which they have a personal or pecuniary interest uncommon with the interests of PFC.
- This does not mean that a person is prevented from voting for him or herself for office or other position for which he or she is eligible. The meeting minutes will reflect that a conflict was disclosed and that the interested person did not participate in discussion or decision.
- There must be no self-dealing or any conduct of private business or personal services between any Board director and PFC, except as procedurally controlled, to assure openness, competitive quality, and equal access to information.
- Directors must not use their positions to obtain employment at PFC for themselves, family members, or associates.

- Annually, at the first meeting after Board elections, Directors will disclose their involvement or association with any vendors, other organizations, associations or personal business relationships that might produce a conflict. At that time, all Directors will complete and return to the Secretary the Conflict of Interest Statement and Disclosure Form. The Secretary is responsible for this procedure.

G.3.3 Directors may not attempt to exercise individual authority over PFC operations except as explicitly set forth in Board policies.

- Directors' interaction with the public, press, or other entities must recognize these limitations as well as the ineligibility of any Board director to speak for the Board as a whole except to repeat explicitly stated Board decisions.
- Board directors must be aware at all times that their comments could be perceived to be statements of the Board as a whole or to otherwise carry official weight. Outside of Board discussion, individual Directors will not voice judgements of GM or Staff performance.

G.3.4 Directors will maintain the confidentiality of sensitive issues as defined and discussed by the Board.

POLICY TYPE: [Governance Process Continued](#)

POLICY TITLE:

G.4 Officers' Roles

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 4.28.09 | 8.28.12 | 8.6.2018

*Board officers are leaders among equals. In addition to their other duties, each officer will assume a leadership position within the Board in one of the four main areas of Board responsibility: **Perpetuating Board Excellence, Linking with Owners, Enacting Policy, and Assuring Management Performance**. To provide continuity and to foster good governance, all officers will provide training and support to their successors. Officers retain all the duties and responsibilities of regular Board Directors.*

G.4.1 Two Directors will work together to fulfill the roles of Co-Chairs. They assure the integrity and fulfillment of the Board's policy-governance process and maintain its focus on Ends policies. They also assume leading roles in perpetuating Board excellence, as well as issues related to Owner linkage (such as encouraging Owner involvement in Board activities and committees and exploring opportunities for Owner feedback).

- The objective of the Co-chairs is to ensure the Board follows its own rules and those legitimately imposed upon it from outside PFC.
 - One Co-Chair will be designated as “President,” and one as “Vice-President,” to comply with the By-laws. This designation does not affect the authority of the chosen director in any way not specifically called for in the Co-op By-laws.
 - The Co-Chairs work together to fulfill their duties whenever possible and should agree to an equitable (but not necessarily equal!) division of responsibilities when necessary. They are accountable to each other to ensure that all duties of their joint roles can be fulfilled by at least one of the Co-Chairs.
- The authority of the Co-Chairs consists of making decisions that fall within Board policies on Governance Process and Board-GM Linkage, except where the Board specifically delegates portions of this authority to others. The Co-Chairs are authorized to use any reasonable interpretation of the provisions of these policies.
 - The Co-Chairs have no authority to make decisions relating to Ends and Executive Limitations policies. Therefore, the Co-Chairs have no authority to supervise or direct the GM.
 - The Co-Chairs may represent the Board to outside parties in announcing Board-stated positions and in stating Co-Chair decisions and interpretations within the area delegated to them.
 - The Co-Chairs may delegate this authority but remains accountable for its use
 - The Co-Chairs oversee the annual Ownership meeting and the election
 - The Co-Chairs support the other officers in their duties, offering guidance and assistance when appropriate
 - With reference to the Annual Agenda Cycle, the Co-Chairs shall establish the agenda for each Board meeting
 - The outgoing Co-Chair/s will attend the first agenda-setting meeting with the new Co-Chair/s

G.4.2 The Secretary is the Board’s administrator and supervises the custody, accuracy, and integrity of all corporate documents, including the policies and by-laws, and assumes a leadership position in the area of Enacting Policy. The Secretary also:

- Performs or delegates any duties required of PFC by the State by virtue of PFC being a non-profit organization
- Sees that minutes of Board meetings are taken and prepared for the next meeting packet
- Signs and dates all minutes as approved and sees that they are placed in Board files and makes them available to owners
- Sees that minutes of all Ownership meetings are taken, a draft version prepared for review at the following Board meeting, and a copy filed for approval at the next Ownership meeting
- Sees that Board files and documents are maintained
- Countersigns corporate documents as required (By-law 8.5)
- Sees that policy and by-law revisions are prepared and distributed
- Assures that GM monitoring reports are dated and filed
- Announces quorum for the record at Ownership meetings
- Sees that BOD contact list is updated and distributed
- Ensures the integrity of ballot counting for PFC elections
- Tracks all monitoring reports submitted by the GM monthly, recording date submitted, whether GM reported compliance or non-compliance, and if the reports are approved by the Board.

