



BUTTE FOOD CO-OP BOARD OF DIRECTORS BOARD POLICIES & PROCESSES:

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OVERVIEW:

These policies and procedures are meant to align all board members and provide clarity in board member processes and expectations. These policies and procedures are in accordance with the Butte Food Co-Op Bylaws (**APPROVED: February 1, 2021**).

SECTION I: BOARD POLICIES & EXPECTATIONS

SECTION 1A: CODE OF CONDUCT

The following Code of Conduct summarizes the responsibilities and spirit of a Butte Food Co-Op Board Director (director).

As a director of the Butte Food Co-Op, I pledge to do my best for the Co-Op and will:

- Attend all regular and special board and committee meetings and if unable to attend provide as far advance notice as possible;
- Be prompt, attentive, and prepared for all board and committee meetings;
- Commit to starting and ending all board and committee meetings on time;
- Contribute to and encourage open, respectful, and thorough discussions by the board;
- Enhance board understanding and cohesiveness, attend and actively participate in the board's training sessions and general governance responsibilities;
- Consider the business of the Butte Food Co-Op and its members to be confidential in nature;
- Disclose any personal or organizational conflict of interest in which one may be involved, and refrain from discussing or voting on any issues related to that conflict (excusing oneself when they feel the discussion or vote poses a conflict of interest);
- Be honest, helpful, diligent, and respectful in dealings with the Co-Op, other directors, and the Co-Op's management, member-owners, and future staff;
- Refrain from becoming financially involved or associated with any business or

agency that has interests that are, or could be perceived to be, in conflict with the Co-Op's interests;

- Work for continued and increased effectiveness in the Co-Op's ability to serve its member-owners;
- Be a team player and agree to abide by the majority action of the board (per the bylaws), even if it is not one's own personal opinion;
- Present the agreed-upon view of the board of directors ("one voice"), rather than one's personal voice when speaking on behalf of the Co-Op to member-owners, future employees, future shoppers, and the general public;
- Refrain from asking for special privileges as a board member;
- Work to ensure that the Co-Op is controlled in a democratic fashion and that all elections are public, fair, and open to the participation of all members;
- Strive at all times to keep members informed of the Co-Op's status and plans and of the board's work;
- Continually seek opportunities to learn more about the Co-Op and its operations and about responsibilities as a board member.

It is the overall board's responsibility to do the following to ensure board code of conduct & commitment:

- Send board meeting agenda and materials at least 48 hours in advance for review;
- Provide access to meeting minutes and relevant materials for board member review;
- Set advanced meeting schedule to be determined and agreed upon by the board;
- Keep board meetings on task (including starting and ending on time as often as possible);
- Provide opportunities for remote participation in board meetings, if technology allows;
- Identify items in need of review or action in email, text, or verbal communication (i.e. "Please vote / respond / provide input / edit / etc...");
- Document board decisions and their resolutions (i.e. motions, seconds, in favor, opposed, date, what was decided, etc.);
- Provide the board with a copy of these board policies;
- Provide adequate board training for board members (to be developed by the working board for future boards); and
- **Ensure a trusting and positive board environment.**

SECTION 1B: CODE OF ETHICS

The following Code of Ethics clarifies any uncertainty regarding the authority of the Board of the individual Directors. This Code of Ethics is proposed to create greater unanimity and closer coordination between Directors and among Directors, the future General Manager, and future Butte Food Co-Op employees.

To that end, the Butte Food Co-Op Board of Directors, agree that:

1. The **Board's authority** is limited to overseeing the affairs of the cooperative

in a manner consistent with **Policy Governance**.

