

Policy Governance Register



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1. Ends

1.0 – Ends Statement

1.1 Board Governance Vision

(Adopted 2/29/16)

Deep Roots Market is a member-owned cooperative dedicated to the principle that by working together and pooling our resources we can provide our community with an economically sustainable, locally owned and independent full-service grocer that meets the everyday needs of its customers with a commitment to locally and regionally sourced goods and services at fair prices.

Our mission is to serve the immediate neighborhood and others within the region by:

- Providing our customers with a variety of everyday grocery goods and services that meet their needs at fair prices.
- Creating an enjoyable customer experience through knowledgeable, friendly and supportive staff.
- Participating in our community as a responsible cooperative institution.
- Helping build a more just, equitable, economically viable, and vibrant local economy.

Because of Deep Roots Market:

- The surrounding neighborhoods will have access to a full-service retail grocer with fairly priced choices that meet their everyday needs.
- Our customers will have access to food choices that are healthy and grown and/or processed locally and regionally to the fullest extent possible.
- There will be economic and social value returned to the community via outreach projects, charitable works, and other avenues.
- There will be a vibrant cooperative sector in the local economy.
- The cooperative will support local food infrastructure to help build a dynamic local agricultural community and that community will, in turn, have a reliable retail market for its products.
- The cooperative will help build a local economy through a commitment to purchasing our goods and services, from the products we provide to the services we use, from diverse local & regional sources.

Our Commitment to Customers

- We strive to ensure that new customers feel welcomed, and that long time customers feel at home within our walls.
- We know that for many people walking through the doors for the first time there will be many new tastes, new information, and new friends to be made. We're

not food or health fundamentalists. We seek to help people make choices that are good for their health, their community, and their wallets – and we know that looks different for everyone.

2. Executive Limitations

2.0 – Global Executive Constraint

(Accepted 1/06; Revised 3/09)

These are policies that limit the latitude the GM may exercise in choosing the organizational means. These policies are developed systematically from the broadest, most general level to more defined levels. The Board never prescribes organizational means delegated to the GM.

The GM shall not cause or allow any practice, activity, decision or organizational circumstance that is unlawful, imprudent or in violation of:

1. Commonly accepted business practices.
2. Professional ethics.
3. Cooperative principles.

2.1 – Treatment of Customers

(Accepted 1/06; Revised 11/10)

The GM shall not be unresponsive to customer needs, including providing appropriate confidentiality.

The GM shall not:

1. Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, customer service and value of shopping the co-op.
2. Allow for a shopping experience to be unsafe, inaccessible or discriminatory.

2.2 – Staff Treatment and Compensation

(Accepted 1/06; Revised 11/10)

The GM shall not treat or compensate staff, volunteers or consultants in a way that is discriminatory, unfair, unsafe or unclear.

The GM shall not:

1. Operate without written policies that:

- a. Clarify rules.
 - b. Provide for fair and thorough handling of grievances, including outside mediation.
 - c. Are accessible to all.
 - d. Cover common emergency situations.
 - e. Inform employees that employment is neither permanent nor guaranteed.
2. Fail to provide adequate training.
 3. Fail to inform staff of this policy and the GMs interpretations of it.
 4. Fail to conduct a third party survey on a regular basis.
 5. Fail to provide channels for input and participation in decisions regarding how their work is done.
 6. Cause or allow personnel policies to be inconsistently applied.
 7. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
 8. Establish compensation and benefits that are internally or externally inequitable.
 9. Change her/his own compensation and benefits, except as it is consistent with a change for all employees.