G.4.3 The Treasurer serves a leadership position within the Board in the area of its fiscal responsibilities and in the discussion and review of Executive Limitations policies (Assuring Management Performance).

- The Treasurer will research and recommend an accounting firm for the annual financial review, if such a review is deemed necessary by the Board
- The Treasurer will act as the Board's liaison with the chosen accounting firm for the duration of the review

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- The Treasurer will be responsible for proposing and monitoring the Board’s Cost of Governance line items in PFC’s annual budget
- As necessary, the Treasurer will ask the Board for additional resources and support in performing these duties
- The Treasurer will countersign documents as required in the absence or incapacity of the Secretary. (By-law 8.6)

POLICY TYPE: [Governance Process Continued](#)

POLICY TITLE:

G.5 Board Committee Principles

ADOPTED: January 7, 2005. Revisions: 1.7.05

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and never to interfere with the delegation from the Board to the General Manager.

G.5.1 Board committees exist to help the Board, never to help or advise the Staff. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus Board committees will normally not have dealings with staff operations.

G.5.2 Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Committee expectations and authority will be carefully stated in order not to conflict with authority delegated to the General Manager.

G.5.3 Board committees cannot exercise authority over staff. Because the General Manager works for the Board as a whole he or she will not be required to obtain approval of a Board committee before an executive action.

G.5.4 Board committees are to avoid over-identification with organizational parts rather than the whole.

G.5.5 Committees will be used sparingly and ordinarily in an ad hoc capacity.

G.5.6 This policy applies to any group that is formed by Board action whether or not it is called a committee and regardless of whether the group includes Board Directors. It does not apply to committees formed under the authority of the GM.

POLICY TYPE: [Governance Process Continued](#)

POLICY TITLE:

G.6 Annual Agenda Cycle & Board Calendar

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 5.27.08 | 7.29.08 | 3.12.11

To accomplish its job with a governance style consistent with Board policies, the Board will follow an annual agenda that (1) completes re-exploration of Ends policies annually and (2) continually improves Board performance through education, enriched input, and deliberation.

G.6.1 The annual agenda cycle will conclude each year on the last day of March so that administrative planning and budgeting can be based on accomplishing a one-year segment of the Board's most recent statement of long-term Ends.

- Consultations with selected groups in the Ownership or other methods of gaining Ownership input will be determined and arranged starting in March and be carried out during the balance of the Board year.
- Governance education and education related to Ends determination (for example, presentations by futurists, demographers, advocacy groups, and staff) will be arranged as needed, to be held throughout the year.
- The Annual Agenda will include scheduled dates for review of specific Ends policies. The dates and topics will be published in advance of each meeting to invite Owner participation in discussion. This will provide a forum for regular Owner input.
- The Agenda will include scheduled dates for review of specific Governance and M-Board/GM Linkage policies to fulfill G.1.4 self monitoring goals. This will constitute regular Board self-evaluation.

G.6.2 The GM evaluation team will be conducted during January and February of the following year and will determine adjustments to GM salary and other compensation to take effect in April as per M.2.2.

G.6.3 The annual agenda cycle will conclude each year on the last day of March so that administrative planning and budgeting can be based on accomplishing a one-year segment of the Board's most recent statement of long-term Ends.

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POLICY TYPE: **Governance Process Continued**

POLICY TITLE:

G.7 Board Meetings

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 12.16.08 | 4.23.09 | 3.17.11 | 11.15.11

The Board will hold regularly scheduled meetings that are open, efficient, and productive.

G.7.1 Deliberation will be fair, open, and thorough but also timely, orderly, and to the point. Each Board Director pledges to work in the PFC tradition of cooperative decision making.

G.7.2 Meeting content will include only issues that, according to Board policy, are within the province of the Board not that of the General Manager.

- Throughout the year the Board will attend to annual Board Cycle items as expeditiously as possible

G.7.3 The President is empowered to chair Board meetings with the commonly accepted powers of that position (for example, ruling, recognizing).

G.7.4 In consultation with the General Manager and with reference to the Annual Agenda Cycle and Board Calendar the President shall establish the agenda for each meeting.

- Agenda items may be suggested to the President by any Director or the GM or owners
- Applicable Board policy number(s) should be noted with each agenda item whenever possible
- Each agenda item should note the person responsible for initiating/leading discussion. One or more of the Directors (or an outside presenter) will assume responsibility for each item
- To be considered for inclusion in the agenda, proposals must include information appropriate and sufficient to come to an informed decision, which could include some or all of the following: clarification of options, questions to spur discussion, anticipated costs, notation of Board policy involved. These materials should be included in the Agenda packet (G.7.5).
- Agenda items must be proposed for inclusion on the agenda prior to the meeting. Agenda items proposed at the meeting will be tabled for the next month or following months, unless the item is deemed urgent or time-sensitive

- The President may postpone an item to the next meeting in order to keep meeting length manageable, but shall not discriminate against a particular Board member, owner, or item in determining the agenda
- Scheduled GM monitoring reports will be noted in the agenda. Time will be allowed for discussion if Policy non-compliance is indicated, if Policy criteria are to be debated, if Directors have questions or concerns, or if the GM wishes to provide clarification. Otherwise, these items will be considered part of the consent agenda and no time need be devoted to discussion. Meeting minutes will note receipt and disposition of monitoring reports.
- Directors will review agenda materials, including proposals and monitoring reports, in advance of each meeting.

