

TAKOMA PARK SILVER SPRING COOPERATIVE, INCORPORATED

POLICY REGISTER

(Updated as of March 2012)

MISSION STATEMENT

Takoma Park-Silver Spring Co-op promotes healthful living by offering wholesome food, high quality products, and community resources in clean, friendly cooperative grocery stores...that you can own!

VISION

We are the peoples' choice for food and community.

GUIDING PRINCIPLES

- We believe in supporting individual and community health and well-being
- We believe in operating all businesses for the benefit of the community, society and the planet
 - We believe in treating people fairly, equitably, and respectfully in all human relationships
 - We believe in people having a say in the issues affecting their lives
 - We believe in educating people about the issues that affect their lives

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ENDS STATEMENTS

Policy Type: Ends Statements
Adopted: November 2009
Last Revised: [August 2011](#)

1. TPSS Co-op will be a sustainable cooperative enterprise that benefits the community at large — consistent with community needs, financial viability, cooperative principles, healthful living, and strong environmental stewardship.
2. Co-op members are involved in and knowledgeable about the meaning, benefits and responsibilities of cooperative ownership.
3. Co-op customers have access to goods produced in socially and environmentally responsible ways, with an emphasis on local and organic foods, at reasonable prices and in welcoming community marketplace settings.
4. Customers are knowledgeable about food and food related issues and can make informed choices about healthful living.
5. TPSS Co-op is committed to being inclusive and accessible to the whole community. The Co-op will build strong linkages through its outreach programs with surrounding communities and nearby farmers and businesses.
6. The TPSS Co-op staff has an empowering and positive workplace.

FINANCIAL CONDITIONS

Policy Type: Financial
Policy Title: Financial Conditions
Last Revised: December 2011

Goals and Objectives

The financial goal of the Co-op is to maintain and improve the Co-op's financial standing, preserve the business as a going concern and, where feasible, expand operations and service. The strategic financial objectives are profitable operations and growing revenues.

Scope

These financial policies shall apply to the Co-op as a whole and to each of its stores (operating businesses) individually, unless explicitly defined otherwise in a specific policy.

Monitoring

Deviation or non-compliance by any operating business, entity or location, or the Co-op as a whole, from any financial policy shall be reported to the board on a monthly basis. A report on budgetary compliance and variance shall be reported to the board on a quarterly basis. When appropriate, the board will be notified as specified in policy directives.

Required Reports

Monthly

TPSS Co-op – Balance Sheet & Income Statement

Takoma Park Division – Balance Sheet & Income Statement

Silver Spring Division – Balance Sheet & Income Statement

Development Project – Balance Sheet & Income Statement

Fiscal Year-to-Date – Income Statements

Financial Indicators Report – sales growth, current ratio, quick ratio, and debt-to equity ratio

Allocations Report

Aging-of-Accounts Payable Report

Member-capitalization Statistics Report

Quarterly

TPSS Co-op – Income Statement

Takoma Park Division – Income Statement

Silver Spring Division – Income Statement

Development Division – Income Statement

Financial Indicators Report – gross & net margins, inventory turnover, return-on-assets and return-on-equity

Budget-variance Reports

Annually

Audit Report or Independent Accountant's Review report

Inventory Audit Report

Annual Reauthorization To assure that these financial policies are appropriate for current conditions, the board shall review and reauthorize this policy annually.

POLICY DIRECTIVES

Accounting Policy The Co-op shall comply with generally accepted accounting principles (GAAP). The Co-op shall comply with applicable state and federal laws regarding financial reporting and other issues, such as regulations, permits, fees and taxes.

Accrual Policy The Co-op shall report financial statements on an accrual basis. In the case of significant, variable accruals, a reasonable method of estimation may be used.

Allocations Policy Expenses not directly attributable to store operations are to be allocated between each store on the basis of an allocation ratio of 70% of such costs to the Takoma Park store and 30% to the Silver Spring store. The allocation ratio is approximately proportional to the relative contributions of revenues to the Co-op. The total expense allocated to each store shall be reported monthly.

Inventory Policy A physical count of inventory shall be done quarterly. The inventory value of goods-in-stock shall be defined as the sum for all items of the physical count times the wholesale cost of each item.

$$\text{Category Wholesale Inventory Value} = \sum (\text{Item Number Counted} \times \text{Item Wholesale Value})$$

$$\text{Store Wholesale Inventory Value} = \sum \text{Category Wholesale Inventory Values}$$

The quarterly physical count is used to calculate an overall cost of goods sold, stated as a percentage of revenues for the quarter. For each of the two following months, this cost-of-goods-sold ratio may be used to make an adjustment on the income statement to provide an estimation of cost of goods sold during those months when a physical count of inventory is not available. An audit of inventory shall be performed annually by an external auditor.

Budget-compliance Policy Submission and acceptance of a budget constitutes a policy directive and budgetary compliance is expected. An analysis of the causes of budget variance and noncompliance shall be performed quarterly, which may include recommendations for amending the budget or plans to come into compliance with the budget.

Expenditure Policy

Policy Limit Co-op management may not make an unbudgeted expenditure, or series of expenditures, of more than \$10,000 for any coherent operational or strategic purpose without specific board authorization.

Required Notification Capital asset purchases may be authorized in an approved capital budget, or authorized specifically by board decision. Alert the board if unbudgeted or unauthorized purchases of capital assets total more than \$20,000 for the previous twelve months.

Debt Policy Co-op management may regulate ordinary trade liabilities, but may not incur other debt, or any debt with a maturity of more than sixty days, without specific board authorization. Payroll, taxes and trade-payables shall be paid in a timely manner. Borrowing, as authorized, from capital reserve funds is exempt from this policy directive.

Reserve-Fund Policy Capital reserve funds may be used only for purposes as defined in the reserve-fund charter resolution. Borrowing from a reserve fund is permitted only if authorized by the reserve-fund charter resolution or other subsequent explicit board authorization.

Profitability Policy The Co-op shall achieve positive net income for any four-quarter period, except as specifically authorized by the board.

Policy Limit Net Income must be greater than zero for any four-quarter period.

Required Notification Alert the board quarterly if net income for any quarter or any four-quarter period is less than zero.

Required Notification Alert the board quarterly if the net margin for the fiscal-year-to-date is under budget.

Required Notification Alert the board quarterly if net income for any four-quarter period is less than 1% of sales.

Growth Policy The Co-op shall maintain growing sales, compared to the same period in the previous year, except as specifically authorized by the board. The board shall be alerted on a monthly basis whenever the rate of growth in sales over same month of the previous year is less than the rate of consumer-price inflation, as measured by the overall Consumer Price Index (CPI-U ALL ITEMS, accessible at www.bls.gov/cpi). The board shall be alerted on a monthly basis whenever the rate of growth in sales is negative, compared to the same period in the previous year.

Policy Limit Sales must be greater than comparable period of the previous year.

Required Notification Alert the board if sales growth rate over the same month of the previous year is less than the Consumer Price Index.

Required Notification Alert the board if the rate of growth in sales is negative, compared to the same month of the previous year.

Liquidity Policy Liquidity can be measured using the Current Ratio. A more-stringent measurement of liquidity is provided by the Quick Ratio.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilites}}$$

Policy Limit The Co-op shall maintain a Current Ratio greater than 2.

Required Notification Alert the board quarterly if the Current Ratio is less than 2.5.

$$\text{Quick Ratio} = \frac{\text{Cash} + \text{Accounts Receivable}}{\text{Current Liabilites}}$$

Policy Limit The Co-op shall maintain a Quick Ratio greater than 1.

Required Notification Alert the board quarterly if the Quick Ratio is less than 1.7.

Solvency Policy Solvency can be measured using the Debt-to-Equity ratio

$$\text{Debt-to-Equity Ratio} = \frac{\text{Total Liabilites}}{\text{Total Equity}}$$

Policy Limit The Co-op shall maintain a Debt-to-Equity ratio less than 0.5.

Required Notification Alert the board quarterly if the Debt-to-Equity is greater than 0.4.

EXECUTIVE LIMITATIONS

Policy Type: Executive Limitation
Policy Title: L – Global Executive Constraint
Adopted: July 2002
Last Revised: [July 2002](#)

The General Manager shall not cause or allow any practice, activity, decision or organizational circumstance which is either imprudent or in violation of commonly accepted business and/or professional ethics.