2.2.1 – Pay Advances

(Accepted 12/15)

The DRM Board intends to create a working environment for our employees that is supportive and compassionate. With that goal in mind the GM is allowed to provide payroll advances at their discretion to staff members. The following parameters will be followed:

1. Outstanding balances on an individual staff member’s pay advances will not exceed the full amount of a single paycheck. In the event that an employee does not return to work following receipt of a payroll advance, this ensures that DRM will be able to reclaim the advance through the last paycheck.
2. The GM will ensure the confidentiality of the circumstances and discussion with the staff member related to the payroll advance. We respect the privacy of our employees and expect everyone on the DRM staff to respect each other’s privacy in these matters.
3. The GM will include a summary report of payroll advance activity to the Board on a Quarterly basis. This report should include:
4. The total amount of outstanding payroll advanced funds.
5. The total amount of funds lost to the co-op through payroll advances, along with brief descriptions of why these funds were lost and steps taken to prevent this in the future.

2.3 – Financial Condition and Activities

(Accepted 1/06; Revised 4/10, 11/10)

With respect to the actual, ongoing financial conditions and performance, the GM shall not cause or allow fiscal jeopardy or compromise Board Ends policies.

The GM shall 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 owner equity, to be insufficient.
5. Incur debt other than trade payables/other reasonable and customary liabilities inherent 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 other than their intended purpose.
10. Allow financial record keeping systems to be inadequate or out of conformity with GAAP.
11. Allow the Board to be uninformed about the percentage of Patronage Dividends needed to minimize the payment of federal and state taxes.

2.4 – Business Planning and Financial Budgeting

(Accepted 1/06; Revised 11/10)

The GM shall not cause or allow planning or budgeting for any fiscal year or the remaining part of any fiscal year to:

1. Deviate materially from the Board's Ends priorities.
2. Risk financial jeopardy.
3. Fail to be derived from a multi-year plan.

The GM shall not cause or allow plans that:

1. Risk incurring those situations or conditions described as unacceptable in the Board policy 2.3 "Financial Conditions and Activities".
2. Omit credible examples of:
 - a. Projection of revenues and expenses.
 - b. Projection of owner investment and return.
 - c. Separation of capital and operational items.

- d. Projection of cash flow.
- e. Disclosure of planning assumptions.
- 3. Have not been tested for feasibility.
- 4. Provide less for Board prerogatives during the year than as set forth in the Board policy 4.8 “Governance Investment”.

2.5 – Asset Protection

(Accepted 1/06; Revised 1/08, 3/09, 11/10)

The GM shall not allow assets to be unprotected, inadequately maintained or unreasonably risked. The GM shall not:

- 1. Allow equipment, inventory or facilities to be inadequately maintained and insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
- 2. Unnecessarily expose the organization, the Board or the staff to claims of liability or permit a lack of sufficient insurance protection.
- 3. Allow inadequate security of premises and property.
- 4. Invest or hold operating capital in insecure instruments.
- 5. Allow unauthorized personnel access to material amounts of funds.
- 6. Allow data, intellectual property or files to be unprotected from loss, theft or significant damage, including improper use of owners’ and other customers’ personal information.
- 7. Allow uncontrolled purchasing or purchasing subject to conflicts of interest.
- 8. Allow lack of due diligence before entering into any non-retail contract up to \$10,000 or fail to gain Board approval for any amount over \$10,000.
- 9. Allow for insufficient maintenance and growth of ownership throughout the community.
- 10. Fail to strengthen the co-op’s identity and credibility in the community or endanger its ability to accomplish Ends.
- 11. Change the organization’s name.

2.5.1 - NCG Loan Fund Management

(Accepted 12/15)

This policy relates to the \$50,000 loan DRM accepted from NCG in December of 2015.

- 1. The management of these funds will comply with policy 2.5: Asset Protection except in ways outlined below.
- 2. The purpose of this loan is to provide cash in reserve primarily for emergency situations and other uses as approved by the Board of Directors (BOD).
- 3. The loan fund will be held in an account separate from that of general funds.
- 4. Any disbursement of loan funds requires BOD approval.
- 5. The GM will provide a monthly report on the use and status of these funds to the BOD. It shall include:
 - a. An updated list of all expenditures.

- b. Current balance.
- c. Any other information relevant to the management of this fund.

