

# Rising Tide Community Market Board of Directors Policy Register

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Adopted: 4/27/2010

Last Revised: 12/6/2011

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\*All regularly scheduled Monitoring reports are internal reports

Policy Type: Ends  
Policy Title: A – Global End  
Last Revised: April 27, 2010

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Rising Tide fosters both a healthy community and a healthy local economy

Our community includes....

- Member-Owners
- Non-Member customers
- Employees
- Local farmers and suppliers
- The greater community
- And all their families

Policy Type: Ends  
Policy Title: A1 – Facilities, Products and Services  
Last Revised: April 27, 2010

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Rising Tide is a trusted place for fairly priced earth friendly products and services (i.e. education) in a safe, accessible and inviting facility which contributes to a thriving local economy.

1. Rising Tide offers a diverse mix of fair priced environmentally friendly products to feed and nurture our community

Policy Type: Ends  
Policy Title: A2 – Education  
Last Revised: April 27, 2010

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Rising Tide will inform and educate our community via in-store support (from a knowledgeable, friendly staff) and outreach programs.

Policy Type: Ends  
Policy Title: A3 – Local Economy  
Last Revised: April 27, 2010

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Through Rising Tide's presence as a cooperative business in the region it will provide

- a successful example of the cooperative ownership business model
- a desirable employment opportunity
- support for other local businesses and suppliers
- a foundation for building a "sustainable" bio-regional food system.

Policy Type: Executive Limitations  
Policy Title: B – Global Executive Constraint  
Last Revised: April 11, 2010

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

Policy Type: Executive Limitations  
Policy Title: B1 – Financial Condition and Activities  
Last revised: April 11, 2010

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With respect to the actual, ongoing financial conditions and activities, the General Manager shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.

The GM will not:

1. Allow sales to decline or be stagnant.
2. Allow operations to generate an inadequate net income.
3. Allow liquidity, or the ability to meet cash needs in a timely and efficient fashion, to be insufficient.
4. Allow solvency, or the relationship of debt to member-owners' equity, to be insufficient.
5. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
6. Acquire, encumber or dispose of real estate.
7. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
8. Allow late payment of contracts, payroll, loans or other financial obligations.
9. Use restricted funds for any purpose other than that required by the restriction.
10. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles.

Policy Type: Executive Limitations  
Policy Title: B2 – Business Planning and Financial Budgeting  
Last revised: Dec. 6, 2011

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

The GM will not cause or allow business planning and budgeting that:

1. Risk incurring those situations or conditions described as unacceptable in the Board's B1 policy "Financial Condition and Activities."
2. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Plan expenditures in any fiscal year that would result in default under any of the co-op's financing agreements or cause the insolvency of the co-op.
4. Have not been tested for feasibility.
5. Provide less for Board prerogatives during the year than is set forth in the Board's C8 policy "Governance Investment".
6. Omits goals, strategies, operational plans, marketing plans, financial plans, benchmarks and measurements.

Policy Type: Executive Limitations  
Policy Title: B3 – Asset Protection  
Last revised: April 11, 2010

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

The GM will not allow:

1. Equipment, facilities and inventory to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
2. Unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Inadequate security of premises and property.
4. Data, intellectual property, or files to be unprotected from loss, theft or significant damage.
  - a. Improper usage of member-owners' and customers' personal information.
5. Uncontrolled purchasing or purchasing subject to conflicts of interest.
6. Lack of due diligence in contracts.
7. Damage to the co-op's public image.

Policy Type: Executive Limitations  
Policy Title: B4 – Member-ownership Rights and Responsibilities  
Last Revised: April 11, 2010

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

The GM will not:

1. Create or implement a member-owner equity system without the following qualities:
  - a. The required member-owner equity is determined by the Board.
  - b. Member-owners are informed that equity investments are at risk. While they are generally refundable, the Board retains the right to withhold refunds when necessary to protect the co-op's financial viability.
  - c. Equity will not be refunded if such a refund would risk, cause or exacerbate non-compliance with any Financial Condition policy.
2. Implement a patronage dividend system that does not
  - a. Comply with IRS regulations.
  - b. Allow the Board to examine a range of options and implications, and make a timely determination each year concerning how much, if any, of the co-op's net profit will be allocated and distributed to member-owners.

Policy Type: Executive Limitations  
Policy Title: B5 – Treatment of Customers  
Last Revised: April 11, 2010

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The General Manager will not be unresponsive to customer needs.