- Once hired, the General Manager will be responsible for the overall and day-to-day management of the business under the oversight of the Board.
 - The Board will work with the future General Manager to set the future direction of the Butte Food Co-Op.
 - The Board will be responsible for carrying out other duties as provided by the Bylaws or by general or specific corporate laws.
2. Each **Director's authority** is equal only to the rights and authority of any individual member- owner of the Butte Food Co-Op except when the Board is in formal meeting.
 - No individual Director may take action on behalf of the Co-Op alone unless explicitly delegated that authority by action of the Board.
 - No individual Director has any particular rights to information not made available to all Directors.
 3. The **authority of the General Manager**, as approved by the Board in the General Manager's job description will be to manage the affairs of the Butte Food Co-Op.
 - The General Manager will employ, supervise, and discharge all employees, agents and laborers and engage in all negotiations and discussions on behalf of the cooperative as necessary and/or directed by the Board.
 4. While Directors may **disagree** with a policy approved by or action taken by the majority of the Board, they will support that policy or action as being the considered judgment of the Board.
 - An individual Director shall have the right to present further evidence and argument to the Board for further consideration in a manner consistent with the Board's practices.
 - The Board shall have the duty to reconsider its actions appropriately.
 5. All Directors will maintain **confidentiality** as needed to protect the Butte Food Co-Op's interests and financial viability.
 - The Directors shall not discuss confidential corporate actions, policies, or issues with the Co-Op's member-owners, employees or the general public unless all Directors agree that such information is no longer confidential.
 - Board meeting packets and all issues related to personnel, real estate, market strategy and goals, pending litigation, and details of the Co-Op's financial status will be considered sensitive issues subject to confidentiality unless or until full disclosure is approved by the Board as a whole.
 6. Directors **serve as representatives of the Butte Food Co-Op**.
 - The Board shall conduct ourselves in a professional manner that fosters confidence and reflects positively on the co-op, its member-owners, and its staff.
 - The Board will respect the rights of others – Directors, staff and member-owners – to communicate their ideas free from

interruption and without intimidation.

- The Board will follow the Code of Ethics as written in **Section 1A**.

SECTION 1C: CONFLICT OF INTEREST POLICY & DISCLOSURE

Board members shall not engage in any transaction or activity that may represent a competing or conflicting interest with that of the Butte Food Co-Op. Below, Board members will identify any potential conflicts of interest. The information on this form shall be available for inspection by members of the Board and the entity's legal counsel, but shall otherwise be held in confidence except when, after consultation with the applicable Board member, the Board determines that the entity's best interest would be served by disclosure.

Violations of the Conflicts of Interest Policy:

If the governing board or committee has reasonable cause to believe a board member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief. Such members will be afforded an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Disclosure of Conflicts:

The following are all of my business, financial, and organizational interests that could be construed to be related to the mission, vision, values, or operations of the Butte Food Co-Op.

Business Interests: *Please list any proposed business dealings between the Butte Food Co-Op and you, your family members, and/or entities. Describe each such relationship listed and the actual and potential financial benefits as you can best estimate them. If none, please leave blank.*

Financial Interests: Please list all corporations, partnerships, or other entities in which you have a material financial interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
- A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a

transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Organizational interests, affiliations, and/or positions held: *Please list all corporations, partnerships, associations or other organizations of which you are an officer, director, trustee, partner, or employee, and describe your affiliation with such entity. If none, please leave blank.*

- ☐ I attest that I am not engaged in nor do I intend to be engaged in any activity that puts the Co-Op in legal or financial jeopardy.
- ☐ I understand that if I knowingly engage in any transaction or activity that may represent a competing or conflicting interest or that puts the Co-Op in legal or financial jeopardy, that I will not be able to continue my term on the Board.

SECTION 1D: STATEMENT OF AGREEMENT

As a Director of the Butte Food Co-Op, I agree to the above codes and policies outlined above. I understand that as a member of the Board of Directors of the Butte Food Co-Op that I have a legal and ethical responsibility to ensure that the organization does the best work possible in pursuit of its goals and objectives. I believe in the purpose and the mission of the organization, *the Butte Food Co-Op as a member-owner, member-run, and community focused cooperative grocery store that provides access to high-quality, locally-sourced, healthy, and delicious foods to nourish the Butte community.* I will act responsibly and prudently as its steward. My behavior as a board member will be consistent with the values and mission of the organization. I understand that if I am in violation of any of the above codes or disclosures that corrective action may be taken by the Board of Directors.

Signature: _____

Printed Name: _____

Date: _____

SECTION 2: BOARD PROCESSES & PROCEDURES

SECTION 2A: AGENDA SETTING

The purpose of the agenda setting process is to provide guidelines and expectations on how the Butte Food Co-Op sets agendas for its standing and special meetings.