Policy Type: Executive Limitation
Policy Title: L1 – Customer Service and Value
Adopted: July 2002
Last Revised: [November 2005](#)

Value and service to customers shall not fall significantly behind market standards. Accordingly, the General Manager shall neither cause nor allow:

- L1.1 Quality and freshness of product to drop below market standards.
- L1.2 Customers to be without access to information and educational opportunities regarding food, nutrition, health, consumer and environmental issues.
- L1.3 Conditions, procedures or decisions which are discriminatory, disrespectful, unsafe, unduly undignified, unnecessarily intrusive or which fail to provide appropriate confidentiality and privacy.
- L1.4 Customers to be without access to a written product selection policy that clearly states the criteria that buyers use when selecting product to be carried.

MONITORING:

This policy will be monitored annually through an internal summary report.

Policy Type: Executive Limitation
Policy Title: L2 – Staff Treatment
Adopted: July 2002
Last Revised: November 2009

Paid staff and volunteers shall not be subjected to unfair, undignified, or unsafe treatment or conditions. Accordingly, the General Manager shall neither cause nor allow:

- L2.1 Discrimination based on race, religion, color, creed, gender, political affiliation, sexual orientation, national origin, sex, age, marital/parental status, veterans status, or mental or physical disability.
- L2.2 Staff to be without regular access to Human Resources professional(s) who can provide confidential resources and support for resolving workplace conflicts, hearing staff complaints, and assisting with staff development and morale.
- L2.2 Staff exposure to unsafe, unhealthy or illegal conditions.
- L2.3. Operation without written personnel policies that:
 - L2.3.1 Clarify rules for staff
 - L2.3.2 Provide for fair and thorough handling of grievances
 - L2.3.3 Are accessible to all employees
 - L2.3.4 Inform staff that employment is neither permanent nor guaranteed.
 - L2.3.5 Include a progressive improvement policy
 - L2.3.6 Allow staff to report to the Board any allegations of improper or illegal management actions.
 - L2.3.7 Protect staff from being reprimanded or retaliated against for reporting suspected wrongdoing.
 - L2.3.8 Are consistently applied
- L2.4 Staff to be without current and accurate information and guidance on applicable state, federal, and local employment rules and regulations.
- L2.5 Inadequate documentation, security and retention of personnel records and all personnel related decisions.
- L2.6. Compensation and benefits that are internally or externally inequitable.
 - L2.6.1 Incorrect administration and oversight of benefits, including timely dissemination of all information, changes to plan, and eligibility
- L2.7. Ineffective supervision of staff
 - L2.7.1 A lack of descriptions for positions or job responsibilities.
 - L2.7.2 A lack of training and staff development
 - L2.7.3 A lack of frequent and meaningful communication with staff
 - L2.7.4 A lack of regularly scheduled and implemented staff performance reviews
 - L2.7.5. Staff to be uninformed about opportunities to apply for open positions within the organization.

MONITORING

This policy will be monitored semi-annually in 2010 and annually thereafter through an internal summary report using data recommended by the HR consultant report dated Oct 2, 2009 or alternative data that provides the same level of confidence that compliance has been achieved.

Policy Type: Executive Limitation
Policy Title: L3 – Compensation and Benefits
Adopted: July 2002
Last Revised: [December 2006](#)

With Respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the General Manager may not cause or allow jeopardy to fiscal integrity or public image. Accordingly, he or she may not:

- L3.1 Change his or her own compensation or benefits.
- L3.2 Promise or imply permanent or guaranteed employment.
- L3.3. Establish current compensation and benefits which:
 - L3.3.1 Deviate materially from the geographic and professional market for the skills employed.
 - L3.3.2 Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses of revenue.
- L3.4. Establish or change pension benefits so the pension provisions:
 - L3.4.1 Cause unfunded liabilities to occur or in any way commit the organization to benefits which incur unpredictable future costs.
 - L3.4.2 Treat the General Manager differently from other comparable key employees.
 - L3.4.3 Are instituted without prior monitoring of these provisions.

MONITORING:

This policy will be monitored annually through an internal summary report.

Policy Type: Executive Limitation
Policy Title: L4 – Financial Condition
Adopted: July 2002
Last Revised: October 2005
Date Deleted: [December 2010](#)

Please refer to Board Policy: Financial Conditions.

Policy Type: Executive Limitation
Policy Title: L5 – Budgeting/Financial Planning
Adopted: July 2002
Last Revised: July 2004

Budgeting for all or any part of a fiscal period shall not risk fiscal jeopardy, deviate materially from Board policies on Ends, or fail to be derived from a strategic plan. Accordingly, the General Manager shall not:

- L5.1 Submit a budget that contains too little detail to enable reasonably accurate projection of revenues and expenses, separation of capital and operational items, cash flow, subsequent audit trails, and disclosure of planning assumptions.
- L5.2 Submit a budget that projects budgeted expenses to exceed projected income levels or that does not project income conservatively, without Board approval.
- L5.3 Submit a budget that deviates from Board policies on Ends when making allocations among competing budgetary needs.

MONITORING

This policy shall be monitored annually through an internal summary report.

Policy Type: Executive Limitation
Policy Title: L6 – Asset Protection
Adopted: July 2002
Last Revised: November 2005

Assets shall not be inadequately maintained, unnecessarily risked, or unprotected. Accordingly, the General Manager shall neither cause nor allow:

- L6.1 Insurance coverage of stock, building, furniture, and equipment to fall below 90% replacement value.
- L6.2 Unnecessary exposure of the organization, staff, or the Board to claims of liability.
- L6.3 Purchasing that unnecessarily risks conflicts of interest.
- L6.4 Receipt, processing, or disbursement of funds under controls insufficient to meet the Board-appointed auditor's standards.
 - L6.4.1. An absence of, and less than strict compliance with, written procedures established by the General Manager with respect to the handling of cash.
- L6.5 Any unnecessary risk to building and equipment from improper wear and tear or insufficient maintenance.
- L6.6 Operation of the organization in a way that unnecessarily risks theft, loss, or damage to property.
- L6.7 Fail to protect intellectual property, information and files from loss or significant damage.
- L6.8 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 where necessary to facilitate ease in operation transactions.
- L6.9 Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of its mission.

MONITORING

This policy will be monitored annually through an internal summary report and an external review or audit.

Policy Type: Executive Limitation
Policy Title: L7 – Communication and Counsel to the Board
Adopted: July 2002
Last Revised: May 2006

With respect to providing information and counsel to the Board, the general manager may not permit the Board to be uninformed. Accordingly, he or she may not:

- L.7.1. 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.
 - L7.1.1 Allow the Board to be uninformed about his/her interpretation, which will include a description of the kinds of data that will be used to judge compliance.
- L.7.2 Let the Board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.
- L.7.3 Fail to advise the Board if, in the general manager's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Staff Relationship, particularly in the case of Board behavior which is detrimental to the work relationship between the Board and general manager.
- L.7.4 Fail to marshal for the Board as many staff and external points of view, issues and options as needed for fully informed Board choices.
- L.7.5 Present information in unnecessarily complex or lengthy form.
- L.7.6 Fail to deal with the Board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.
- L.7.7 Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

MONITORING

This policy will be monitored de facto on a monthly basis at Board meetings, and annually through an internal summary report.

Policy Type: Executive Limitation
Policy Title: L8 – Executive Succession
Adopted: July 2002
Last Revised: [July 2004](#)

The General Manager shall not operate without a plan for emergency management succession. Accordingly, the General Manager shall neither cause nor allow:

- L8.1 Failure to establish a "chain of command" to be used at any time the General Manager is unable to serve (planned or emergency absence).
- L8.2 There to be fewer than one other executive familiar with Board and general manager issues and processes.

MONITORING

This policy will be monitored annually through an internal summary report.

Policy Type: Executive Limitation
Policy Title: L9 – Membership
Adopted: September, 2003
Last Revised: [January 2009](#)

- L9.1 The General Manager shall not fail to adopt goals and objectives to guide the member relations, decisions and programs. There shall be a regular analysis of owner needs and interests to update these goals and objectives.
- L9.2 The General Manager shall not fail to assure that there are events/programs that educate the community regarding cooperative principles and the role of the coop in our community.
- L9.3 The General Manager shall not fail to carry out a yearly owner-relations calendar of events and plan regular activities as established by the Board, including, but not limited to two (2) owner meetings per year.
- L9.4 The General Manager shall not fail to provide resources, including personnel, to support the Board in fulfilling its duties in governing the coop.
- L9.5 The General Manager shall not fail to ensure that there is an up to date ownership database at all times.
- L9.6 The General Manager shall not fail to include in the budget operational resources to enable compliance with all membership limitations.
- L9.7 The GM shall not fail to develop and maintain systems and processes by which membership statistics can be accurately reported monthly to the Board.
- L9.8. The GM shall not fail to provide the Board with membership statistics by store, that include at least the minimum of the following:
 - L9.8.1 Percentage of sales to members (total members sales/total sales)
 - L9.8.2 Sales/members/week (weekly sales to members /total members shopping during week)
 - L9.8.3 Net new members/month (total new members less terminated members)
 - L9.8.4 Net new capitalizations/month
- L9.9. The GM shall not fail to allocate adequate resources to meet the following membership priorities:
 - L9.9.1 Establish and maintain a Member Education Program that would include education regarding: the cooperative principles, the coop history (world-wide and local), the Rights and Responsibilities of a Member. This program should be offered at least four times per year.
 - L9.9.2 Establish and maintain a Member Recruitment and Retention Program which should include at least one (1) Membership Drive per fiscal year.
 - L9.9.3 Conduct an annual Member Satisfaction Survey, approved by the Board, to track and determine member needs.