G.7.5 Within a week of the last board meeting, the next month's agenda will be posted as a page in the board Google Sites page, including links to associated documents. Directors may suggest items to the agenda until 72 hours before the meeting and all associated documents are due at that time. The President will finalize the agenda seven days before the next meeting. Any further changes to the agenda can be made at the President's discretion following the final version.

G.7.6 The annual schedule of board meetings will be posted to the website. The date, time, and location of each Board meeting will be available to ownership at least one week before the meeting.

G.7.7 The Secretary shall see that minutes of Board meetings are taken (by-law 8.5) as a legal record of proceedings. Minutes will be reviewed for accuracy, corrected, and approved by vote at the next meeting, then authenticated by the Secretary's electronic signature, and placed in the Board electronic archives, on the PFC website, and at the store.

G.7.8 Quorum: The Board shall conduct no business unless a majority of the directors then in office is present. (by-law 5.12)

G.7.9 In the absence or inability of the President to serve, the Vice President will perform all presidential functions mentioned in this policy. If the Vice President is unavailable, the President's duties will be assumed by the Secretary or the Treasurer.

G.7.10 Between-meeting Board decisions:

- Emergency issues requiring official Board action may be raised and decided in e-mail, by phone, or through other means if waiting until the next scheduled Board meeting could cause significant harm to the PFC or to essential Board or Operational functioning

- Action requests for such an emergency issue must be presented to the President, who is responsible for assembling the Board and presenting the decision. The President may delegate the duty to assemble and/or present the decision request to any other Director[s].
- Each board Director must be notified by email and phone or in-person prior to the scheduled vote
- The person requesting the decision is responsible for providing all options, information, and/or supporting documents necessary, for recording, and/or for clarifying the responses
- Directors should respond to decision requests within 72 hours of being notified with a clearly stated choice
- Any decision must be supported by a majority of the currently serving Board. No action may be taken if non-respondents could change the outcome
- Such decisions will be noted in the next meeting's consent agenda, confirmed by vote at the next meeting, and recorded in the minutes. Directors may change their votes if the material was not fairly presented, has changed, and/or if action has not been taken or can be reversed.
- Decisions on substantive issues, meriting significant debate, should be delayed until the next regularly scheduled Board meeting, until a special meeting scheduled to allow for its announcement to Members, or until a special, closed, executive session meeting can be called. Special exceptions may be made on substantive, time-sensitive issues that would significantly inhibit the operation of PFC (ie: expansion related decisions).

POLICY TYPE: [Governance Process Continued](#)

POLICY TITLE:

G.8 Cost of Governance

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 10.23.06 | 10.25.07

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

G.8.1 Board skills, methods and supports will be sufficient to assure governing with excellence.

- Training and retraining will be used to orient new Directors and candidates, as well as to maintain and increase the skills and understanding of serving Directors
- The Board may enlist outside monitoring assistance so that it can exercise confident control over organizational performance. This includes but is not limited to fiscal review or audit.
- Outreach mechanisms will be used as needed to ensure the Board's access to Owner viewpoints and values

G.8.2 Costs will be incurred prudently so as not to jeopardize the financial wellbeing of PFC. The Board will plan its budget for the following year in conjunction with the GM's preparation of the overall PFC budget. The Board will receive quarterly reports of its expenditures from the GM. The items for which the Board may budget are:

- Third-party financial review or audit
- Legal services
- Training, education, and planning, including attendance at conferences and workshops
- Elections and meetings of the Ownership
- Owner Linkage, including surveys, focus groups, and opinion analyses
- Board indemnification (Director and Officer insurance)
- Miscellaneous Board expenses

G.8.3 Directors may ask to receive a 10% discount on all purchases at the PFC during their term of service.

G.8.4 Director can request reimbursement for childcare expenses...not to exceed \$120 per Director, annually.

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POLICY TYPE: [Governance Process Continued](#)

POLICY TITLE:

G.9 Board-Ownership Communication

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 2.23.10

The Board governs PFC on behalf of its Owners and is responsible to them for all of the organization's activities. Therefore, the Board shall:

G.9.1 Conduct open meetings with agendas published in advance, encouraging Owners to attend as per policies G.7.5 and G.7.6.

G.9.2 Conduct periodic surveys of the Ownership (executed through the General Manager).

G.9.3 Regularly publish Board activities, plans, and goals and seek Owner input.