Agenda setting in the Butte Food Co-Op is outlined below:

- **RESPONSIBILITY:**
 - Agenda setting and distribution will be the responsibility of the Board chair.
 - In his or her absence, the secretary will be responsible for setting and distributing the agenda.
- **DISTRIBUTION & CHANGES:**
 - Agendas will be distributed 48 hours prior to each board meeting to all board members;
 - Board members will have 24 hours to provide edits and additions to the board agenda prior. These edits and additions should be sent directly to the Board chair.
 - The Board chair will also ask for edits or additions to the agenda at the commencement of each board meeting.
- **AGENDA STRUCTURE:**
 - Agendas will include:
 - Members-present;
 - Members-absent (excused and unexcused);
 - Any guests in attendance;
 - Items for review (links or hard copies);
 - Action items from previous meetings;
 - Agenda topics;
 - Topic (person responsible for facilitating); and
 - Allocated time for the proposed topic.
 - Agendas may also include whether a topic on the agenda is an update, for discussion, for review, or requires a vote.

SECTION 2B: DECISION MAKING & DISCUSSION

The purpose of the decision-making process is to provide guidance on how Board of Directors decisions are made. This includes what steps must be followed and how resolutions and decisions are achieved. The foundation for decision making can be found in the Butte Food Co-Op Bylaws (**APPROVED: February 1, 2021**).

Agenda setting in the Butte Food Co-Op is outlined below:

General Decision-Making Information:

- A quorum must be present for any major decisions to take place and voted upon.
 - A major decision is defined as any financial, strategic, or operational decision that will affect the overall development of the Co-Op;

- A quorum is a majority of directors (four) as noted in the Butte Food Co-Op Bylaws – Article III Section 7 (**APPROVED: February 1, 2021**);
- A majority of quorum must be achieved for a motion to pass as noted in the Butte Food Co-Op Bylaws - Article III Section 8 (**APPROVED: February 1, 2021**);
- Items requiring a decision will be discussed by the board and may be discussed prior to a formal motion, as well as after a second when prompted. All board members will be given a reasonable amount of time to speak and share thoughts, comments, and opinions on the item being discussed.
- The primary method of voting includes voice vote or roll call. However, depending on the topic, voting method may include an electronic ballot, paper ballot, or similar method.
- For minor decisions, board may choose to use consensus to determine a resolution. See
 - Consensus is a collaborative-based process.
 - Decisions are made based on overwhelming agreement of a group and consensus is reached when everyone supports the decision or at least can live with it.
 - Like with formal voting, each board member will have a reasonable amount of time to provide further thoughts, ask questions, consider all sides, and offer their perspectives.
- It's the discretion of the chair to determine if a decision may be made by consensus or whether a formal vote must be taken. In the event a board member requests a more formal action, a vote will be called by the chair.

Formal Decision & Voting Process:

1. **MOTION:** A Board Director must propose a motion to the floor. This motion must be a statement that proposes action and requires decision.
2. **SECOND:** There must be a second before the board can move forward with further discussion or voting.
3. **FURTHER DISCUSSION:** The board chair will ask if there is further discussion around the motion. If so, each board member will have a reasonable amount of time to provide further thoughts, ask questions, consider all sides, and offer their perspectives.
4. **AMENDMENTS:** If there are amendments proposed,
5. **VOTE:** Once discussion is closed, the board chair will call for a vote. The board chair will restate the motion being voted upon (noting if there have been any amendments to it based on the previous discussion).
 - a. **FAVOR:** Those in favor will respond with "AYE", when prompted.
 - b. **OPPOSED:** Those in favor will respond with the same sign "AYE", when prompted.
 - c. **ABSTAIN:** Those requiring abstentions will respond "abstain" when prompted. Abstentions occur when a board member chooses to not vote for or against the motion due to a conflict of interest in the result of the vote.
6. **RESOLUTION:** Formal decisions are passed by the majority of quorum as noted in the Butte Food Co-Op Bylaws (**APPROVED: February 1, 2021**).
7. **DOCUMENTATION:** Formal decisions that require a vote must be documented in the "Board Decision Document" (**SEE APPENDIX**)

SECTION 2C: BUDGET PROCESS

The purpose of the budget process is to provide a reasonable spending roadmap to guide the board decisions and communicate how funds will be spent in the upcoming financial period.