MONITORING:

This goal will be monitored de facto on a monthly basis at Board meetings, and annually through an internal summary report.

GOVERNANCE PROCESS

Policy Type: Governance Process
Policy Title: G – Global governance Commitment
Adopted: July 2002
Last Revised: [May 21, 2006](#)

The purpose of the Board, on behalf of the owners, is to see to it, through the process of developing, writing and monitoring of policy, that the cooperative organization:

- (1) achieves appropriate results for owners, shoppers, staff and volunteers at an appropriate cost, and
- (2) avoids illegal, unethical, and other similar actions and situations

Policy Type: Governance Process
Policy Title: G1 – Governance Style
Adopted: July 2002
Last Revised: [May 23, 2004](#)

The Board will govern in a way that (1) emphasizes future vision (more than past or present), (2) emphasizes initiative and strategic leadership (not operational detail), (3) provides clear distinctions between Board and management roles, and (4) deliberates in many voices but governs in one voice. Accordingly:

- G1.1 The Board will direct the organization through careful establishment of written policies reflecting the Board's values about ends to be achieved and means to be avoided, with a focus on intended long-term effects.
- G1.2 The Board will cultivate a sense of group responsibility for excellence in governing, enforcing upon itself whatever discipline is needed in matters such as attendance, preparation, policy-making principles, and respect of roles. The Board will allow no representative or committee to hinder or be an excuse for not fulfilling Board commitments or following Board policy.
- G1.3. The Board will monitor and discuss the Board's process and performance regularly, including comparisons of actual Board activity and discipline to written Board policies on Governance Process and Board-General Manager Linkage.
 - G1.3.1 All policies under Governance Process and Board-General Manager Linkage should be reviewed annually. Each quarter several different policies will be chosen for review, so that all policies are reviewed by the end of the year. Evaluation of Board activities relating to member/owner linkage will be a part of this cycle as well.
 - G1.3.2 Responsibility for preparing and presenting the above brief monitoring reports will rotate among all Board members, or be assigned in accordance with written Board policy.

MONITORING: This policy will be monitored annually through the Board self-evaluation.

Policy Type: Governance Process
Policy Title: G2 – Board Job Description
Adopted: July 2002
Last Revised: July 2002

The job of the Board is to represent the owners in determining and demanding appropriate organizational performance, within the boundaries presented by the By-laws. Accordingly:

- G2.1. The Board obtains its authority from and represents the member-owners. The Board is responsible for linkage with member-owners. The relationship with owners is the Board's primary relationship. The Board has the fiduciary and legal responsibility to represent the best interests of the member-owners, and to always act in the best interest of the coop as a whole.
 - G2.1.1 To make informed policy decisions, the Board must understand the values and needs of the member-owners. The Board must, therefore, obtain adequate and appropriate information on the member-owners.
 - G2.1.2 The Board shall report periodically to the member-owners on its role, its activities, and its decisions.
 - G2.1.2.1 The Board will ensure the effective communication of the vision and mission of the cooperative to the members.
 - G2.1.2.2 At least annually, the Board shall disseminate a statement of its values, and a report of the cooperative's financial resources and how those resources have been translated into services.
 - G2.1.3 The Board will ensure that the member equity program contributes adequate capital for the cooperative
 - G2.1.3.1 The Board is responsible for ensuring that the process and benefits of becoming a member in the cooperative are clear and available to everyone.
 - G2.1.3.2 The Board will build and sustain a sense of ownership, pride and loyalty among members
 - G2.1.3.3 The Board will ensure that there are member recruiting activities at all cooperative sponsored events. The Board shall participate in all such recruitment activities
 - G2.1.4 The Board will ensure that the cooperative meets all requirements of law and the bylaws for the relationship with members.
- G2.2. The Board will enact written policies that guide the organization in four areas.
 - G2.2.1 Ends: Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).
 - G2.2.2 Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - G2.2.3 Governance Process: Specification of how the Board conceives, carries out, and monitors its own tasks, as defined in the bylaws and these policies.
 - G2.2.4 Board-General Manager Linkage: How power is delegated and its proper use monitored; the General Manager role, authority, and accountability.
- G2.3. The Board will assure General Manager performance through monitoring against Board policies on Ends (Goals) and Executive Limitations (G2.2.1 and G2.2.2).
- G2.4. The Board will perpetuate itself through recruitment, training, and ongoing professional development, including monitoring and self-evaluation.

MONITORING: This policy will be monitored annually through the Board self-evaluation.

Policy Type: Governance Process
Policy Title: G3 – Agenda Planning
Adopted: July 2002
Last Revised: July 2002

To accomplish its job with a governance style consistent with Board policies, the Board will follow an annual agenda that (1) annually completes re-exploration of Ends policies and links with owners, (2) continually improves Board performance through Board education and enriched input and deliberation, and (3) ensures efficient use of Board meeting time and input from and prior review by all directors. Accordingly:

- G3.1 The Board's annual governance cycle will start with the Board's development in July of its agenda for the next year. The Board calendar will include all Board events such as ownership meetings, Board training, monitoring schedule, and review of specific policies. The calendar will be reviewed on a regular basis.
- G3.2. At the end of each Board meeting, the Board's current policy discussion and the annual calendar will provide the basis for determining the broad outlines of the next meeting's agenda. The following process will be used to determine the Board's agenda:
 - G3.2.1 In the interim before the next meeting, directors should review the designated policy areas scheduled for the "next agenda" and consider if there are policies that they would like to see added, modified, or deleted. They should then prepare a written statement describing these policy changes, along with a discussion of their rationale, for review by other directors.
 - G3.2.2 The Board president will collect these written statements, determine relevancy and priority for discussion, and produce an agenda for the next Board meeting. Urgent items that show up in the interim and require Board attention may also be included.
 - G3.2.3 General Manager monitoring reports will be included on a "proposed agenda" discussion is necessary only if monitoring reports show policy violations or if policy criteria are to be reviewed.
 - G3.2.4 The agenda and all written statements and reports will be included in the next Board packet.
 - G3.2.5 The agenda, as so determined, may be modified by the Board at the beginning of the next meeting.

MONITORING: This policy will be monitored annually through the Board self-evaluation.

Policy Type: Governance Process
Policy Title: G4 – Board Meetings
Adopted: April 2004
Last Revised: April 2004

The primary method for the Board to accomplish its goals is through regularly scheduled, open meetings. Accordingly:

- G4.1 The Board will hold regularly scheduled meetings as often as is determined necessary by the Board. In no case shall this be less than 6 times per year.
 - G4.1.1 All meeting times, dates, and places shall be posted in advance. In addition, a proposed agenda shall also be posted.
- G4.2 Special meetings of the Board can be called at any time. A special meeting may be called by at least three current Board members. All Board members must be notified in advance of such a meeting, and all reasonable effort must be made to find a convenient time for all Board members.
- G4.3. All decision-making by the Board will be done through the consensus process.
 - G.4.3.1 At least one half of the Board members must be present as a quorum for any decision making.
 - G.4.3.2 Consensus may be suspended with the approval of three quarters (3/4) of the Board voting. If consensus is suspended, a simple majority is needed for the issue being voted on to pass.
 - G.4.3.3 If a decision needs to be made between meetings, Board members may vote via mail, telephone or electronic means.
- G.4.4. All Board meetings shall be open to TPSS Co-op members.
 - G.4.4.1 The Board, on its own determination, may close a meeting, or portion of a meeting, if it determines that it requires confidential discussion of personnel, contract negotiations, or other specified matters involving real estate or the legal or financial integrity of the TPSS Co-op.

MONITORING: This policy will be monitored annually through the Board self-evaluation.