2.6 – Emergency GM Succession

(Accepted 1/06; Revised 1/08, 11/10)

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.

2.7 – Owner Rights and Responsibilities

(Accepted 11/10)

The GM shall not allow shareholders to be uninformed or misinformed of their rights and responsibilities as owners of the co-op.

The GM shall not:

1. Change the Board-determined owner equity requirements.
2. Allow owners to be uninformed that equity investments are a risk. While they are generally refundable, the Board retains the right to withhold refunds:
 - a. When necessary to protect the co-op's financial viability.
 - b. If such refund would lead to a net decrease in total owner paid-in equity, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.
3. 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 to make a timely determination each year concerning how much, if any, of the co-op's net profit will be allocated and distributed to owners.

2.8 – Communication and Support to the Board

(Accepted 1/06; Revised 3/09, 11/10)

The GM shall not allow the Board to be uninformed or unsupported in its work. The GM shall not:

1. Submit monitoring reports that are untimely, inaccurate or hard to understand or that fail to provide graphic comparative data highlighting positive and negative trends.
2. Report any actual or anticipated non-compliance 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 was previously established.
4. Withhold his/her opinion if s/he believes the Board is not in compliance with its own policies on 3.0 Board-Management Relations and 4.0 Governance Process, particularly in the case of Board behavior that is detrimental to the working relationship between the Board and the GM.
5. Deal with the Board in a way that favors or privileges certain directors over others except when responding to officers or committees duly charged by the Board.
6. Fail to supply for the Board's agenda all decisions delegated to the GM yet required by law, regulation or contract to be approved by the Board.
7. Provide the Board with insufficient resources and administration to support annual governance activities and Board communication between directors, committees and owners.
8. Allow the Board to be without an updated copy of this register.
9. Provide inadequate information and notice to owners concerning Board actions, meetings, activities and events.

3. Board/Management Relationship

3.1 – Unity of Control

(Accepted 1/06; Revised 11/10)

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

1. The GM shall work with the appropriate Board authorized person(s) and committees to achieve the goals of the organization.
2. The GM may assign any appropriate staff person to exercise the GM's authority consistent with the role and responsibilities of any authorized committee and consistent with by-laws on Board Committees (see 4.6)
3. The President and GM shall establish a schedule for regular communication that occurs at least once every two weeks.
4. The President and Secretary shall be copied on all official Board and committee communications with the GM or their assigned representative.

3.2 – Accountability of the GM

(Accepted 1/06; Revised 11/10; Revised 8/15)

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

1. The GM is accountable to the Board for the performance of the organization and staff consistent with agreed upon metrics and performance goals.

3.3 – Delegation to the GM

(Accepted 1/06; Revised 11/10)

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

1. As long as the GM uses any reasonable interpretation of the Board’s Ends and Executive Limitations policies, s/he is authorized to establish all further policies, practices and plans for the cooperative.
2. The board respects and supports the GM’s choices as long as those choices are based on reasonable interpretations of Board policies.
3. The Board may change the policies but gives the GM ample time to adjust accordingly for future reporting.

3.4 – Monitoring GM Performance

(Accepted 1/06; Revised 1/09, 11/10, 12/15)

The Board systematically and rigorously monitors GM job performance against organizational accomplishment of board policies on 1.0 Ends and organizational operation within the boundaries established in Board policies on 2.0 Executive Limitations.

1. The Board uses monitoring to determine the degree to which the GM is following Ends and Executive Limitations policies. Information that does not directly relate to these is not monitoring information.
2. The Board acquires monitoring information by one or more of three methods:
 - 2.1. By internal report, in which the GM discloses interpretations and compliance information to the Board;
 - 2.2. By external report, in which an external, disinterested third party selected by the Board assesses compliance with policies;
 - 2.3. By direct Board inspection, in which a designated director or directors assess compliance with the appropriate policy criteria.
3. In every case, the standard for compliance shall 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 directors or by the Board as a whole.
4. The GM is compliant with a policy if s/he presents a reasonable interpretation and adequate data that demonstrate accomplishment of the interpretation.
5. The Board monitors all policies that instruct the GM. The Board can monitor any policy at any time by any method but will ordinarily follow the schedule below, and as outlined in the Board Annual Calendar.