The budget process is outlined below:

- The budget should reflect where the Co-Op is in its development stage, and reflect the values and mission of the organization;
- The budget should be submitted by the informal financial committee (President, Vice President, Treasurer) to the full temporary board of directors within the first month of the fiscal year, or within a reasonable period of time if and when the project moves to a different stage;
- An initial draft of the budget will be presented for discussion and feedback to the full board. If necessary, the budget will be modified according to the board discussion and presented for final approval at the following board meeting;
- The purchase authorization limits for board members will remain in place regardless of budget status to help the board maintain a strong financial control;
- The Board Treasurer will report to the board on the status of current spending vs. budget in their monthly treasurer's report; and
- Nominal budget variations will occur and should be expected. As long as the purchase authorization process is being followed, the board will have solid control of spending. Should a significant, non-budgeted expenditure or activity be undertaken, the signatory officers will be required to draft a formal budget revision for the new expenditure or activity. This formal budget revision must be approved by the board, in accordance with their decision-making processes.

SECTION 2D: PURCHASE AUTHORIZATION PROCESS

The purpose of the purchase authorization process is to understand the limits and guidelines for spending amongst the temporary Board of Directors.

- While carrying out activities on behalf of the Board, Board and committee members will need to purchase items occasionally— supplies, advertising collateral, office equipment, etc.
- Most of these purchases will be small, but there may be an occasional large purchase. It is preferable to purchase on account and the Co-Op can write a check rather than paying for items with your money and being reimbursed, but reimbursements are allowed under this policy (see "REIMBURSEMENTS" below)

GENERAL SPENDING LIMITS, AUTHORIZATION, and PROCESS:

- Each member of the board authorized to spend up to **\$250/invoice** (or transaction) on behalf of the co-op without prior approval. The invoice or reimbursement will ultimately have to be reviewed and signed by the signatory officers of the temporary board (President, Vice President, and/or Treasurer), so there will be some control in place.
- Expenditures **exceeding \$250 and below \$1,000 (per invoice)** must be approved by the signatory officers (President, Vice President, and/or Treasurer) of the temporary board prior to payment or committing Co-op funds. This approval can be done via email or text.

- Expenditures **exceeding \$1,000 (per invoice)** must be approved by the full temporary board of directors prior to payment or committing Co-op funds. This approval can be done via email or text, but it's preferred these large purchases be approved in the board meeting setting if possible.

REIMBURSEMENTS:

The above authorization limits will apply to reimbursements as well as items purchased on account, or via pre-authorizations. If a board or committee member wishes to be reimbursed for an approved expenditure, they must timely submit a summary of the reimbursement as well as a receipt and proof of payment from the vendor. The summary should include the following details at a minimum: date, description, amount, and purpose of the purchase. An example of a qualifying form can be found in the shared Google Drive (Finance/Processes and Procedures). If a board or committee member needs an invoice approved and processed to a vendor for services rendered (i.e. a check cut to a vendor), they must timely submit an invoice approval form as well as a receipt and proof of payment from the vendor.

SECTION 2D: BOARD TERMS & OFFICER ELECTIONS

The purpose of the board terms and officer election process is to provide guidance on term dates and how board officers in the Butte Food Co-Op are elected. The foundation for board officer elections can be found in the Butte Food Co-Op Bylaws – Article IV Section 2 – 8 (**APPROVED: February 1, 2021**).

Board terms and officer elections in the Butte Food Co-Op are outlined below:

- The Board of Directors official term begins on January 1st of their first term year and concludes December 31st of their third year, or their pre-determined board term, for those Directors with a staggered term.
- The officers of the cooperative association will be:
 - President (or Board Chair);
 - Vice-President (or Vice-Chair);
 - Secretary; and
 - Treasurer.
- Descriptions of these positions can be found in Article IV Section 5 – 8 of the Butte Food Co-Op Bylaws (**APPROVED: February 1, 2021**).
- Election of officers will occur on an annual basis in January, after the Butte Food Co-Op's annual meeting and once new members have taken office (if applicable).
- Each officer shall hold office until a new successor has been elected and qualified.

Voting Process for Officers:

At the Board of Directors first meeting of the year, the presiding Board Chair will call for nominations from the floor for the following positions: **President, Vice-President, Secretary, Treasurer.**

Nominations:

- Each board member has the opportunity to make a nomination.

- No seconds are required for nominations.
- The nominees for the position **MUST** agree to accept the position.

Voting:

- Once all of the officer positions have at least one candidate, the Board must formally vote (**SEE DECISION-MAKING PROCESS**).
- If there is more than one candidate nominated that has accepted the nomination, the candidate with the majority votes will be declared the officer.

Vacancies for Board Officers:

- If no one agrees to serve in a specific position, that position will be determined by drawn lot at the next formal board meeting.