Policy Type: Governance Process
Policy Title: G5 – Board Officer's Roles
Adopted: July 2002
Last Revised: April 2004

The Board president, vice president, treasurer and secretary assure the integrity of the Board's process and, secondarily, occasionally represent the Board to outside parties. Accordingly:

- G5.1 The Board president's job is to ensure the Board behaves consistently according to its own rules and those legitimately imposed upon it from outside the organization.
 - G5.1.1 Board meetings will cover issues which, according to Board policy, clearly belong to Board to decide, not the General Manager.
 - G5.1.2 Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
- G5.2. The Board president is authorized to make decisions falling within Board policies on Governance Process and Board-General Manager Relationship, except where the Board specifically delegates portions of this authority to others. The Board president is authorized to use any reasonable interpretation of the provisions in these policies. In particular, the Board president has the following responsibilities:
 - G5.2.1 Chair Board meetings, with all the commonly accepted power of that position.
 - G5.2.2 Develop the Board budget specified in G7.2.
 - G5.2.3 The Board president whose term is ending shall solicit interested and willing directors to compose an initial slate of officers for the next year. That slate will be presented at the first full Board meeting following the fall annual ownership meeting. The Board president shall ensure that, at a minimum, a new President (permanent or temporary) is selected at that meeting. The new President shall ensure that the remaining officers are elected by the following meeting. Should an officer position become vacant at a later time, the Board shall elect a replacement officer.
 - G5.2.4 Assuring that the Board acquires the necessary monitoring data and creates an internal report disclosing Board compliance with policies on Governance Process and Board-General Manager Linkage for annual report to the owners.
 - G5.2.5 Represent the Board to outside parties in announcing Board-stated positions and in stating chair decisions and interpretations within areas delegated to her or him.
 - G5.2.6 The Board president may delegate this authority but remains accountable for its use.
- G5.3. The Board president has no authority to make decisions about Board policies on Ends or Executive Limitations.
 - G5.3.1 The Board president has no authority to supervise or direct the General Manager except as explicitly Board authorized.
- G5.4 The Board president must have been on the Board for at least one year prior to being appointed president.
- G5.5. The Board vice-president's role is to assist the president in all of the above activities and responsibilities and to act for the president when she/he is not available, and to sign official documents when necessary.
 - G5.5.1 If the office of President becomes vacant, the vice president will become acting president and carry out all duties and responsibilities delegated to the president until such time as a new president is named by the Board.
- G5.6. The Treasurer is responsible for assuring the timely compilation and submission of regular financial reports to the Board and conducting annual financial audits as required by the by-laws. The treasurer will act as an ex-officio member of the finance committee, and sign all documents when necessary.
 - G5.6.1 The treasurer should have previous financial and business experience.
 - G5.6.2 The treasurer must have been on the Board for at least one year prior to being appointed treasurer.
- G5.7. The secretary is responsible for assuring the maintenance of all Board related records other than financial records, assuring that minutes of all membership and Board meetings are recorded, maintained in an orderly manner, distributed to the Board members, and made available to the membership. In addition, the secretary is also responsible for the timely reporting of all major business and policy decisions to the membership, the organization and maintenance of a manual recording policy decisions made by the Board, and ensuring that the by-laws are updated according to Board and membership decisions.
 - G5.7.1 The secretary will sign official documents when necessary.

MONITORING: This policy will be monitored annually through the Board self-evaluation.

Policy Type: Governance Process
Policy Title: G6 – Directors’ Code of Conduct
Adopted: July 2002
Last Revised: August 2008

The Board commits itself and its representatives to ethical and businesslike conduct, including proper use of authority and appropriate decorum when acting as representatives. Accordingly:

- G6.1. Directors have the following responsibilities:
 - G6.1.1 Represent unconflicted loyalty to the interests of the ownership as a whole.
 - G6.1.2 Be aware of and follow the organization's bylaws, including avoidance of conflict of interest.
 - G6.1.3 Be aware of and follow the organization's policies.
 - G6.1.4 Perform Board duties in good faith, with honesty and personal integrity, employing such care as an ordinarily prudent person in a like position would use under similar circumstances.
 - G6.1.5 Openly and impartially consider all issues and matters, researching issues and seeking additional expertise where needed.
 - G6.1.6 Prepare for and attend all Board meetings or notify the Board president when an absence is unavoidable.
- G6.2. Board representatives do not have individual authority over the organization except as explicitly set forth in Board policies or the bylaws.
 - G6.2.1 Individual Board representatives’ interactions with the General Manager or staff recognize the lack of authority vested in individual directors except when explicitly Board-authorized.
 - G6.2.2 Individual Board representatives’ interactions with the public, press, owners, or other entities recognize the same limitation as stated with reference to the GM or staff in G6.2.3 above, and the inability of any Board representative to speak for the Board except to repeat explicitly stated Board decisions.
 - G6.2.3 Board representatives will give no consequence or voice to individual judgments of General Manager or staff performance.
- G6.3. Board representatives will respect the confidentiality appropriate to issues of a sensitive nature, while serving on the Board and after they retire, resign, or are removed from the Board. Generally speaking, personnel, real estate, marketing, legal, strategic planning, and financial matters will be considered sensitive issues subject to directors' good faith and discretion unless or until made specifically clear by Board action.
- G6.4 Board representatives shall recognize that they project an image as a representative of the organization and shall conduct themselves in a professional manner that fosters confidence and reflects positively on the organization, its owners, and its staff.

MONITORING: This policy will be monitored on a regular basis, at least once every three years, through a responsible process of Board self-evaluation.

Policy Type: Governance Process
Policy Title: G7 – Board Committee Principles
Adopted: July 2002
Last Revised: April 2009

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

- G7.1. Board committees are to help the Board do its job or advise staff. Their work is limited to those tasks specifically delegated to them by the Board.
- G7.1.1 Board committees may be either standing committees which persist or ad hoc committees formed for a particular purpose and later dissolved. Policies under G6 apply to both.
 - G7.1.2 Board committee responsibilities are established in a written committee charter approved by the Board. Changes to a committee charter must be approved by the Board.
 - G7.1.3 Board committees report solely to the Board and only as specified by the Board in the committee charter.
 - G7.1.4 Board committee chairs are appointed by the Board (see G4.2.3). Directors may serve on any Board committee of their choosing, and non-directors may serve at the discretion of the committee chair, unless otherwise stated in the committee charter or by Board directive.
 - G7.1.5 Board committees ordinarily assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's focus on governance, Board committees normally do not deal with current staff operations.
 - G7.1.6 Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated so as not to conflict with authority delegated to the General Manager.
 - G7.1.7 Board committees cannot exercise authority over staff. Because the General Manager works for the full Board, he or she will not be required to obtain approval of a Board committee before an executive action. Board committees may not direct the work of any staff person. Any need for staff participation or support shall go through the Board and the GM respectively.
 - G7.1.8 Board standing committees will meet regularly and post advance notice of the time, place and date of all meetings. Minutes of meetings will also be posted as well as provided to the Board secretary.
 - G7.1.9 All Board committee meetings are open to members, unless the meeting or a portion of the meeting is designated as committee only by the Board or the committee.
- G7.2. The job of Board committee chairs is to ensure the integrity of the committee and its process. Board committee chairs are appointed by the Board (see G4.2.3) and have the following responsibilities:
- G7.2.1 Preside over committee meetings, determining their agenda and coordinating work to complete the committee's tasks effectively.
 - G7.2.2 Ensure the establishment of the committee budget and the subsequent monitoring of this budget.
 - G7.2.3 Ensure that committee minutes, budgets, and reports are maintained and included in the Board packet.
 - G7.2.4 Add pertinent committee proposals to the Board agenda, thoroughly discussed and researched by the committee.
 - G7.2.5 Ensure that the committee and its owners are in compliance with Board policies and the committee charter.
 - G7.2.6 Ensure that important committee documents are preserved in a centralized location for use by subsequent committee owners or chairs.

MONITORING: This policy will be monitored annually through the Board self-evaluation.

Policy Type: Governance Process
Policy Title: G8 – Cost of Governance
Adopted: July 2002
Last Revised: July 2002

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

- G8.1. Board skills and methods will be sufficient to assure governing with excellence.
 - G8.1.1 Training will be used to orient new directors and Board candidates, as well as to maintain and increase skills of existing directors.
 - G8.1.2 Outside monitoring assistance will be arranged as needed so the Board can exercise confident control over organizational performance. This includes but is not limited to fiscal review.
 - G8.1.3 Outreach will occur as needed to link the Board to owner viewpoints and values.
- G8.2 Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability, and shall be monitored and recorded by the Board treasurer.

MONITORING: This policy will be monitored annually through the Board self-evaluation.

Policy Type: Governance Process
Policy Title: G9 – Consent Calendar
Adopted: January 2011

G9.1 Consent Calendar Process:

Throughout the year, the Board will attend to consent agenda items as expeditiously as possible. Any policy or Board business (action) certified by the Board President as an uncontested act shall be placed on the consent calendar, and shall be known as a “consent calendar action.”