GM Reporting

The GM will provide the following financial information to the Board on a Weekly basis:

- Number of customers, including number of Owners that shopped.
- Average transaction figure.
- Weekly sales with comparative figures.

The GM will provide the following financial documents to the Board on a Monthly basis:

- Brief narrative report on developments at the store
- Balance Sheet
- Owner count, total and active
- Amount of Cash on Hand
- Profit & Loss Statement will be sent to the Finance Committee.

The GM will provide the following financial documents to the Board on a Quarterly basis:

- Balance Sheet
- Departmental performance including sales and COGS
- Number of customers, including number of Owners that shopped
- Average basket figure
- Labor cost as a percentage of Sales
- Sales Per Labor Hour (SPLH)
- Owner count, total and active
- Profit & Loss Statement
- Aged Accounts Payable
- Amount of Cash on Hand

6. The Board's annual evaluation of the GM, based on a summary of monitoring reports received from January through December, will be completed during January of the following year. The Board will make its decisions concerning the evaluation and the employment contract no later than the end of March, thus completing the compensation process.
7. Any staff on the Board will recuse themselves from all GM compensation and benefits discussion and related voting, but will participate in all GM monitoring, evaluation and related voting, understanding that their sole responsibility on the Board is to the owners.
8. Board action on all reports will be recorded formally in the meeting minutes.

4. Board Governance Process

4.0 – Global Governance Commitment

(Accepted 1/06; Revised 11/10)

Acting on behalf of the owners, the Board of Directors ensures that Deep Roots Market:

- Produces benefit and value. (1.0 Ends)
- Avoids unacceptable actions and situations. (2.0 Executive Limitations)

4.1 – Governing Style

(Accepted 1/06; Revised 11/10)

We govern in a way that emphasizes clear accountability by:

- Observing the ten Policy Governance principles (see Appendix).
- Obeying all relevant laws and by-laws (see Appendix).
- Maintaining group responsibility, authority and discipline.
- Visibly distinguishing between Board and GM roles.
- Encouraging diverse viewpoints.
- Focusing our vision outwardly and toward the future.

1. Although the Board can change its Governance Process policies at any time, it scrupulously observes those currently in force.
2. Continual Board development includes periodic discussion of process improvement, comparing Board activity and discipline to policies.
3. Our main focus is on the intended long-term impacts of our organization on the community, not on the administrative or programmatic means of attaining those effects.

4.2 – Board Job Products

(Accepted 1/06; Revised 1/10)

The Board's authority and accountability is tied to those who legally own the organization. We see our role as servant-leader to and for that group - the owners of Deep Roots. In order to govern for them successfully, our duties shall include, but not be limited to:

- Creating and sustaining a meaningful relationship with owners.
- Hiring, compensating, delegating responsibility to and holding accountable a General Manager.

- Establishing written governing policies that begin by realistically addressing the broadest levels of organizational decisions and situations, becoming more detailed only as necessary. We will write the policies in the form of 1.0 Ends, 2.0 Executive Limitations, 3.0 Board-Management Relationship and 4.0 Board Governance Process, as described in the Policy Governance Source Document (see Appendix).
- Assigning responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
- Rigorously monitoring operational/GM performance in the areas of 1.0 and 2.0, and Board performance in the areas of 3.0 and 4.0.
- Perpetuating the Board's leadership capacity using ongoing education, training and recruitment.

