

BOARD POLICY MANUAL – TABLE OF CONTENTS

A. Ends Policies – Global End	1
1. Food Justice	
2. Thriving Local Economy	
3. Sense of Community	
4. Growing Co-op Model Use	
5. Food and Health Knowledge	
6. Workplace	
B. Executive Limitations – Global Executive Constraint	2
B1. Executive Limitations – Financial Conditions and Activities	3
B2. Executive Limitations – Business Planning and Financial Budgeting	4
B3. Executive Limitations – Asset Protection	5
B4. Executive Limitations – Membership Rights and Responsibilities	6
B5. Executive Limitations – Treatment of Customers	7
B6. Executive Limitations – Staff Treatment and Compensation	8
B7. Executive Limitations – Communication to the Board	9
B8. Executive Limitations – Board Logistical Support	10
B9. Executive Limitations – Emergency GM Succession	11
C. Board Process – Global Governance Commitment	12
C1. Board Process – Governing Style	13
C2. Board Process – The Board’s Job	15
C3. Board Process – Agenda Planning	16
C4. Board Process – Board Meetings	17
C5. Board Process – Directors’ Code of Conduct	18
C6. Board Process – Officers’ Roles	20
C7. Board Process – Board Committee Principles	22
C8. Board Process – Governance Investment	23
D. Board-Management Relationship – Global Board-Management Connection	24
D1. Board-Management Relationship – Unity of Control	25
D2. Board Management Relationship – Accountability of the GM	26
D3. Board- Management Relationship – Delegation to the GM	27
D4. Board-Management Relationship – Monitoring GM Performance	28
D5. Board-Management Relationship – Compensating the GM	29

FIDDLEHEADS BOARD POLICY MANUAL

Ends A – Global End (Adopted January 6, 2014)

Fiddleheads Natural Foods Cooperative exists so that Southeastern Connecticut is a healthy, robust, just and inclusive community.

Ends A1 – Food Justice (Adopted January 6, 2014)

Fiddleheads exists so that Southeastern Connecticut is a model for achieving food justice for all.

Ends A2 – Thriving Local Economy (Adopted January 6, 2014)

Fiddleheads exists so that Southeastern Connecticut is a thriving, locally-based economy.

Ends A3 – Sense of Community (Adopted January 6, 2014)

Fiddleheads exists so that shoppers and members have a strong sense of community.

Ends A4 – Growing Co-op Model Use (Adopted January 6, 2014)

Fiddleheads exists so that Southeastern Connecticut has a growing use of the co- op model.

Ends A5 – Food and Health Knowledge (Adopted January 6, 2014)

Fiddleheads exists so that Southeastern Connecticut is knowledgeable about food systems, and personal and environmental health.

Ends A6 – Workplace (Adopted January 6, 2014)

Fiddleheads exists so that Southeastern Connecticut has meaningful work opportunities in a supportive environment.

Executive Limitations B – Global Executive Constraint

(Adopted June 18, 2013)

(Revised June 14, 2022)

The General Manager shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, oppressive, discriminatory, or in violation of commonly accepted business and professional ethics and practices, or in violation of the Cooperative Principles.

Executive Limitations B1 – Financial Condition and Activities

(Revised August 18, 2015)

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 (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
- 4) Allow solvency (the relationship of debt to 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 (GAAP).
- 11) Allow growth in ownership and owner paid-in equity to be insufficient.

Executive Limitations B2 – Business Planning and Financial Budgeting

(Adopted June 18, 2013)

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

The GM will not:

- 1) Create plans or budgets that
 - a. Risk incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities" (Policy B1).
 - b. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
 - c. Would result in default under any of the Cooperative's financing agreements or cause the insolvency of the Cooperative.
 - d. Have not been tested for feasibility.
- 2) Provide less for Board prerogatives during the year than is set forth in the Governance Investment Policy (Policy C8).

Executive Limitations B3 – Asset Protection

(Adopted June 18, 2013)

(Revised May 15, 2018)

(Revised September 15, 2020)

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

The GM will not:

- 1) Allow equipment and facilities 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) Allow unnecessary exposure to liability or lack of insurance protection from claims of liability.
- 3) Allow deposits or investments to be unreasonably risked.
- 4) Allow inadequate security of premises and property.
- 5) Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
 - a. Allow improper usage of members' and customers' personal information.
- 6) Allow purchasing that is uncontrolled or subject to conflicts of interest.
 - a. Authorize any capital expenditure \geq \$15000 without prior approval.
 - b. Incur any reimbursable obligations without approval by a designated Board member appointed by the President.
- 7) Allow lack of due diligence in contracts.
- 8) Allow damage to the Cooperative's public image.