Any action can be removed without cause by any Board member prior to voting. The General Manager may also request that an item be removed from the Consent Calendar. A Board action on the consent calendar is not debatable, except that the President shall allow a reasonable time for questions from the Directors and shall permit a proponent of the action to answer the questions. If objected to, the action shall cease to be a consent calendar action and shall be at the bottom of the agenda to be taken up normally.

All items that remain on the consent calendar will be noted as having been approved by the Board in the “Consent Calendar” portion of the agenda.

G9.2: Appropriate Items to Put on a Consent Calendar

An item may be put on the Consent Calendar if it is:

- a) A Monitoring Report that indicates compliance in all aspects of the report; or
- b) A recommendation from a Board Committee

No item may be put on a Consent Calendar *unless* it is distributed to the Board a minimum of seven days prior to the Board meeting at which said item is to be considered.

G9.3 Inappropriate Items to Put on a Consent Calendar

An item shall *not* be put on the Consent Calendar if it is

- c) A Monitoring Report that indicates *non*-compliance in at least one aspects of the report; or
- d) Involves the direct appropriation or expenditure of funds.

MONITORING: This policy will be monitored annually through the Board self-evaluation.

Policy Type: Governance Process
Policy Title: G10 – Personnel Committee
Adopted: March 2011
Last Revised: June 2011

The TPSS Personnel Committee shall consist of the President and two other non-staff Board members, as selected by the Board. Because of the confidential nature of the Committee's work, Committee meetings are closed, including to Directors who are not appointed to the Committee by the Board. This provision supersedes Policy G-7.1.4. The role of the Personnel Committee shall be as follows:

G10.1 Ensure that all Board members are in possession of the latest version of the TPSS Employee Handbook, so that Board members have full knowledge of existing Personnel policies.

G10.2 Conduct an annual performance review of the General Manager of TPSS Co-op and issue a job performance review letter, which shall be reviewed and approved by the entire Board in executive session. In the event of a new hire, a probationary review will also be conducted within 90-180 days of hire.

Said review will summarize the directives stemming from the monitoring reports on ends and limitation policies, through which, under Policy Governance, the TPSS Board monitors GM performance. That said, not all variations from "compliance" on monitoring reports are of equal importance. One key objective of the annual evaluation is to assess which areas of "noncompliance" are priority areas for improvement, what are priority areas of "compliance" where good performance should be maintained and built upon, and what areas (of either "compliance" or "non-compliance") are of less immediate importance to the Board. Said review will include making a recommendation to the Board regarding compensation and benefits.

G10.3 Serve as a confidential "sounding Board" for the GM if difficult personnel issues arise.

G10.4 In the event that the Board places any contractual limits on GM authority, the Personnel Committee shall oversee the enforcement of said restriction(s).

G10.5 The Personnel Committee shall have the authority to take appropriate action on behalf of the Board on the matters designated in this Policy between Board meetings but shall inform the Board of any said decisions at the following Board meeting (in executive session, if appropriate).

G10.6 The Board may delegate other responsibilities to the Committee as appropriate.

Policy Type: Governance Process
Policy Title: G11 – Media Policy
Adopted: March 2011

TPSS Co-op is committed to conducting meetings that are open to its member-owners, except in those cases (e.g., personnel and legal matters) where confidentiality requires operating in closed session. Members of the press, even if they are not TPSS member-owners, are welcome to attend TPSS Board and Committee meetings. However, while TPSS is a community-owned business with thousands of member-owners, it is still a business. To permit access to the press, while creating an atmosphere that allows for an open and frank discussion of views regarding business issues, TPSS Co-op has adopted the following media policy to balance these competing needs:

G11.1: Members of the press are welcome to attend open sessions of TPSS Co-op Board of Representatives or TPSS Committee meetings. If a member of the press is attending such a meeting, the reporter shall take care to identify to the Committee Chair or Board President that she or he is reporting on the event before the meeting begins.

G11-2: The use of video or audio recording devices is not permitted. However, reporters are welcome to take notes and report on actions taken.

G11-3: A reporter may quote an attendee, committee member, or Board member at a TPSS Co-op meeting if and only the reporter gets the express consent of the person quoted.

G11-4: Finance Committee meetings are closed to media unless permission is granted by the Finance Committee Chairperson.

Policy Type: Governance Process
Policy Title: G12 – Staff Representation and Staff Representative Committee (*SUSPENDED*)
Adopted: April 2011
Last Revised: [October 2011 - SUSPENDED](#)

TPSS Co-op is committed to ensuring that its staff is empowered and feels a sense of ownership in TPSS Co-op. TPSS Co-op is also committed to ensuring that the General Manager (or management team, if a team is operating in lieu of a General Manager) can manage without facing constant questioning of decisions made. To meet these goals, this Policy establishes a Staff Representative Committee that: a) serves as a conduit for representing major staff concerns and ideas regarding policy issues to the Board; and b) provides regular staff input into General Manager-initiated monitoring reports.

G-12.1 The Staff Representative Committee (SRC) shall consist of seven non-management staff representing store divisions designated by the staff. The SRC shall select a Chair from among its members for a term of no more than two years. Each year, before June 1, the SRC shall submit a budget request to the Board for approval. The SRC shall take no actions (including meetings), which incur costs to TPSS co-op beyond the approved budget.

G-12.2: Paid Time for All-Staff Meetings (“Staff Forums”): To provide an open forum and a chance for direct staff input to their SRC representatives, the Co-op shall pay for staff to meet (without management) for 30 minutes to 1 hour, following a scheduled meeting that the General Manager holds with staff. There shall be no less than four and no more than six Staff Forums per year. Everyone attending shall be paid at his/her current wage rate.

G-12.3 The initial objective of the SRC is to draft a Committee Charter to be accepted first by a Staff Forum, then by the Board. Subsequently, the SRC’s chief goals will be to facilitate communication among staff divisions, and to provide a line of communication between the staff and the Board. All staff members are encouraged to participate and communicate their needs, concerns and recommendations to their representative. The SRC shall meet monthly for about an hour. SRC representatives shall be compensated for time spent attending meetings at their regular wage rate. Time spent outside of scheduled SRC meetings on SRC-related matters shall not be compensated. Management is expected to cooperate with the SRC, working together to resolve issues in the best interest of TPSS Co-op, its workers and its owners.

G-12.4 Non-managerial staff shall select the initial seven committee members democratically at the first Staff Forum following adoption of this policy. Subsequently, the SRC will supervise the selection of its members. Each staff-designated division shall decide how it will select its representative(s) and how long its representative(s) will serve (not to exceed a two-year term). Selection of representatives will not violate TPSS Co-op non-discrimination policies and notice shall be widely posted. Recall of a division representative shall require the same procedure as selection. If a Committee member cannot fulfill the term of service, an alternate from his or her division will be selected by their division to finish the term.

G-12.5 The SRC will be responsible for maintaining the "SRC Suggestion Box." This includes distributing incoming suggestions to appropriate managers, and printing, collating and posting suggestions and responses near the suggestion box. When problems or concerns about a specific person are voiced through the suggestion box, the concern will be forwarded to the individual and to his/her supervisor. SRC will hold concerns relating to specific persons in confidence and will respect that person's right to respond or not to respond. Each SRC member is also responsible for responding to individual questions relating to the area s/he represents. The SRC does not replace or supersede the individual employee grievance procedure as outlined in the TPSS Employee Handbook.

G-12.6 The SRC will receive and review General Manager monitoring reports each month along with Board Representatives. The SRC Chair will be responsible for compiling SRC comments regarding these reports and shall communicate those comments to the Board.

G-12.7 The SRC Chair will be responsible for representing staff concerns to the TPSS Board through attendance and participation at TPSS Board meetings, including any closed or executive sessions that the Board authorizes the SRC Chair to attend. The SRC Chair shall hold the contents of closed or executive session in confidence and not report back to the SRC, staff, or any other party on the proceedings of such sessions. The Chair is also responsible for preparing and updating an information sheet on the structure and function of the SRC to be given to each new staff. The Chair shall be paid for time spent preparing the agenda and other related work outside of meetings, up to a maximum of 5 hours per month. The General Manager will determine whether the Chair's hours can exceed 40 hours per week (i.e., overtime) or if the Chair's SRC work will be done within the Chair's normal work hours.

G12.8 This policy requires annual Board reauthorization to remain effective.

Policy Type: Governance Process
Policy Title: G13 – Boycott Policy
Adopted: February 2012

Purpose:

Boycotts are decisions which are reserved to the membership of TPSS Co-op, in accordance with Bylaw Article 2.2.B. Because the boycott of any product prevents access to that product by all TPSS Co-op member-owners, a democratic electoral process is required to enact any boycott. This policy defines the terms of any boycott by TPSS Co-op.