4.3 – Agenda Planning

(Accepted 1/06; Revised 11/10)

1. To accomplish our job with a governance style consistent with Board policies, we follow an annual agenda (calendar) that:
 - 1.1. Completes a review of Ends policies.
 - 1.2. Runs from January to December, concluding each fiscal year so that business planning and financial budgeting can reflect accomplishing a one-year segment of the Board's most recent statement of ends.
 - 1.3. Includes:
 - 1.3.1. Ownership meetings and other linkage events.
 - 1.3.2. Board and Board committee meeting dates, as available.
 - 1.3.3. Board orientation, training and retreat schedules.
 - 1.3.4. Any outside education pertaining to Board work (from demographers, staff, historians, etc.).
 - 1.3.5. Monitoring schedule of the GM.
 - 1.3.6. Review schedule of the Board.
 - 1.3.7. GM evaluation and compensation timeline, as outlined in our Board-Management Relationship policies.
 - 1.3.8. Deadlines for any notices or correspondence that must be sent out to the owners.
2. Our monthly meeting agenda is set by the president. A director may request an item be added to the agenda before it is distributed in the Board meeting packet or, at the meeting, if at least 2/3s of the Board votes to have the item added.

4.4 – Officer's Roles

(Accepted 1/06; Revised 11/10)

We elect officers in order to help us accomplish our job.

1. No officer has any authority to supervise or direct the GM unless given that authority by the Board for a specific and time-limited purpose.
2. Officers may delegate authority but remain accountable for its use.

In addition to signing or attesting to formal documents on behalf of the co-op as authorized by the Board, officers shall have the following duties:

3. The president ensures the Board acts consistently with Board policies. S/he:
 - 3.1. Is authorized to use any reasonable interpretation of the policy provisions of 3.0 and 4.0.
 - 3.2. Maintains ongoing communications with the GM.
 - 3.3. Reports to the owners at the annual meeting.
 - 3.4. Chairs and sets the agenda for Board meetings.
 - 3.5. Plans for officer perpetuation.
 - 3.6. May represent the Board to outside parties.
4. The vice-president performs the duties of the president in her/his absence.
5. The treasurer:
 - 5.1. Leads the Board's process for creating and monitoring the Board's Governance Investment budget.
 - 5.2. Oversees:
 - 5.2.1. the maintenance of financial records
 - 5.2.2. reporting of financial information
 - 5.2.3. filing of required reports and returns
 - 5.3. Ensures that a financial report is presented at the annual meeting of owners and included in a printed Annual Report that is available to owners.
6. The secretary:
 - 6.1. Meetings and Agendas
 - 6.1.1. The secretary ensures that proper notices and agendas of all meetings of the Board and Board Committees are provided in accordance with the written policies and procedures established by the Board.
 - 6.1.2. The secretary manages the general correspondence of the Board of Directors except for such correspondence assigned to others.
 - 6.1.3. The secretary works with appropriate staff to maintain a publicly accessible list of Board events.
 - 6.1.4. The secretary ensures that minutes of Board meetings are taken and approved, and include:
 - 6.1.4.1. date, time, location of meeting;
 - 6.1.4.2. list of those present and absent;
 - 6.1.4.3. list of items discussed;
 - 6.1.4.4. list of reports presented;
 - 6.1.4.5. text of motions presented and description of their disposition.