Executive Limitations B4 – Membership Rights and Responsibilities

(Adopted June 18, 2013)

(Revised June 14th, 2022)

The General Manager shall not allow members to be uninformed or misinformed of their rights and responsibilities.

The GM will not:

- 1) Create or implement a member equity system without the following qualities:
 - a. The required member equity, or fair share, is determined by the Board.
 1. The Required member equity allows for an inclusive, needs-based option for community members facing financial hardship.
 - b. Members are informed that equity investments are at risk.
 - c. Equity will not be refunded if such refunds would lead to a net decrease in total member paid-in equity, or would risk, cause or exacerbate non-compliance with any Financial Condition policy (Policy B1).
- 2) Implement a patronage distribution system that does not
 - a. Comply with IRS regulations.
 - b. Allow the Board to examine a range of options and implications, so the Board can make a timely determination each year concerning how much, if any, of the Cooperative's net profit will be allocated and distributed to members.

Executive Limitations B5 – Treatment of Customers

(Adopted June 18, 2013)

(Revised March 20, 2018)

(Revised June 14, 2022)

The General Manager shall not be unresponsive to customer needs. The GM will not:

- 1) Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
- 2) Allow an unsafe shopping experience for our customers.
- 3) Operate without a system for providing direct communications with our customers.
- 4) Operate without written policies for handling of misconduct that include an appropriate range of responses depending on the type of misconduct and include the following:
 - a. The policies have a goal of de-escalation.
 - b. The policies provide for the use of law enforcement only as necessary.

Executive Limitations B6 – Staff Treatment and Compensation

(Adopted June 18, 2013)

(Revised June 14 2022)

The General Manager shall 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 in a way that does not include the board as a participant in the grievance process.
 - c. Are accessible to all staff.
 - d. Inform staff that employment is neither permanent nor guaranteed.
- 2) Cause or allow personnel policies to be inconsistently applied.
- 3) Fail to provide for adequate documentation, security and retention of personnel records, information, 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 benefits are consistent with a package for all other employees.
- 6) Cause or allow inequitable treatment of applicants and/or employees in regard to race, sex, identity, national origin, primary language, or other factors unrelated to job qualifications and job performance.
 - a. Allow staff to be without training that supports justice and equity within the first year of employment. Training can include unconscious bias; cultural competency; anti-oppression; microaggressions; and the value of diversity, equity, and inclusion.
 - b. Allow the staff not to reflect the diversity of our community.

Executive Limitations B7 – Communication to the Board

(Adopted June 18, 2013)

(Revised June 14, 2022)

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 reports that are untimely or inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
- 2) Fail to report any actual or anticipated noncompliance with any Board policy, with a plan for reaching compliance, in a timely manner.
- 3) Allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or internal and external changes.
- 4) Withhold their opinion if the GM believes the Board is not in compliance with its own policies on Governance Process (Policy C1) and Board-Management Delegation (Policy D3) particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM, as well as board commitment to policies regarding diversity, equity and inclusion.
- 5) Deal with the Board in a way that favors or privileges certain Board members over others except when 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.

Executive Limitations B8 – Board Logistical Support

(Revised April 21, 2015)

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

- 1) Provide for insufficient staff administration to support governance activities and Board communication.
- 2) Allow Board Members to be without an updated copy of the Policy Register and the Bylaws.
- 3) Provide inadequate information and notice to members concerning Board actions, meetings, activities and events.
- 4) Allow insufficient archiving of board documents.

Executive Limitations B9 – Emergency GM Succession

(Adopted June 18, 2013)

(Revised June 14, 2022)

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, including training that supports justice and equity, to enable them to take over with reasonable proficiency as an interim successor.

Board Process C – Global Governance Commitment

(Adopted June 18, 2013)

(Revised June 14, 2022)

Acting on behalf of our owners, the Board ensures that our cooperative produces benefit and value, while avoiding racist, sexist, bigoted, biased, discriminatory, and otherwise unacceptable actions and situations.

Board Process C1 – Governing Style

(Adopted June 18, 2013)

(Revised June 14, 2022)

We 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 Policy Governance principles.
 - a. Ends Policies
 - b. Ownership
 - c. Board Process Policies
 - d. Board Holism
 - e. Board-Management Relationship Policies
 - f. Governance Position
 - g. Limitations Policies
 - h. Policies (Decisions) Come in Sizes
 - i. Any Reasonable Interpretation
 - j. Monitoring
- 3) Maintain group discipline, authority and responsibility.
- 4) Clearly distinguish Board and General Manager roles.
- 5) Seek, encourage, welcome, and listen to people with a variety of demographic characteristics, diverse perspectives, and opinions.
- 6) Obey all relevant laws and bylaws,
- 7) Maintain a commitment to diversity, equity, and inclusion.
 - a. Support, respect, and acknowledge the land of rights of the native people

- of our region.
- b. Support and hold fellow board members accountable for this commitment.