Scope:

This boycott policy shall apply to the Co-op as a whole and to each of its stores (operating businesses) individually, unless explicitly defined otherwise in a specific policy.

Definition:

A boycott prevents the Co-op from purchasing the boycotted item while the boycott is in effect. Unless otherwise stated, goods in inventory may be sold at market or discounted prices but not restocked. Failure of a proposed boycott to be enacted by the member-owners does not require TPSS Co-op to stock or sell any item.

Boycott Elections:

Any boycott must be enacted by the member-owners in a written-ballot election. Approval by a super-majority is required to enact a boycott. The super-majority required is two-thirds of the total number of valid ballots cast in the boycott election.

A written-ballot boycott election shall be scheduled by the Board at least once a year, unless no completed boycott proposals are pending. A boycott election must be announced at least 60 days before voting commences. Voting for boycotts must be open for at least fourteen days and may be held in conjunction with any TPSS Co-op election. Ballots for boycotts must be cast in-person in any of the TPSS Co-op stores. Numerical results of any boycott election shall be posted in each store and on the tpss.coop website, with a list of all boycotts in effect.

Boycott Election Quorum:

To be a valid boycott election, at least 300 validated ballots must be cast. If the required number of validated ballots is not cast, no boycotts are authorized in the elections and authorization for any existing boycotts may lapse.

Boycott Term:

Any boycott remains in effect for one year unless the terms of the boycott are fulfilled by the boycott target earlier. Boycotts may be sustained longer than one year if re-enacted by TPSS Co-op member-owners annually as defined in this policy.

Boycott Eligibility:

Boycotts may be enacted against a specified product, brand or manufacturer. If a corporation is a boycott target, the boycott proposal must list the brands affected.

Boycott Proposals:

Boycotts may be proposed by any member in good standing. Completed boycott proposals are to be submitted to the Board. Boycotts may be proposed against a specified product, brand or manufacturer. Completed boycott proposals may be submitted until 60 days before the opening of a scheduled boycott election. Boycott proposals must state the reason for the boycott, the target of the boycott and the address and contact information of the boycott target. Boycott proposals may specify a mechanism to end a boycott before its annual expiration. Boycott proposal statements are limited to one side of a single letter-sized sheet of paper.

Boycott Petitions:

To be complete, a boycott proposal must include a petition supporting the boycott with the signatures of at least 50 member-owners in good standing.

Boycott Target Notification:

After a valid boycott proposal is submitted, the boycott target must be notified of the boycott at least 30 days before the opening of voting in the boycott election. Notification of boycott targets must include the boycott proposal and a copy of the TPSS Co-op Boycott Policy. Boycott targets may submit a response to the boycott proposal. Responses will be accepted any time before the opening of voting for the boycott election.

Boycott Effect on Revenues”

After a valid boycott proposal is submitted, TPSS Co-op staff must issue a statement estimating the total Co-op previous year sales and profits for the products expected to be affected by the proposed boycott.

Boycott Briefs”

Supporting or opposing briefs on any boycott proposal may be submitted by any interested party. One brief on each boycott may be submitted by any individual or entity. Boycott briefs are limited to one side of a single letter-sized sheet of paper. Boycott briefs will be accepted any time before the opening of voting for the boycott election.

Boycott Information:

Each valid boycott proposal must be available for inspection in each TPSS Co-op store, with any relevant responses from the boycott target, any supporting or opposing briefs, and the TPSS Co-op Statement of Affected Revenues.

Notification of Membership:

The membership is to be notified of proposed boycotts at least sixty days before the boycott election. The membership shall be notified of a pending boycott election in compliance with Policy MC-3, with minimum notification comprising posting of notices in each store, on the tpss.coop website, and in any regularly-issued newsletter. Notification of boycott issues may be made in conjunction with other Co-op election or membership-meeting notifications in compliance with Bylaw 5.5

Annual Policy Reauthorization:

To assure that this boycott policy is appropriate for current conditions, the board shall review and reauthorize this policy annually.

BOARD GENERAL MANAGER LINKAGES

Policy Type: Board – General Manger Linkages
Policy Title: M – Global Board-General Manager Linkage
Adopted: July 2002
Last Revised: [July 2002](#)

The Board's sole official connection to the operational organization, its achievements and conduct will be through a General Manager.

Policy Type: Board – General Manger Linkages
Policy Title: M1 – Delegation to the General Manager **Error! Bookmark not defined.**
Adopted: July 2002
Last Revised: [November 2011](#)

The Board's job is generally confined to establishing topmost policies, leaving implementation and subsidiary policy development to the General Manager. Ends policies direct the General Manager to achieve certain results: Executive Limitations policies constrain the General Manager to act within acceptable boundaries of prudence and ethics. All Board authority delegated to staff is delegated through the General Manager, so that all authority and accountability of staff can be phrased – insofar as the Board is concerned – as authority and accountability of the General Manager.

M1.1 The General Manager is authorized to establish all further policies, make all decisions, take all action, and develop all activities that are true to the Board's policies. The Board may, by extending its policies, "undelegate" areas of the General Managers authority, but will respect the General Manager's choices so long as the delegation continues.

M1.2 No individual Board member, officer, or committee has authority over the General Manager. Information may be requested, but if such request, in the General Manager's judgment, is disruptive, inappropriate, or requires a material amount of time, it may be refused.

M1.3 The General Manager may not perform, allow or cause to be performed any act which is contrary to explicit Board constraints on executive authority (See Executive Limitations policies).

M1.4 Should the General Manager deem it necessary to violate Board policy, (s)he shall inform an officer of the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Officer response, either approving or disapproving, does not exempt the General Manager from subsequent Board judgment of the action.

M1.5 As part of TPSS Co-op's efforts to be a learning organization, the Board Secretary (or designee of the Secretary) shall conduct an exit interview of any General Manager who is leaving the position of General Manager. The purpose of said interview is to gain input from the exiting general manager regarding strengths and weaknesses of the Co-op so that both the Board and future general managers may perform their roles more effectively.

Policy Type: Board – General Manger Linkages
Policy Title: M2 – Monitoring General Manager Performance
Adopted: July 2002
Last Revised: December 2010

Monitoring executive performance is synonymous with monitoring organizational performance against Board policies on Ends and on Executive Limitations. Any evaluation of General Manager Performance, formal or informal, may be derived only from these monitoring data.

M2.1. The purpose of monitoring is simply to determine the degree to which Board policies are being fulfilled. Information which does not do this will not be considered to be monitoring. Monitoring will be as automatic as possible, using a minimum of time so that meetings can be used to create the future rather than to review the past.

M2.1.1 In every case, the standard for compliance shall be any reasonable GM interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness but will always judge with a “reasonable person” test rather than with interpretations favored by Board members or by the Board as a whole.”

M2.2. A given policy may be monitored in one or more of three ways:

M2.2.1 Internal report: Disclosure of compliance information to the Board from the General Manager.

M2.2.2 External Report: Discovery of compliance information by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the Board. Such reports must assess executive performance only against policies of the Board, not those of the external party unless the Board has previously indicated that party’s opinion to be the standard.

M2.2.3 Direct Board Inspection: Discovery of compliance information by a Board owner, a committee or the Board as a whole. This is a Board inspection of documents, activities or circumstances directed by the Board which allows a “prudent person” test of policy compliance.

M2.2.4 Ethical Complaint Resolution Procedure (ECRP): Discovery of compliance via the ECRP should a complaint be submitted.

TPSS Cooperative Board of Representatives
Ethical Complaint Resolution Procedure

(This procedure links to Policy M 2.2.4)

The Board recognizes that the day-to-day management of store operations, including personnel matters and financial and other resources, are the responsibility of the General Manager. However, the Board also recognizes that as a part of its responsibility to monitor the General Manager's executive performance, it must be accountable to the employees and members of the Co-op in the event that the General Manager's actions are potentially unethical or the effects of management's actions have potentially unethical consequences. This Ethical Complaint Resolution Procedure (ECRP) is not intended to provide an avenue for solving complaints or disagreements with the General Manager, but is for the purpose of addressing **serious and egregious** unethical behavior. All current employees of the Co-op may utilize this procedure. Former employees may utilize the ECRP if a complaint is filed within thirty (30) days of the date that employment is terminated.

If an employee believes that the General Manager has engaged in any of the following, *she or he* may file a written complaint with the Board:

- Financial improprieties
- Unethical use or allocation of cooperative resources
- Serious, repeated or ongoing violations of Co-op bylaws, Board policies, or legal and ethical standards

A complaint under this ECRP may be filed only on behalf of oneself, and not on behalf of any other employee(s).