- 6.1.5. The secretary creates the final, approved minutes and ensures that this copy is maintained in the corporate records and made available in accordance to the written policies and procedures established by the Board.
- 6.1.6. The secretary participates in Board meetings as a voting member.
- 6.1.7. In the absence of the president and vice-president, the secretary calls the meeting to order, presiding until a temporary chairperson is elected.
- 6.1.8. The secretary ensures that there are copies of the agenda, prior-meeting minutes, current Robert's Rules and an up-to-date copy of the bylaws and policy/procedures are available at all Board meetings.
- 6.2. Custodian of Records
 - 6.2.1. The secretary ensures that the records of the organization are maintained as required by law and made available when required by authorized persons. These records may include founding documents, (e.g., articles of incorporation), lists of directors, board and committee meeting minutes, financial reports, and other official records.
- 6.3. Register of Members
 - 6.3.1. The secretary ensures that up-to-date official records are maintained of members of the cooperative, Board, and Board Committees.
 - 6.3.2. The secretary ensures that these records are available when required for reports, elections, referenda, other votes, etc.
- 6.4. Signing Officer
 - 6.4.1. The secretary may be designated by the Board of Directors and/or bylaws as one of the signing officers for certain documents. In this capacity, the secretary may be authorized or required to sign or countersign correspondence, applications, reports, contracts or other documents on behalf of organization.
- 6.5. Filing of Documents
 - 6.5.1. The secretary may be the registered agent with respect to the laws of the jurisdiction, the person upon whom legal notice to the corporation is served, and responsible for ensuring that documents necessary to maintain the corporation are filed.

4.5 – Director’s Code of Conduct

(Accepted 1/06; Revised 11/10, 8/16)

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 s/he reasonably believes to be in the best interest 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, an accountability that supersedes any conflicting allegiance to an advocacy or interest group, staff, other Boards or the personal interest of any director acting as an individual consumer or owner.
 - 2.1. There will be no self-dealing or any conduct of private business or personal services between any director and the co-op unless procedurally controlled to assure openness, competitive opportunity and equal access.
 - 2.2. 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.
 - 2.3. A director who applies for employment must first resign from the Board..
 3. Directors may not attempt to exercise individual authority over the organization.
 - 3.1. When interacting with the GM or other employees, directors must carefully and openly recognize their lack of authority.
 - 3.2. When interacting with the public, the press or other entities, directors must recognize the same limitation and the inability of any one director to speak for the Board *except to repeat explicitly stated Board decisions*.
 4. Directors respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
 5. Directors prepare for and attend all Board meetings and trainings. Preparation may include:
 - 5.1. Thoroughly reading all documents relevant to the meeting agenda.
 - 5.2. Attending committee meetings.
 - 5.3. Responding to emails between meetings.
 6. Directors support the legitimacy and authority of the Board's decision on any matter, regardless of the director's personal position on the issue.
 7. Any director who does not follow the code of conduct policy shall resign from the Board if requested to do so by a 2/3 majority vote of the remaining Board.

4.6 – Board Committees

(Accepted 1/06; Revised 11/10; Revised 8/15)

We use Board committees only to help us accomplish our job, reinforcing and supporting the wholeness of the Board. No committee shall operate to relieve the Board of any of its legal responsibilities in the oversight of the co-op.

1. Common sense and courtesy are the foundation for Community/Committee/Board relationships and decisions.
2. Each committee established by the Board shall consist of a Board member of the organization and at least two other persons. These persons shall be:
 - 2.1. Any member of the organization currently in good standing.
 - 2.2. Any appropriate staff member whose duties overlap with the committee

- 2.3. Community non-members with knowledge and/or experiences necessary for the effective functioning of the committee.
3. Owner-members, including Board members, shall form a majority of the committee.
4. Staff members appointed to a committee shall be approved by the full Board and the General Manager, and their time attending such meetings shall accrue to their work hours.
5. Community non-members appointed to a committee shall be approved by the full Board.
6. Every Board member must be on at least one and no more than two committees.
7. Committees will establish their Chair in accordance with existing policies and/or bylaws.
8. The committee Chair shall be responsible for:
 - 8.1. Convening the committee at least every other month or as required to accomplish the business of the committee;
 - 8.2. Notifying the Board Secretary and committee members of the time and location of any committee meeting according to the written policies and procedures established by the Board.
9. Board members have the responsibility to:
 - 9.1. Report back on the committees they serve on and bring all proposals and expenditures generated from those committees to the Board meeting that follows a committee meeting;
 - 9.2. Update the committees they serve on with information from Board meetings and other committees.
10. Committees shall be authorized by the Board to carry out specific bodies of work that are necessary for the functioning of the co-op.
11. Committees shall be empowered by the Board to carry out their work with the main input from the Board through the Board members on the committee.
12. Board Committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
13. The Committee may submit a budget to the Board for its work, which, when approved, may be spent without further review.
14. Meetings may be held in person, or via any appropriate communication tool (e.g., phone, skype, etc.).
15. Committees' meeting dates will be shared with the Ownership through electronic and/or written notification, including email or other electronic communication methods.
16. Committees may be dissolved by the Board if they:
 - 16.1. Become inactive by failure to meet at least every other month;
 - 16.2. Violate the values and principles of the Deep Roots Market Co-op and/or the International Cooperative Alliance;
 - 16.3. Engage in activity that causes damage to the Co-op.
17. Committee and Sub-Committee Meetings are open to ALL community members.
18. Each committee shall have a Terms of Reference document (ToR) that describes:
 - 18.1. Committee Name - Official name of the committee