The GM will not:

1. Operate without an effective system for soliciting, considering and responding to customer opinion regarding preferences, product requests, complaints and suggestions.
2. Allow an unsafe shopping experience for our customers.

Policy Type: Executive Limitations  
Policy Title: B6 - Staff Treatment and Compensation  
Last revised: April 11, 2010

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The General Manager will not treat staff in any way that is unfair, unsafe, or unclear.

The GM will not:

1. Operate without written personnel policies that:
  - a. Clarify rules for staff
  - b. Provide for fair and thorough handling of grievances
  - c. Are accessible to all employees
  - d. Inform staff that employment is neither permanent nor guaranteed.
2. Cause or allow personnel policies to be inconsistently applied.
3. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
4. Establish compensation and benefits that are internally or externally inequitable.
5. Change the GM's own compensation and benefits, except as his or her health benefits are consistent with a package for all other employees.

Policy Type: Executive Limitations  
Policy Title: B7 – Communication to the Board  
Last Revised: April 11, 2010

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

The GM will not

1. Submit monitoring data that is untimely, inaccurate, or hard to understand.
2. Report any actual or anticipated noncompliance with any policy of the Board in an untimely manner.
3. Allow the Board to be unaware of relevant trends, public events of the Co-op, or internal and external changes which affect the assumptions upon which Board policy has previously been established.
4. Withhold his/her opinion if the GM believes the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM.
5. Deal with the Board in a way that favors or privileges certain Board member-owners over others except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.
6. Fail to supply for the Board's consent agenda all decisions delegated to the GM yet required by law, regulation, or contract to be Board-approved.

Policy Type: Executive Limitations  
Policy Title: B8 –Board Logistical Support  
Last Revised: April 11, 2010

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

The GM will not:

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

Policy Type: Executive Limitations  
Policy Title: B9 – Emergency GM Succession  
Last revised: April 11, 2010

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

Policy Type: Board Process  
Policy Title: C – Global Governance Commitment  
Last Revised: April 11, 2010

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Acting on behalf of our member-owners, the Board ensures that our co-op produces benefit and value, while avoiding unacceptable actions and situations.

Policy Type: Board Process  
Policy Title: C1 – Governing Style  
Last Revised: April 11, 2010

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The Board will govern in a way that emphasizes empowerment and clear accountability.  
In order to do this, we will:

1. Focus our vision outward and toward the future.
2. Observe the 10 Principles of Policy Governance (see Appendix B).
3. Maintain group discipline, authority and responsibility.
4. Clearly distinguish Board and general manager roles.
5. Encourage diverse viewpoints.
6. Obey all relevant laws and bylaws.

Policy Type: Board Process  
Policy Title: C2 – The Board’s Job  
Last Revised: April 11, 2010

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In order to govern successfully, we will:

1. Represent the interests of and communicate with member-owners.
2. Hire, compensate, delegate responsibility to, and hold accountable a General Manager. (See D. Board GM Relationship Policies)
3. Have expectations in the form of written governing policies that realistically address the broadest levels of all organizational decisions and situations. We will write these policies in the form of Ends, Executive Limitations, Board Process, and Board-Management Relationship, as described in the Policy Governance principles.
4. Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
5. Regularly monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship.
6. Perpetuate the Board’s leadership capacity using ongoing education, training and recruitment.

Policy Type: Board Process  
Policy Title: C3 – Annual Plan  
Last Revised: July 26, 2011

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We will follow an annual governance plan that focuses our attention toward the future of our greater community.

1. Our annual governance planning cycle will run from January to December.
2. We will create, strive to adhere to, and modify as necessary, an annual calendar that includes, but is not limited to, the following: a.) Board meeting schedule, b.) Board development schedule, c.) policy monitoring schedule, d.) member-owner meetings, e.) GM evaluation and compensation decisions (see D4.6 Board Management Relationship Policy,) f.) items mentioned in the Board Process Policies, (e.g. board budget [C8.3] and board compensation [C8.4])
3. Demonstrate our commitment to efficient governance through effective use of valuable board meeting time (see Board's C4 Board Meetings policy.)

Policy Type: Board Process  
Policy Title: C4 – Board Meetings  
Last Revised: July 26, 2011

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Board meetings are intended to efficiently accomplish the work that is the Board's responsibility.