Board Process C2 – The Board’s Job

(Adopted June 18, 2013)

(Revised June 14, 2022)

In order to govern successfully, we will:

- 1) Create and sustain a meaningful relationship with member-owners.
- 2) Form meaningful relationships with members of our community and community stakeholders.
- 3) Hire, compensate, delegate responsibility to, and hold accountable a General Manager. (See D. Board GM Relationship Policies)
 - a. Use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.
 - b. Stay informed of pay inequities and compensate the GM in an equitable manner.
- 4) 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 (Policy A1), Executive Limitations (Policy B, et seq.), Board Process (Policy C, et seq.) and Board-Management Relationship (Policy D, et seq.), as described in the Policy Governance principles.
- 5) Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
- 6) Rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board- Management Relationship.
- 7) Perpetuate the Board’s leadership capacity using ongoing commitment to diversity, equity, and inclusion, education, training and recruitment.
- 8) Perform other duties as required by the bylaws or because of limitations on GM authority.

Board Process C3 – Agenda Planning

(Adopted June 18, 2013)

(Revised June 14, 2022)

We will follow a strategic multi-year workplan and annual agenda that focuses our attention upward and outward to create equitable outcomes and represent diversity.

- I. We will create, and modify as necessary, an annual calendar that includes tasks and events related to our multi-year workplan, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in our Board-Management Relationship policies (Policy D, et seq.).
- II. Throughout the year, we will attend to consent agenda items as expeditiously as possible.
- III. We will limit the amount of meeting time taken up by Executive Limitations monitoring reports, discouraging discussion unless the reports indicate policy violations, or the policy criteria themselves need review.

Board Process C4 – Board Meetings

(Adopted June 18, 2013)

Board meetings are for the task of getting the Board's job done.

- 1) We will use Board meeting time only for work that is the whole Board's responsibility. We will avoid committee issues, operational matters and personal concerns.
- 2) Meetings will be open to the membership except when executive session is officially called.
 - a. We may 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 should be on the published agenda.
- 3) We will seek consensus through discussion. We will then finalize and document decisions through the use of motions, seconds and majority vote.
- 4) The meeting agenda will be determined by the Board president, and may be modified at the meeting by a majority vote of the Board.

Board Process C5 – Directors’ Code of Conduct

(Adopted December 19, 2017)

(Revised June 14, 2022)

(Revised February 20, 2024)

We each commit ourselves to ethical, non-discriminatory, anti-racist, businesslike and lawful conduct internal and external to Fiddleheads.

- 1) Every director is responsible at all times for acting in good faith, in a manner which they reasonably believe to be in the best interests of the Cooperative, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
- 2) Directors must demonstrate unconflicted loyalty to the interests of the Cooperative’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.
 - a. There will be no self-dealing or any conduct of private business or personal services between any director and the Cooperative except as procedurally controlled to assure openness, competitive opportunity and equal access to “inside” information.
 - b. Every year, every director will complete the Code of Conduct Agreement form and will verbally report to the whole board all actual and potential conflicts, including the names of any household or other family members who are employed at the co-op. Every director will immediately report any subsequent actual or potential conflicts, as they arise, to the whole board.
 - c. When the Board is to decide on an issue about which a director has an unavoidable conflict of interest, that director must abstain from the conversation and the vote, and may choose to or be asked to remove themselves from any discussion of the matter.
- 3) Directors may not attempt to exercise individual authority over the organization.
 - a. When interacting with the GM or employees, directors must carefully and openly recognize their lack of authority.
 - b. When interacting with the public, the press, or on social media, 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 are expected to prepare for and attend all Board meetings and trainings.
- 6) Directors will use electronic communications, including, but not limited to, video conferencing, email, text and instant messaging, online chat rooms and forums, and social media/networking platforms, in a manner consistent with this policy and the responsibilities of a board member.
- 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) Directors will not exhibit violent, oppressive, discriminatory or racist behaviors or speech.

Board Process C6 – Officers’ Roles

(Adopted June 18, 2013)

(Revised March 20, 2018)

(Revised June 14, 2022)

(Revised February 20, 2024)

We will elect officers in order to help us accomplish our job. We seek to have fair elections that invite diverse candidates to run for the Board.