- 18.2. Type - Describes whether it is a standing, ad hoc (special project) or advisory (related to another board, committee or project) committee
- 18.3. Purpose - Describes the purpose of the committee (what the committee will do, why it was created)
- 18.4. Scope - Clearly describe what is in and out of scope for the committee
- 18.5. Authority - Describe the decision-making authority of the committee (decides, approves, recommends, etc.)
- 18.6. Membership - Type and number of members, how members are appointed, how the chair are appointed and a list of members (Name and functional role)
- 18.7. Meeting arrangements - Meeting frequency and location, meeting procedures (if applicable), quorum, details about agendas and minutes (how these will be distributed, available online, who prepares them, etc.), communication between meetings.
- 18.8. Reporting - Describe whom the committee will report to, in what format, how often
- 18.9. Resources and budget - Describe the available resources (people, rooms, equipment, etc.) available to the committee, Describe the funds available to the committee
- 18.10. Deliverables - Describe the requested/required committee output
- 18.11. Review - States the ToR review frequency and next review date
- 19. The Board shall review the performance of a committee and the associated ToR at least every two years, or as determined by the Board.

4.7 – Board Meetings

(Accepted 1/06, Revised 8/16)

The Board gets the majority of its job done at the monthly meetings.

- 1. We use meeting time only for work that is the whole Board's responsibility. We will avoid committee issues, operational matters and personal concerns.
- 2. Meetings are open to the owners except when executive session is officially called.
 - 2.1. We occasionally use executive session to deal with confidential matters, as long as the purpose of the session is stated. When possible, announcement of the executive session is on the published agenda.
- 3. The meeting agenda is determined by the president, and may be modified at the meeting by a majority vote of the Board.
- 4. We limit the amount of meeting time taken up by monitoring reports, discouraging discussion unless the reports indicate policy violations or the policy criteria themselves need review.
- 5. Two-thirds of directors represent a quorum.
- 6. First Full Board retreat will occur no sooner than two months following the annual election.

4.8 – Governance Investment

(Accepted 1/06; Revised 7/08, 11/10, 3/15)

We thoughtfully invest in the Board’s governance capacity.

1. Board skills, methods and supports are sufficient to ensure governing with excellence.
2. We incur governance costs prudently, but do not let this endanger the development and maintenance of superior Board capability and execution.
 - 2.1. We liberally use training to orient new directors and candidates for the Board, as well as to maintain and increase existing directors’ skills and understanding.
 - 2.2. We arrange for outside monitoring assistance as necessary so that we can exercise confident control over organizational performance.
 - 2.3. We use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
 - 2.4. We use professional and administrative support.
3. We develop the Board's expenditure projections in a timely way so as to not interfere with the development of the co-op's annual budget, which is developed by the General Manager. The Board shall approve its expenditure projection for the next fiscal year no later than October. It shall be the responsibility of the General Manager to incorporate the Board's expenditure projections into their annual budget in a fiscally responsible manner.
4. The Board reviews the cost of governance budget at least every quarter.