1. The meeting agenda will focus on the Board's work and will be determined by the Board President. The meeting agenda may be modified at the meeting by a majority vote of the Board.
2. We will all attend to consent agenda items as expeditiously as possible.
3. We will limit the amount of meeting time taken up by monitoring reports, seeking clarifications prior to the meeting; thereby limiting discussion unless there are policy violations, the policy criteria themselves need review, or sought-after clarifications have not been addressed.
4. Board meetings will avoid committee issues, operational matters and personal concerns.
5. The Board will use a meeting format based on a relaxed version of Robert's Rules of Order.
6. Meetings will be open to member-owners except when executive session is officially called.
  - a. Executive session may be occasionally used to deal with confidential matters, as long as the purpose of the session is stated. When possible, announcement of the executive session should be on the published agenda.

Policy Type: Board Process  
Policy Title: C5 – Directors’ Code of Conduct  
Last Revised: Dec 6, 2011

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

1. Every director is responsible at all times for acting in good faith, in a manner which she/he reasonably believes to be in the best interests of the co-op, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
2. Directors must demonstrate loyalty to the interests of the co-op’s owners. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other Boards or staffs, and the personal interest of any director acting as an individual consumer or member-owner.
  - a. There will be no self-dealing or any conduct of private business or personal services between any director and the co-op unless it is procedurally controlled to assure openness, competitive opportunity and equal access to “inside” information.
  - b. When the Board is to decide on an issue about which a director has an unavoidable conflict of interest, that director shall abstain from the conversation and the vote.
  - c. A director cannot be an employee of the co-op.
  - d. A director who applies for employment must first resign from the Board.
3. Directors may not attempt to exercise individual authority over the GM or the organization.
  - a. When interacting with the employees, directors must carefully and openly recognize their lack of authority.
  - b. When interacting with the public, the press, or other entities, directors must recognize the same limitation and the inability of any director to speak for the Board except to repeat explicitly stated Board decisions.
4. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
5. Directors will prepare for and attend all Board meetings and trainings. In the case of unavoidable absence, a director will notify the Board President in advance.
6. Directors will have access to e-mail, and respond on a timely basis to those e-mails that require action.
7. Directors will support the legitimacy and authority of the Board’s decision on any matter, irrespective of the director’s personal position on the issue.
8. Any director who does not follow the code of conduct policy shall resign from the Board if requested to do so by a 2/3 majority vote of the remaining Board.

Policy Type: Board Process  
Policy Title: C6 – Officers' Roles  
Last Revised: Dec. 6, 2011

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Elected officers will be used in order to help the Board accomplish its job.

1. No officer has any authority to supervise or direct the GM.
2. Officers may delegate their authority but remain accountable for its use.
3. The president ensures the Board acts consistently with Board policies.
  - a. The president is authorized to use any reasonable interpretation of the provisions in the Board Process and Board-Management Relationship policies.
  - b. The president is responsible for chairing and setting the agenda for Board meetings.
  - c. The president plans for leadership (officer) perpetuation,
  - d. The president may represent the Board to outside parties.
4. The vice-president will perform the duties of the president in her/his absence.
5. The treasurer will lead the Board's process for creating and monitoring the Board's (not the co-op's) budget
  - a. In addition, the treasurer will perform the duties established by the bylaws.
6. The secretary will make sure the Board's documents are accurate, up to date, and appropriately maintained.
  - a. In addition, the secretary will perform the duties established by the bylaws.

Policy Type: Board Process  
Policy Title: C7 – Board Committee Principles  
Last Revised: April 11, 2010

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

1. Committees will reinforce and support the wholeness of the Board.
  - a. In particular, committees help the whole Board move forward when they research alternatives and bring back options and information.
2. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes (see C2.4 Board Process Policy).
3. The Board will establish, regularly review and control committee responsibilities in written committee charters.
  - a. We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the GM.

Policy Type: Board Process  
Policy Title: C8 – Governance Investment  
Last Revised: April 27, 2010

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The Board will invest in governance capacity.

1. The Board will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
2. The Board will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
  - a. The Board will use training and retraining liberally to orient new directors and if appropriate, candidates for directorship, as well as to maintain and increase existing directors' skills and understandings.
  - b. The Board will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
  - c. The Board will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
  - d. The Board will use professional and administrative support.
3. We will develop the Board's annual budget in a timely way so as to not interfere with the development of the Co-op's annual budget. In no case will we complete this work later than December.
4. Directors will be compensated in the form of a Rising Tide gift card that will be awarded quarterly in the following amounts: \$135 per quarter for officers, \$90 per quarter for non-officers.

Policy Type: Board-Management Relationship

Policy Title: D – Global Board-Management Connection

Last Revised: April 11, 2010

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The Board's sole official connection to the operations of the co-op will be through the General Manager.