POLICY TYPE: Governance Process Continued

POLICY TITLE:

G.10 Grievance Policy

ADOPTED: October 28, 2008. Revisions: 10.28.08

The Board strives to govern the ownership in a supportive way through open, equal communication and respect for differing values and perspectives. If an owner has a conflict with a decision of the General Manager or the Board of Directors of PFC, all parties should try to resolve it informally between themselves in such a way that it does not impact customers or other staff. Communication is expected to be respectful and the intent should be to resolve the conflict as soon as possible. Failing a resolution through informal means, an owner may follow the steps of this policy to appeal decisions or situations which have not and could not be resolved through informal communications. The purpose of this grievance policy is to ensure that owners have a way to appeal decisions if they feel that the General Manager or the Board of Directors is treating them unfairly. In the following policy, the person filing the grievance is sometimes referred to as "the aggrieved individual." The terms "grievance" and "complaint" are used interchangeably.

G.10.1 An owner may file a grievance in writing within ten [10] business days of the receipt of the disputed decision. The grievance should apply to the "grounds for a grievance" [G.10.2]. The grievance may be left with or mailed to the General Manager who will forward it to the President of the Board of Directors, or it may be sent directly to the President of the Board of Directors via email. The President will handle all aspects of the grievance with impartiality and confidentiality.

G.10.2 Owners shall conform to the grounds for a filing grievance (G.10.2.A-C) and the guidelines for filing a grievance (G.10.2.D-F).

GROUND S

- A.** A claim of a violation of an existing PFC policy
- B.** A claim of an unfair situation for which no policy exists
- C.** A claim of an unfair situation caused by an inherently unfair or discriminatory policy

GUIDELINES

- D.** Establish what would be an appropriate remedy to the situation prior to discussing the problem with the General Manager or the Board of Directors responsible for the disputed decision
- E.** In writing the complaint, include the basis of the claim, when and how it arose, a summary of the discussions to date, the remedy requested, or an acceptable resolution
- F.** Keep accounts of everything that happens, including a document of the initial problem, continuing correspondences, and reviews

G.10.3 Upon receiving a written grievance, the President of the Board will set up a Grievance Review Board (GRB). The GRB shall consist of one person appointed by the Manager of the PFC (if applicable), one person appointed by the owner filing the grievance, and three Directors of the Board of Directors appointed by the President. The person filing the grievance may not appoint him or herself to serve on the GRB. The President must form a GRB within five [5] working days of receiving a grievance.

G.10.4 Once the Grievance Review Board is formed, it shall meet within 10 working days and a resolution must be found within 15 working days of their first meeting.

G.10.5 The Grievance Review Board may refuse to hear the case if it believes that the grievance does not fall into categories defined as grounds for a grievance (see G.10.2). The GRB may also return the complaint to the aggrieved individual if it believes that prior attempts to solve the problem have not been sufficient or were not in good faith. The GRB may refuse to hear the complaint if it determines that it is essentially a repeat of a previous grievance already reviewed or is in violation of G.10.11.

G.10.6 The GRB may meet with people involved, including individuals not filing the grievance. Confidentiality will be asked of each person with whom the GRB has contact. The GRB must meet, at least briefly, with the individual filing the grievance and/or the person or persons about whom the grievance was filed to verify its understanding of the situation unless sufficient verification is provided in writing and the right for such meeting is waived by either party.

G.10.7 The GRB will meet privately to decide its recommendation to best ensure impartiality and confidentiality.

G.10.8 The GRB will write a report with its recommendation and give it to both involved parties, the filer of the grievance and the individual[s] about whom the grievance was filed. A third copy will be kept in the PFC's Board's files.

G.10.9 Recommendations fall into following three categories.

- In cases of complaints of violations of existing Board policy, the GRB should advise the Board as to whether, based upon its review, a violation of Board policy has occurred, in which case the violation will be referred to the Board for appropriate action.
- In cases of a complaint of an unfair situation for which there is no applicable policy, the GRB should advise the board as to whether, in its opinion, the situation is, in fact, covered by an existing Board policy, and if not, the GRB should recommend a policy to the Board.
- In cases in which the fairness of an existing Board policy is questioned, the GRB researches the intent of the policy when adopted, evaluates the fairness of the policy, and provides a report to the Board as to whether, in its opinion, the policy is or is not unfair and, if so, on what grounds, and recommends a change in policy to the Board.

G.10.10 The GRB has the option of issuing a report to the ownership on the resolution of the grievance after discussing it with both parties and receiving the permission of both parties to share the nature of and resolution to the grievance with ownership.

G.10.11 A person may not file a grievance for review a second time on the same issue or within 60 days on a separate issue.

POLICY TYPE:

Executive Limitations

POLICY TITLE:

L - Global Executive Constraint

ADOPTED: January 7, 2005. Revisions: 10.28.08

The General Manager shall not cause or allow any operational practice, activity, decision, or organizational circumstance that is either unlawful, imprudent, in violation of PFC's by-laws and Articles of Incorporation, or in violation of commonly accepted business and professional ethics. All activity shall be for the purpose of achieving Board policies on Ends.