The complaint must be submitted in writing and include the following:

1. The employee's name, address, telephone, and email address.
2. The employee's job title and department, weekly hours, and amount of time employed at the store.
3. The date(s) on which the alleged action(s) occurred and a detailed description of those actions and why they constitute unethical behavior.
4. Allegations should be supported by relevant supporting documentation.
5. A clear statement of the resolution that the complainant is seeking.

Upon receipt of a written complaint, the Board shall convene a confidential ECR committee, which shall consist of four (4) non-staff Board representatives and one (1) employee who will be selected annually by Co-op staff to represent them on the ECR committee.

The Committee shall review the documentation provided by the complainant, and if necessary, request additional information from either the complainant or the General Manager. If necessary and appropriate, the committee may also meet with the complainant, the General Manager, or other experts as necessary and appropriate.

After discussion and consultation the committee shall reach a determination about the validity of the grievance and formulate recommendations about appropriate remedial action and/or resolution. The committee's findings and recommendations shall be presented to the full Board in Executive session.

The full Board will determine what actions, if any, shall be taken and how to communicate these with the complainant and the General Manager.

M2.3 Upon the choice of the Board, any policy can be monitored by any method at any time. For regular monitoring however, each Ends and Executive Limitations policy will be classified by the Board according to frequency and method.

Policy	E1- Social Responsibility E-2 Long Term Success E-3 Ownership	Internal/Annually Budget/Annually Budget/Annually	GM Report/Monthly GM Report/Monthly
Board Policy:	Financial Procedures	Monthly/Quarterly	
L - Global Executive Constraint		N/A	
L1-Customer Service and Value		Budget/Annually	GM Report/Monthly
L2-Staff Treatment		HR Docs/Annually	GM Report/Monthly
L3-Compensation and Benefits		Internal/Monthly	
L4-Refer to Board Policy: Financial Procedures			
L5-Budgeting/Financial Planning		Discussion/Annual	
L6-Asset Protection		Internal/Annual	External/Annual
L7-Communication and Counsel to the Board		GM Eval/Annually	Direct Insp./Periodically
L8-Executive Succession		Internal/Annually	
L9-Membership			
G-Global Governance Commitment			
G1-Governing Style		Board Self-Eval./Annually	
G2-Board Job Description		Board Self-Eval./Annually	
G3-Agenda Planning		Board Self-Eval./Annually	
G4-Board President's Role		Board Self-Eval./Annually	
G5-Bord Officer's Role		Board Self-Eval./Annually	
G6-Directors' Code of Conduct		Board Self-Eval./Annually	
G7-Board Committee Principles		Board Self-Eval./Annually	
G8-Cost of Governance		Board Self-Eval./Annually	
G9-Consent Calendar		Board Self-Eval./Annually	
G10-Personnell Committee		Board Self-Eval./Annually	
G11-Media Policy		Board Self-Eval./Annually	
G12-Staff Representation and Staff Representative Committee		Board Self-Eval./Annually	
G13-Boycott Policy		Board Self-Eval/Annually	
M-Global Board-General Manager Linkage			
M1-Delegation to the General Manager		GM Report/Direct Inspection.	
M2-Monitoring General Manager Performance		GM Report/Direct Inspection	

M.2.4 Each September the Board will have a formal evaluation of the General Manager. This evaluation will only consider monitoring data as defined here, but as it has appeared over the intervening year.

Membership Committee Policies

Policy Type: Board –Membership Committee Policy
Policy Title: MC–1 Volunteer Policy
Adopted: February 2011

Purpose:

- To promote a sense of Co-op community
- To promote Member-Owner involvement in the governance of TPSS Co-op
- To promote access to lower-income families
- To add value to staff work

Legal Considerations:

Federal Law requires for-profit employers to provide workers certain benefits and protections under wage and hours laws. The services that a volunteer performs must not replace or impair employment opportunities of others by performing work that would otherwise be performed by regular employees. An individual may volunteer to perform such tasks as driving vehicles.

Types of Tasks and Special Events:

1. To perform tasks the staff does not perform: such as delivering food to seniors and/or day care centers.
2. To assist with Co-op special projects, such as maintaining a community garden.
3. To write articles for Co-op-related publications, such as the TPSS Newsletter or website.
4. To perform tasks throughout the store for educational and or charitable needs. Students are not required to have a work permit to volunteer
5. To perform tasks at benefit programs: Earth Day Celebration, 4th of July, Takoma Park Jazz Festival, Takoma Park Folk Festival, Takoma Park Street Festival, Harvest Celebration/Pumpkin Painting, providing volunteers to local schools upon the school's request
6. To serve on committees for the Co-op: such as the Finance Committee, Nominations Committee, and Membership Committee (or do support work for committees, such as conducting research on behalf of a Committee). Committees meet once a month. Committee members must be Co-op member-owners.

Benefits:

TPSS Management will administer the volunteer program and shall report to the Membership Committee (or the Board, if the Membership Committee is inactive) on an annual basis. As a show of the Co-op's appreciation of the services volunteers render on behalf of TPSS Co-op, TPSS Management may provide volunteers with discount cards or gift cards. As a guideline, TPSS management may elect to provide member-volunteers who ably perform tasks at benefit programs a gift card for volunteer time. Members serving on one or more committees may be provided with a 20% discount coupon at the close of the meeting. Nothing in this policy shall be read, however, to require compensation of volunteers. TPSS Management also has discretion to provide greater benefits than outlined herein, provided such exceptions are reasonably related to the quality of service rendered.

Policy Type: Board –Membership Committee Policy
Policy Title: MC–2 Member Education Policy
Adopted: February 2011

Purpose:

To fulfill the cooperative commitment to education as stated in internationally recognized cooperative principles (International Co-operative Alliance, 1995)
To achieve the education “ends goal” of TPSS Co-op
To spread information about co-ops among employees, member-owners and the general public
To disseminate information about healthy diet and healthy living
To provide information about environmental issues relevant to TPSS Co-op
To promote a sense of Co-op community

Potential Forms of Education:

TPSS Co-op can use a wide variety of means to promote member education. These may include:

- On-line educational materials/displays
- In-store workshops (or sponsored at a nearby site)
- Orientation material: both for new employees and for new member-owners
- Handbooks/manuals that illustrate Co-op values
- Guest speakers, either in-store or at a co-sponsored event
- In-store cooking demonstrations, either in-store or at a co-sponsored event
- Classes (either in-store or at well publicized off-store site)
- Educational presentations at membership-wide events
- In-store educational materials/displays
- Brochures
- Newsletter articles pertaining to co-op education goals

Education Plan:

TPSS Co-op shall have an education plan to enable Co-op member-owners to become more knowledgeable about their Co-op, the Co-op movement, and health and environmental issues relevant to TPSS Co-op. Co-op staff shall have the discretion, in consultation with the Membership Committee, to develop appropriate educational goals and objectives (which will likely draw on the forms of education outlined above) and shall report on what these goals and objectives are — as well as report on progress to achieving those goals, on an annual basis. The education plan may be incorporated into the outreach plan.

Policy Type: Board –Membership Committee Policy
Policy Title: MC–3 Communications Policy
Adopted: February 2011
Last Revised: [August 2011](#)

Purpose:

To have an effective outreach protocol to communicate Co-op information to members
To promote communication with members through a variety of media
To promote the Co-op and a sense of Co-op community
To promote member-owner involvement in the governance of TPSS Co-op
To promote effective official communication of the Co-op to external organizations (e.g., city government, press, business associations, co-op associations, etc.)
To provide product, health, and environmental impact information to Co-op members

Legal Considerations:

Both State of Maryland law and TPSS Co-op Bylaws require that cooperatives provide specific information to Co-op members, including annual financial reports, notice of meetings, solicitation of nominations, notice of elections, publication of election results, and other pertinent governance issues.

Potential Forms of Communication:

TPSS Co-op can use a wide variety of mechanisms to communicate with members. These may include:

- Bulletin Board
- TPSS Newsletter
- TPSS Web site
- Social networking sites (e.g., Facebook)
- Ads in local media (e.g.: Takoma/Silver Spring Voice, City of Takoma Park newsletter)
- Signs outside the stores
- E-mail listserv
- Co-op calendar in the stores
- Register tapes
- Partner organization calendars and listservs
- Public announcement at Takoma Park City Council meeting
- Leaflet or handout (for example, at Takoma Metro)
- Register flyer

TPSS Co-op is committed to using the forms of communication listed above to make sure that member-owners are aware of the different avenues of communication that they may use to make their needs, views, and voice heard in an effective manner.