Policy Type: Board-Management Relationship

Policy Title: D1 – Unity of Control

Last Revised: April 11, 2010

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

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

Policy Type: Board-Management Relationship

Policy Title: D2 – Accountability of the GM

Last Revised: April 11, 2010

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

1. The Board will view GM performance as identical to organizational performance so that the co-op's accomplishment of Board-stated ends and avoidance of Board-proscribed means will be viewed as successful GM performance.
2. The Board will not instruct or evaluate any employee other than the GM.

Policy Type: Board-Management Relationship

Policy Title: D3 – Delegation to the GM

Last Revised: April 11, 2010

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

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

Policy Type: Board-Management Relationship  
Policy Title: D4 – Monitoring GM Performance  
Last Revised: April 11, 2010

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

1. Monitoring is how the Board determines the degree to which the GM is following Board policies. Information that does not directly relate to Ends or Executive Limitations policies is not monitoring information.
2. The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses interpretations and compliance information to the Board; (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or (c) by direct Board inspection, in which a designated director or committee assesses compliance with the policy criteria.
3. In every case, the standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but will always judge with a "reasonable person" test rather than with interpretations favored by individual directors or by the Board as a whole.
4. The GM is compliant with any reasonable interpretation of a policy if he/she presents adequate data that demonstrate accomplishment of that interpretation.
5. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any of the 3 methods in Section 2 above but will ordinarily follow the schedule outlined in the Board Annual Calendar.
6. The Board's annual evaluation of the General Manager, based on a summary of monitoring reports covering January through December, will be completed by February. The Board will make its decisions concerning the evaluation and the employment contract no later than February. The Board will complete the GM compensation process no later than March.

# APPENDICES

## **Appendix A**

### **The International Cooperative Alliance Statement of Cooperative Identity**

(Adopted September 1995)

#### Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

#### Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

#### Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

##### 1st principle: Voluntary and Open Membership

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

##### 2nd principle: Democratic Member Control

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

##### 3rd principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

##### 4th principle: Autonomy and Independence

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

5th principle: Education, Training and Information

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

6th principle: Co-operation among Co-operatives

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

7th principle: Concern for Community

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

## **Appendix B**

# **POLICY GOVERNANCE® SOURCE DOCUMENT**

### **Why a Source Document?**

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

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

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

### **What Policy Governance is NOT!**

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

### **What Policy Governance IS!**

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

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

## Principles of Policy Governance

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

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

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

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

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

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## **APPENDIX C**

### **COMMITTEE CHARTERS**

#### Rising Tide General Manager Executive Committee Charter

Date Chartered: October 26, 2010  
Last Revised: October 26, 2010  
End of Term: Ongoing

The primary purpose of the General Manager Executive committee is to provide the Board with recommendations regarding General Manager (GM) hiring, contracts and evaluation.

The committee will develop, recommend and implement a Board approved process for GM evaluation. This may include:

- GM monitoring reports
  
- Recommendations for external reports or direct inspections of policy adherence
  
- Annual Goal assessments
  
- GM Self-evaluation

The committee will make recommendations on the hiring of GM(s) and propose a GM contract

The committee will keep the board informed of its activities through written or oral reporting that maintains confidentiality when necessary (by using board only reporting or advising on the use of executive session to discuss items at board meetings).

## Rising Tide Membership Committee Charter

DATE CHARTERED: October 26, 2010

Last Revised: October 26, 2010

END OF TERM Ongoing

The primary purpose of the Membership Committee is to facilitate ongoing two way communications between the Board and Member-owners.

The committee will develop and submit a budget of anticipated expenses for the coming fiscal year to the Board in a timely manner. The committee is authorized to expend funds within the approved budget to carry out its responsibilities.

The committee will provide brief written reports regularly to the Board about its activities.

To accomplish its' task, the Membership Committee will facilitate membership outreach and input by various means including, but not limited to:

1. Organize the annual meeting. This will include:
  - Proposing a meeting date, time and location to the Board no later than the November board meeting.
  - Proposing the items for the Annual Meeting agenda .
  - In coordination with Co-General Managers, organize the food, entertainment, speakers, children activities, etc
  - Publicizing the meeting and actively encouraging member-owner participation in both organizing the meeting and attending the event
  - Ensuring any applicable handouts are available.
  - Preparing a report on Annual Meeting
2. Recommend ways to maximize member-owner participation in the voting process and ensure election results are appropriately computed and presented to the Board and member-owners.
3. Utilize other methods such as, updating bulletin board and website, coordinating social events, proposing ideas for newsletter articles, and making recommendations for member-owner surveys.