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POLICY TYPE: [Executive Limitations Continued](#)

POLICY TITLE:

L.1 Treatment of Owners and Consumers

ADOPTED: January 7, 2005. Revisions: 5.16.05 | 4.25.07 | 2.26.08 | 2.28.12

With respect to interactions with owners or consumers, the General Manager shall not cause or allow conditions, procedures or decisions that are discriminatory, disrespectful, unsafe, undignified, unnecessarily intrusive, or which fail to provide appropriate confidentiality and privacy. This policy will be monitored internally by annual report from the General Manager in February addressing each of the 9 sub-policies specifically.

The General Manager shall not:

L.1.1 Discriminate in Ownership based on race, religion, color, creed, gender, political affiliation, sexual orientation, national origin, sex, age, marital status, gender-identity, height, weight or mental or physical disability.

L.1.2 Fail to strive to provide exceptional value and service to our Owners and customers.

L.1.3 Select off-site space for Owner-invited functions which is not wheelchair accessible or cannot be made wheelchair accessible prior to the function.

L.1.4 Fail to de-activate Owner(s) from the data base in the event the Owner is delinquent in Ownership dues.

L.1.5 Fail to ensure the privacy and security of the Owner database.

L.1.6 Fail to provide a rebate to owners in an amount and manner determined by the board consistent with Article 3.7 of the PCF By-laws.

L.1.7 Fail to provide Owners the opportunity and incentive to volunteer at PFC.

L.1.8 Fail to refer to the board any Owners who have a grievance with a decision or decisions made by the General Manager or the Board of Directors of the People's Food Co-op so that the owner may pursue an appeal. (See G.10.)

L.1.9 Fail to respond and/or act upon a recommendation made by a properly formed Grievance Review Board within five [5] working days of receiving the recommendation. (See G.10.)

POLICY TYPE: [Executive Limitations Continued](#)

POLICY TITLE:

L.2 Treatment of Staff

ADOPTED: January 7, 2005. Revisions: 07.25.06

With respect to the treatment of paid and volunteer staff the GM shall not cause or allow conditions that are unfair or undignified.

The General Manager shall not:

L.2.1 Discriminate with regard to hiring, promotional opportunity, or compensation based on race, religion, color, creed, gender, political affiliation, sexual orientation, national origin, sex, age, gender identity, height, weight, marital or parental status, or mental or physical disability.

L.2.2 Operate without written personnel rules that (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions.

L.2.3 Discriminate against any staff member for nondisruptive expression of ethical dissent.

L.2.4 For paid staff, cause or allow a decision-making standard that is not transparent or does not allow for opportunity to participate in decisions and shape the guidelines for decisions.

L.2.5 Prevent staff from presenting a grievance to the Board when (1) internal procedures have been exhausted, and (2) the employee alleges that either Board policy has been violated to his or her detriment or Board policy does not adequately protect his or her human rights.

L.2.6 Fail to acquaint staff with their rights under policy L.2 concerning treatment of staff.

L.2.7 Allow staff exposure to unsafe, unhealthy or illegal conditions.

POLICY TYPE: [Executive Limitations Continued](#)

POLICY TITLE:

L.3 Financial Planning and Budgeting

ADOPTED: January 7, 2005. Revisions: 8.29.06

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board's Ends policies, risk financial jeopardy, or fail to be derived from a multi-year plan. This policy will be monitored internally by annual report from the GM to be presented at the December Board meeting.

The General Manager shall not create a budget that:

L.3.1 Omit Credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

L.3.2 Plans the expenditure in any fiscal year of more funds than are conservatively projected in that period.

L.3.3 Provides less for Board prerogatives during the year than is set forth in the cost of Governance policy.

L.3.4 Risk incurring those situations or conditions described as unacceptable in policy L.4

POLICY TYPE: *Executive Limitations Continued*

POLICY TITLE:

L.4 Financial Condition and Activities

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 2.26.08 | 10.29.08 | 7.24.12

In ongoing financial conditions and activities, the GM shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies.

The General Manager shall not:

L.4.1 Cause indebtedness other than trade payables, without prior Board approval.

L.4.2 Fail to settle payroll and debts in a timely manner.

L.4.3 Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

L.4.4 Make a single purchase or commitment of greater than \$4,000 without Board approval.

L.4.5 Fail to pursue receivables after a reasonable grace period.

L.4.6 Fail to meet the following benchmarks, where not otherwise established by a board-approved document:

- Asset to liability ratio of at least 2:1
- Debt to equity ratio of less than 2:1
- A rolling four-quarter net profit of at least 1%.

L.4.1 through L.4.6 will be monitored internally by annual report in February from the GM addressing each point.