Outreach Protocol:

TPSS Co-op shall have an outreach protocol to enable Co-op member-owners to effectively participate in Co-op governance and be well informed in general about important Co-op matters. Co-op staff shall have the discretion to develop appropriate outreach protocols (which will likely draw on the list of media outlined above) and shall report what these protocols are to the Board.

Web, Newsletter, In-Store Signage, and Other Co-op Communications:

Co-op communicators shall endeavor to meet the goals of this policy: in particular, to foster a strong sense of Co-op community; provide product, nutritional and environmental impact information; and promote the good governance of the Co-op.

Official Communications:

The Board reserves final authority to represent the Co-op to all external organizations. The Board may choose, at its discretion, to delegate said authority to management, officers, individual Board members, or authorized representatives.

Co-op Encouragement of Communication by Members:

TPSS Co-op encourages TPSS Co-op member-owners to communicate their views to TPSS Co-op, including through the following means:

- a) Letters
- b) Electronic mail
- c) Open-member forum at the beginning of Board meetings
- d) Participation in committee meetings (with meeting agendas posted in advance in the stores and on the TPSS Co-op website).
- e) Suggestion boxes (both physical boxes and via electronic boxes on the website) to enable members to submit comments or complaints
- f) In-store discussion of issues with Co-op officials or management
- g) Letters to the TPSS newsletter editor.

TPSS Co-op is committed to being responsive to the communications it receives from member-owners and aims to reply to each such communication in a timely manner.

Policy Type: Board –Membership Committee Policy
Policy Title: MC–4 Outreach and Member Recruitment
Adopted: February 2011

Purpose:

To be engaged with the larger community
To realize the international co-op principle of concern for community
To promote access to lower-income families and diverse communities of Takoma Park and Silver Spring
To educate the broader community about Co-op values, healthful living and sustainability
To retain member-owners and keep them engaged in the Co-op
To maintain and expand TPSS Co-op’s member-owner base
To encourage community members to become shoppers and ultimately member-owners of TPSS co-op

Types of Outreach:

1. Community education. Examples include:
 - a. Co-op education programs in public schools
 - b. Community Supported Agriculture (CSA) fairs and other events that raise awareness about local and sustainable agriculture.
2. Member and customer education. Examples include:
 - a. Educational displays or signage in the store.
 - b. Educational newsletter articles about cooperative principles, nutrition, sustainability, etc.
3. Community building. Examples include:
 - a. Networking and cooperation with other community organizations.
 - b. Participation in community events: e.g., Earth Day Celebration, 4th of July parade, Takoma Park Jazz Festival, Silver Spring Jazz Festival, Takoma Park Folk Festival, Takoma Park Street Festival
 - c. Family friendly events such as story time hour and the annual Harvest Celebration/Pumpkin Painting.

Outreach and Member Recruitment Plan:

TPSS Co-op shall have an outreach plan to recruit and retain member-owners, conduct outreach to the greater community, and enable Co-op member-owners to become more involved in TPSS Co-op. Co-op staff shall have the discretion, in consultation with the Membership Committee, to develop appropriate outreach goals and objectives (which will likely draw on the forms of outreach outlined above) and shall report on what these goals and objectives are — as well as report on progress to achieving those goals— on an annual basis.

Metrics for Success:

In developing the TPSS Co-op Outreach and Recruitment Plan, TPSS Co-op shall consider:

- Absolute number of member-owners
- Member-Owner sales as a percentage of total sales
- Absolute number and percentage of member-owners participating in TPSS Co-op events
- Absolute number and percentage of member-owners volunteering for TPSS Co-op
- Percentage of member-owners voting in annual TPSS Co-op elections
- Survey data on how well TPSS Co-op is serving the community
- Level of use of supplemental nutrition assistance program (SNAP) by Co-op shoppers
- Absolute number of participants in Co-op outreach events or programs.

Policy Type: Board –Membership Committee Policy
Policy Title: MC–5 Diversity and Accessibility Policy
Adopted: February 2011

Purpose:

To enjoy the full diversity and richness of the Takoma Park and Silver Spring communities
To enlist diverse talents for the benefit of TPSS Co-op
To encompass the broad range of perspectives that are present in the Takoma Park and Silver Spring communities
To ensure equal access to the economic benefits of cooperation
To realize the international co-op principle of open membership
To provide opportunities for personal growth and social change that comes from interacting with people from a full range of backgrounds

Practices to Promote Accessibility and Diversity:

1. Ensuring physical access to the stores for people of different abilities.
2. Having signage readable in the language(s) of TPSS Co-op shoppers and member-owners.
3. Having a staff, Board, and volunteers reflective of the diversity of the Takoma Park and Silver Spring communities.
4. Recruiting member-owners and shoppers from a wide range of communities.
5. Maintaining a Co-op culture that is welcoming to diverse communities.
6. Making available training and education resources regarding diversity (e.g., diversity trainings).
7. Events that mentor leaders in under-represented communities.
8. Provide healthy and sustainable food and products serving a wide range of cultures.
9. Advertising and outreach to community groups.

Diversity and Accessibility Plan:

TPSS Co-op shall have a diversity and accessibility plan. Co-op staff shall have the discretion, in consultation with the Membership Committee, to develop appropriate diversity and accessibility goals and objectives (which will likely draw on the forms of outreach outlined above) and shall report on what these goals and objectives are — as well as report on progress to achieving those goals— on an annual basis.

Metrics for Success:

In developing the TPSS Diversity and Accessibility Plan, TPSS Co-op shall consider:

- Being in compliance with ADA
- Diversity in leadership at the staff and Board levels (race, gender, sexual orientation, etc.)
- Diversity among volunteers and at public events where TPSS Co-op is represented
- Membership survey data on racial, gender, and ethnic identities
- Level of use of supplemental nutrition assistance program (SNAP) by Co-op shoppers

Policy Type: Board –Membership Committee Policy
Policy Title: MC–6 Privacy and Data-Security Policy
Adopted: February 2011

Purpose:

The purpose of this policy is to protect the TPSS Co-op from loss or liability due to unsecured data, to prevent unauthorized use of or access to confidential information, and to protect the privacy of Co-op members, investors, volunteers, staff, and customers.

Scope and Definitions:

TPSS Co-op recognizes that certain information is collected in the normal course of business, which must be secured and kept private, including personally identifiable information. At least five classes of information fall into the general category of information that must be secured and kept private or confidential:

1. Member information
2. Staff and volunteer information
3. Customer information
4. Proprietary information
5. Discussions held during closed or executive sessions of the TPSS Board of Representatives

In order to protect the above five classes of information, TPSS Co-op must ensure that its data is secure. To be secure, information must be protected against access by unauthorized individuals or agencies. Data regarding information of all classes must be protected from loss due to:

1. Theft
2. Being misplaced, discarded or destroyed
3. Fire
4. Data-corruption, electronic failure or obsolescence
5. Irrecoverable encryption or loss of passwords
6. Failure to protect and periodically change passwords

Policy Directives:

Management shall develop well-defined, written administrative policies and procedures to ensure the necessary degree of privacy and confidentiality for each of the five classes of information described above and to ensure data security. Such policies and procedures shall then be submitted to the Board for approval.

These policies and procedures shall:

1. Direct and document the steps taken to secure each class of data.
2. Describe how secured information will be identified as such.
3. Define when confidentiality agreements must be executed to gain access to information.
4. Prohibit the sale or disclosure of customer information or marketing data, such as shopping-pattern data, to outside individuals or agencies without specific Board authorization.
5. Define which individuals shall have access to specified data of all classes and how authorization for access will be granted and revoked.
6. Provide for the maintenance of records on the individuals that have access to each class of secured information, including the dates of the grants and revocations of access rights, and on other issues related to privacy and data security.

7. Define how inappropriate access to secured information by persons whose relationship with TPSS Co-op has terminated, lapsed or changed is to be prevented.
8. In the case of the policy or policies addressing data security, define the nature of acceptable passwords, encryption, back-ups or other data-security systems, including how often back-ups are performed for each class of secured data; how often passwords, encryption keys and other protections are changed for security purposes; and how administrative records of passwords and encryption keys are to be maintained and secured.

Policy Type: Board –Membership Committee Policy
Policy Title: MC–7 Member Benefits Policy
Adopted: November 2011

Purpose:

- To promote a sense of Co-op community
- To provide shopping incentives to our member-owners
- To show our appreciation to our member-owners for shopping with TPSS Co-op

Benefits for Member-Owners

1. Member Appreciation Day: 10% off your total purchase on a specified day of each month.
2. 10% discount on all special orders.
3. In-store weekly members-only specials.
4. Member discounts everyday on a growing list of 100+ grocery staples (“member basics”).

Annual Review of Member-Owner Benefit Policy

Benefits listed in this policy will be reviewed by the Membership Committee and authorized by the Board on an annual basis.