## Rising Tide Finance Committee Charter

DATE CHARTERED: October 26, 2010

Last Revised: October 26, 2010

END OF TERM: Ongoing

The role of the finance committee will be to advise Rising Tide's Board of Directors on matters related to the financial well-being of Rising Tide.

This may include:

- Reviewing quarterly financial monitoring B1 (Financial Condition) and B2 (Planning and Budgeting) reports and other finance related documents and advising the Board on areas of concern, needs for clarification, or recommendations for changes to financial policies.
- Recommending annually to the Board whether an external audit or review should be done
- Soliciting, evaluating, and making recommendations on potential candidates for external audit or review
- Analyzing financial position and making recommendations to the Board on annual patronage refunds

The committee will develop and submit a budget of anticipated expenses (if any) for the coming fiscal year to the Board in a timely manner.

The committee will provide brief written reports regularly to the Board about its activities.

Rising Tide Nominating Committee Charter

Date Chartered: 10/26/2010

Last Revised: October 26, 2010

End of Term: On Going

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The primary purposes of the Nominating Committee

- 1) Evaluate with Board, skill sets of and number of Directors required
- 2) Identify and recruit a pool of well-qualified Board candidates who will ensure the fulfillment of Rising Tide's mission, vision, and policies.
- 3) Develop an application and screening process
- 4) Provide a brief written report to the Board monthly about the activities of this committee
- 5) Submit to the Board in a timely way names of recommended nominees for election or appointment
- 6) Orient new Board members to responsibilities

## RISING TIDE COOPERATIVE COMMUNITY FUND COMMITTEE CHARTER

DATE CHARTERED: OCTOBER 26, 2010

Last Revised: October 26, 2010

END OF TERM: ONGOING

The primary purposes of the Cooperative Community Fund Committee will be to:

1. Develop a process whereby applications for funds will be received from potential grant recipients in the areas of Environment, Community, Food and Hunger, and Cooperatives on a semi-annual basis based on funds available.
2. Review applications and recommend to the board those applications it believes merit awards based upon criteria of which the committee has agreed.
3. Generate press releases or conduct other public relations materials to promote the community fund and award recipients, but will notify the board of these efforts prior to their release.
4. Initiate fundraising efforts to increase the endowment of the community fund, but will notify the board of any such efforts prior to implementing them.

**Appendix D**  
**Rising Tide Board of Directors**  
**Annual Calendar 2011 (adopted 11-30-2010)**

Month	Member-Owner Engagement	GM Reports	Board Reports	Board Development	Board Tasks
January 2011		B1		CBL101-B-boro	Set 2011 annual meeting agenda Finalize slate of Board Candidates (Nom. Comm.) Finalize 2011 Board Calendar
February 2011	Newsletter	B2, B8, B9	C5-4,5-5, 5-6	Board Retreat	Complete 2010 GM Evaluation
March 2011	Annual Meeting March 6 <sup>th</sup>	A, B, B3			Finalize board responsibilities for May newsletter Re-exploration of Ends Policies Identify and schedule board development needs Finalize 2011 GM contract
April 2011		B1	D2-1 D4-6		Allocate \$ to reserve fund and education fund Annual Review of Patronage Dividend Policy Review/Approve Community Fund Grants (Community Fund Comm.)
May 2011	Newsletter	B2, B6	C, C1, C2		Annual re-exploration of links with members Set date/location of 2012 AGM (Membership Comm.)
June 2011	Member-Owner Voting	A1	C3, C4	CCMA meeting	Finalize board responsibilities for August newsletter Election of Board Officers
July 2011		B1 ,B7	C5, C6		Examine/Renew Board Insurance Policy Consider External Assessment of 2011 Financials (Finance Comm.)
August 2011	Newsletter				
September 2011		A2, B2, B4, B5	C7, C8		Annual review of Active Committees, Committee Chairs & Members Finalize board responsibilities for Nov. newsletter
October 2011		A3, B1	D, D1, D2		Assess Progress on Board Recruitment Finalize GM evaluation process (Executive Comm) Review/Approve Community Fund Grants (Community Fund Comm.)
November 2011	Newsletter				
December 2011		B2, B3, B6	D3, D4		Draft 2012 board calendar and goals (President) Finalize 2012 board budget (Treasurer) Finalize board responsibilities for Feb newsletter Conduct Board Self-Evaluation

**Appendix E**  
**Monitoring Report Decision**  
**Tree**

## Decision Tree for Acting on Internal Monitoring Reports from the General Manager