L.4.6 will be monitored internally through the summary information from each Quarterly Financial Statement provided to the Board by the GM in February, May, August and November.

POLICY TYPE: [Executive Limitations Continued](#)

POLICY TITLE:

L.5 Emergency General Manager Succession

ADOPTED: January 7, 2005. Revisions: 07.25.06

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

This policy will be monitored internally by annual report from the GM in June and by direct observation.

POLICY TYPE: [Executive Limitations Continued](#)

POLICY TITLE:

L.6 Asset Protection

ADOPTED: January 7, 2005. Revisions: 07.25.06 | 04.27.10

The General Manager shall not allow the Corporation's assets to be unprotected, inadequately maintained, or unnecessarily risked.

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The General manager shall not:

L.6.1 Fail to insure against theft and casualty losses to at least 80 percent of replacement value and against liability losses to staff and the organization itself in an amount greater than average for comparable organizations.

L.6.2 Subject the store and equipment to improper wear and tear or insufficient maintenance.

L.6.3 Unnecessarily expose the organization, its Board, or its Staff to claims of liability.

L.6.4 Make any capital expenditure (1) without normal, prudent protection against conflict of interest, and (2) of over \$500 without obtaining comparative prices.

L.6.5 Receive, process, or disperse funds under controls that are insufficient to meet the standards of Board-appointed auditors.

L.6.6 Invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating, or in non-interest-bearing accounts except when necessary to facilitate operational transactions.

L.6.7 Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of the Ends policy.

L.6.8 Fail to maintain liability insurance coverage for Board Directors in the following amount: \$500,000 per occurrence and \$1 million aggregate.

L.6.9 Fail to invest PFC's cash reserves in accordance with the requirements stated in the by-laws.

This policy will be monitored annually by internal report from the GM in February.

POLICY TYPE: [Executive Limitations Continued](#)

POLICY TITLE:

L.7 Compensation and Benefits

ADOPTED: January 7, 2005. Revisions: 07.25.06

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the GM shall not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, the General Manager shall not:

L.7.1 Change his or her own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

L.7.2 Promise or imply permanent employment.

L.7.3 Establish current compensation and benefits that deviate materially from the Kalamazoo natural-foods market for like skill levels, except where such a standard is demonstrably exploitive or inadequate.

L.7.4 Create compensation obligations over a longer term than revenues can be safely projected, and in no event longer than one year and in all events subject to losses in revenue.

L.7.5 Establish or change benefit plans so as to cause unpredictable or inequitable situations, including but not limited to:

- Incurring unfunded liabilities
- Providing less than a basic level of benefits to all full-time paid employees (though differential benefits to encourage longevity are not prohibited)
- Allowing any employee to lose benefits already accrued from any forgoing plan
- Treating the GM differently from other management employees.

This policy will be monitored internally by annual report from the GM in June.

POLICY TYPE: [Executive Limitations Continued](#)

POLICY TITLE:

L.8 Communication and Support to the Board

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 12.19.06

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

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Accordingly, the General Manager shall not:

L.8.1 Neglect to submit monitoring data required by the Board (see policy on Monitoring Executive Performance) in a timely, accurate and understandable fashion, directly addressing provisions of the Board policies being monitored.

L.8.2 Fail to advise the Board of relevant trends, anticipated adverse media coverage, threatened or impending lawsuits, and material external and internal changes, particularly changes in the assumptions upon which any Board policy was established.

L.8.3 Fail to advise the Board if, in the GM's opinion, the Board is not in compliance with its own policies on Governance Process and Board-GM Linkage, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM.

L.8.4 Fail to obtain as many Staff and external points of view and options as requested for the Board to make fully informed choices.

L.8.5 Fail to provide a mechanism for official Board, officer, or committee communications.

L.8.6 Fail to deal with the Board as a whole except when fulfilling individual requests for information or responding to officers or committees duly charged by the Board.

L.8.7 Fail to report in a timely manner an actual or anticipated non-compliance with any Board policy.

L.8.8 Fail to supply for the board's consent agenda, along with applicable monitoring information, all decisions delegated to the GM yet required by law, regulation or contract to be board-approved.

This policy will be monitored annually through the General Manager performance review in January.

POLICY TYPE: [Executive Limitations Continued](#)

POLICY TITLE:

L.9 Expansion

ADOPTED: July 10, 2007. Revisions: NA

L.9.1. Expand to create a store that is welcoming, pleasant, functional, accessible, and convenient for users and potential users in the PFC market area.

L.9.2. Provide a bi-monthly monitoring report consisting of financial expenditures from the budget, current and year-to-date and the progress on the implementation and the results of the expansion plan.

POLICY TYPE: *Executive Limitations Continued*

POLICY TITLE:

L.10 Anti-Racism Transformation Team

ADOPTED: December 7, 2015. Revisions: NA

Because antiracism and anti-oppression work is essential to creating access for all to food that is healthy for people, land, and the economy, the General Manager shall not fail to operate without an antiracism Transformation Team.