- 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 will set the agenda for Board Meetings and facilitate the meeting or will ensure the facilitator is adequately prepared.
 - c. The president plans for leadership (officer) perpetuation.
 - d. The president may represent the Board to outside parties.
 - e. The president is a standing member of all Board Committees
 - f. The president is the point person for the relationship between the Board and General Manager between meetings.
- 4) The vice-president will perform the duties of the president if the president is unable to do so.
- 5) The treasurer is responsible for supporting the board in all finance-related board work.
 - a. The treasurer will lead the Board’s process for creating and monitoring the Board’s (not the Cooperative’s) budget.
 - b. The treasurer will facilitate the Board’s understanding of the financial condition of the Cooperative.

- 6) The secretary will make sure the Board's documents are accurate, up to date, and appropriately maintained.
 - a. Board documents include: the policy register, meeting minutes, monitoring report summary, annual calendar, and committee chairs.

Board Process C7 – Board Committee Principles

(Adopted June 18, 2013)

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

- I. 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.
- II. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
- III. 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.

Board Process C8 – Governance Investment

(Revised February 7, 2015)

(Revised June 14, 2022)

We will invest in the Board's governance capacity.

- 1) We will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
 - a. We will provide resources for Board members to successfully meet their Board responsibilities, such as access to technology, childcare, or a stipend.
- 2) We will incur governance costs prudently, though not at the expense of endangering the development and maintenance of superior capability.
 - a. We will use training and retraining liberally to orient new directors and candidates for membership, as well as to maintain and increase existing directors' skills and understanding, including diversity, equity, and inclusion training.
 - b. We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
 - c. We will use outreach mechanisms as needed to ensure our ability to listen to owner and community members' viewpoints and values. Outreach should include a variety of modalities to reach as many owners and community members as possible.
 - d. We will use professional and administrative support as needed.
- 3) We will develop the Board's annual budget in a timely way so as to not interfere with the development of the Cooperative's annual budget. In no case will we complete this work later than September.

Board-Management Relationship D – Global Board Management Connection

(Adopted June 18, 2013)

(Revised November 21, 2023)

The Board has hired the General Manager to operate the business. We will be an excellent employer to the GM as our sole employee, cultivating a relationship rooted in equity, respect and mutual support. We acknowledge the GM's expertise and we will delegate authority to the GM. We will work collaboratively and transparently with the GM in addressing any issues as they arise.

Board-Management Relationship D1 – Unity of Control

(Adopted June 18, 2013)

(Revised November 21, 2023)

Only official decisions and policies 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.

Board-Management Relationship D2 – Accountability of the GM

(Adopted June 18, 2013)

(Revised November 21, 2023)

The General Manager is accountable for achieving the Ends and operating the organization within the Executive Limitations.

- 1) We will view organizational accomplishment of Ends and organizational operation within Executive Limitations as successful GM performance.
- 2) We will not instruct or evaluate any employee other than the GM.

Board-Management Relationship D3 – Delegation to the GM

(Adopted June 18, 2013)

(Revised November 21, 2023)

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, the GM is authorized to establish all further policies, practices and plans for the cooperative.
- 2) We will respect and accept 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.

Board-Management Relationship D4 – Monitoring GM Performance

(Revised June 16, 2021)

(Revised November 21, 2023)

The Board will systematically and rigorously monitor and evaluate the GM's job performance compared to expectations set forth in Board policies.

- 1) The Board's policy monitoring process is the foundation of our annual evaluation of the GM.
 - a. In January of each year the Board will review a summary of the monitoring reports received during the previous 12 months.
 - b. The Board will invite the GM into a conversation to share other relevant information and clarifications.
 - c. Based on the review of reports and the conversation, the Board will present an evaluation letter to the GM. That letter will constitute our full evaluation, and it will be delivered no later than March 15th.
- 2) We will acquire monitoring information by one or more of three methods: (a) most commonly by internal report, in which the GM discloses policy interpretations and compliance information to the Board; (b) occasionally by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or (c) rarely by direct Board inspection, in which a designated director or committee assesses compliance with the policy.
- 3) We will accept that the GM is compliant with a policy if the monitoring report includes a reasonable interpretation, including clear metrics and benchmarks, and adequate data that demonstrate accomplishment of that interpretation.
 - a. The Board's standard for compliance with a policy will be any reasonable interpretation by the GM. The GM's interpretation does not need to be an interpretation that is favored by individual directors or by the Board as a whole.
- 4) In evaluating non-compliance, we will consider the severity, implications, and trends, as well as the GM's explanation and plan to achieve compliance.
- 5) We will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.

Board-Management Relationship D5 – Compensating the GM

(Adopted November 21, 2023)

The Board will compensate the General Manager in a way that honors their value to the cooperative, and demonstrates our commitment to equitable treatment.

- 1.) We will use a strategic process to establish the value of the GM's compensation, and we will complete this process in a timely manner.
- 2.) We will strive to negotiate a compensation package that is equitable, competitive in our market, and sustainable for the cooperative.