Antiracism Transformation Team MANDATE: The Kalamazoo People’s Food Co-op Anti Racism Transformation Team aligns all level of the co-op to be accountable to people of color and other systemically disempowered members of the community. We embody an anti-racist identity by developing and implementing strategies that dismantle institutional racism and other forms of oppression.

The General Manager shall not:

L.10.1 Fail to budget funds annually for the Transformation Team adequate to achieving Transformation Team’s mandate. Transformation Team budget will be set in relationship to sales volume in order to protect the financial health of PFC.

L.10.2 Fail to support the Team by ensuring the Transformation Team includes representation from PFC Board of Directors, Management Team, non-management staff, and the Co-op ownership.

L.10.3 Fail to provide for the Transformation Team’s responsibility and authority to recruit and select new members.

L.10.4 Fail to work in a spirit of creative collaboration toward the outcomes articulated in the Transformation Team’s Strategic Plan.

L.10.5 Fail to remain in responsive, accountable relationship with the Transformation Team.

L.10.6 Fail to keep the Board informed of the Transformation Team’s work.

POLICY TYPE:

Board-GM Linkage

POLICY TITLE:

M - Global Board-General Manager Linkage

ADOPTED: January 7, 2005. Revisions: 1.7.05

The Board delegates some of its governing responsibility to a General Manager and holds the General Manager accountable for achieving desired outcomes (Ends policies). The Board's sole official participation in the operating organization, its achievement and conduct, will be through a General Manager.

POLICY TYPE: Board-GM Linkage Continued

POLICY TITLE:

M.1 Unity of Control

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 12.16.08

Only decisions of the Board acting as a body are binding on the General Manager.

M.1.1 Decisions or instructions of individual Board Directors, officers, or committees are not binding on the General Manager except in rare instances when the Board has specifically authorized such exercise of authority.

M1.2 In the case of Board Directors or committees requesting information or assistance without Board authorization, the General Manager can refuse such requests that in the General Manager's opinion require a material amount of Staff time or funds or are disruptive.

POLICY TYPE: Board-GM Linkage Continued

POLICY TITLE:

M.2 Accountability of the General Manager

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 12.15.09 | 11.15.11

The Board holds the GM accountable for organizational performance by setting policies assigning responsibility and ensuring that expectations are met. As far as the Board is concerned all authority and accountability of Staff is considered the authority and accountability of the General Manager.

M.2.1 The Board will view General Manager performance as identical to organizational performance. Therefore, organizational accomplishment of Board-stated Ends and avoidance of Board-proscribed means will be viewed as successful General Manager performance.

M.2.2 The Board will conduct a formal annual review of General Manager performance to be used in determining salary and other compensation. The principles of the evaluation process will be:

- The Board speaks with one voice
- Full disclosure of evaluation process
- Mutually agreed-upon process and criteria
- Positive reinforcement
- Confidentiality

M.2.2a The Board will create an Evaluation Committee to perform annual GM evaluations. The Committee's responsibilities are as follows:

- Review the general manager's performance for the previous year as set forth in relevant PFC Board policies
- Recommend general manager compensation adjustments for the previous year based on the criteria set by the Board at the beginning of the previous year
- Facilitate Board communication regarding general manager performance review through regular updates as specified in the GM evaluation timeline

M.2.2b The Board will adhere to the following timeline in evaluating GM performance:

November:

Board selects GM Evaluation Committee. Committee must have at least 3 Directors.

December:

The committee sets a maximum award amount for each of the following general manager compensations: salary increase, benefits increase, and bonus. These ranges apply to **the upcoming calendar year.**

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In the December meeting, the Board approves these maximums. The GM then uses these projections to create 4 distinct budgets: no raise or bonus, raise only, bonus only, both raise and bonus.

Committee recommends specific criteria by which to evaluate the GMs eligibility for an annual bonus and/or salary and benefits package increases **for the upcoming calendar year**. The Committee will collaborate with the GM in creating these criteria.

All criteria must comply with relevant PFC policies (most importantly, GM performance may only be evaluated based on monitoring reports and annual financial performance).

In the December meeting, the Board approves these criteria.

Also in the December meeting, the committee reviews the general manager's current salary and benefits package.

February through March:

Committee evaluates all monitoring reports required of the GM **for the previous calendar year**. Within one month, the committee will recommend adjustments to GM salary, benefits, and any potential bonus based on an evaluation of the GM's monitoring reports **from the previous calendar year**.

The Committee should take into account other General Manager's salaries from similar markets and from stores of similar size. Cooperative Grocer Magazine is a recommended source for market surveys of this kind.

April:

The Board approves the committee's recommendations for salary and benefits increase, and bonus. GM uses the appropriate budget that was created in December to account for changes in payroll costs incurred from any raise or bonus awarded.

M.2.3 The Board will never give instructions or work-related directives to persons who report directly or indirectly to the General Manager.

POLICY TYPE: Board-GM Linkage Continued

POLICY TITLE:

M.3 Delegation to the General Manager

ADOPTED: January 7, 2005. Revisions: 1.7.05

The Board will instruct the General Manager through written policies that describe the organizational Ends to be achieved and the organizational situations and actions to be avoided, allowing the General Manager to use any reasonable interpretation of these policies.

M.3.1 The Board will develop policies instructing the General Manager to achieve certain results for the Ownership (and customers) within limits determined by the Board. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called *Ends policies*.

M.3.2 The Board will develop policies that limit the latitude of the General Manager's authority in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels and will be called *Executive Limitations policies*.

M.3.3 Using any reasonable interpretation of the Board's Ends and Executive Limitations policies, the General Manager is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities.

M.3.4 The Board may change its Ends and Executive Limitations policies thereby shifting the boundary between the Board and General Manager domains. By doing so, the Board changes the latitude of choice given to the GM. But as long as any particular delegation is in place, the Board will respect and support the General Manager's choices.

POLICY TYPE: Board-GM Linkage Continued

POLICY TITLE:

M.4 Monitoring General Manager Performance

ADOPTED: January 7, 2005. Revisions: 1.7.05 | 04.27.10

Systematic and vigorous monitoring of General Manager job performance will be conducted using solely the expected General Manager job outputs: organizational accomplishment of Board policies on Ends and organizational operation within the boundaries of Board policies on Executive Limitations.

M.4.1 Monitoring is done solely to determine the degree to which Board policies are being met. Data that do not serve this purpose will not be considered monitoring data.

M.4.2 The Board may acquire monitoring data any combination of the following three methods:

- Internal report - in which the GM supplies compliance information to the Board.
- External report - in which a disinterested third party selected by the Board assesses compliance with Board policies.
- Direct Board inspection - in which a designated Board Director or Owner[s] assesses compliance with Board Policy.

M.4.3 In every case the standard for compliance shall be *any reasonable GM interpretation* of the Board policy being monitored.

M.4.4 All policies that instruct the General Manager will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method but will ordinarily follow a routine schedule as forth by policy in G.6.1.

POLICY MONITORING SCHEDULE

Policy Identifier	Policy Name	Type of Monitoring	Frequency
L.1	Treatment of Owners	Internal Report	Annually
L.2	Treatment of Staff	Direct Inspection and Internal Report (as determined by the BOD)	Annually
L.3	Financial Planning & Budgeting	Internal Report	Annually
L.4 (1-8)	Financial Conditions & Activities	Internal Report	Annually
L.4.9	Financial Condition & Activities	Internal Report	Quarterly
L.5	GM Succession	Internal Report and Direct Inspection (as determined by the BOD)	Annually
L.6	Asset Protection	Internal Report and External Report	Annually
L.7	Compensation and Benefits	Internal Report	Annually
L.8	Communication and Support to the Board	Direct Inspection	Annually
E	Global Vision	Internal Report	Annually
E.1	Values	Internal Report	Annually
E.2	Mission	Internal Report	Annually
E.3	Strategic Priorities	Internal Report	Biannually

Board Candidate Application

PFC Natural Grocery & Deli of Kalamazoo

I declare that I am a candidate for the Kalamazoo People's Food Co-op board of directors.

I understand that serving as a Director is a job which requires that I:

- Be loyal to the organization
- Take initiative and provide leadership
- Support the Co-op by being an active Owner
- Actively recruit new Co-op Owners and encourage their participation in PFC
- Serve as an advocate for PFC
- Be accessible to communicate with Ownership, Staff, and/or other Board Directors as needed
- Discharge the duties of attention, loyalty, and care in good faith, with ordinary prudence, and in the best interests of the organization
- Read, understand, and support PFC policies and by-laws
- Hold in confidence any information so designated
- Disclose conflicts of interest immediately
- Attend all regular and special Board meetings
- Attend all official meetings of the Ownership that would require board action or involvement
- Attend the annual board retreat and the annual board-staff teambuilding event
- Prepare for each Board meeting by reading material distributed prior to the meeting and being ready for discussion
- Keep Board materials up to date either in notebook or electronic form and bring these materials to all official board meetings
- Participate actively in discussion; share viewpoints; support the majority decision
- Participate in board work appropriate to each director's expertise, needs, and available volunteer hours
- Fulfill commitments within agreed-upon deadlines
- Pledges to work in the PFC tradition of cooperative decision making

(Taken from Kalamazoo's PFC Board Policies: G.2.4 Duties and responsibilities of Directors)

I qualify to serve as a Director, in that I am an owner in good standing.

I understand that I am committing to a three-year term.

SIGNATURE _____ DATE _____

NAME (please print) _____

EMAIL _____ PHONE _____

Turn this form in with a 2-paragraph Statement of Candidacy and return it to Chris Dilley at the store by **[MMM, DD, YYYY]**.

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