**Harmony Board D Policies. Board Duties**

**(as of 2021)**

**D1: Governing Style**

The Board will approach its task with a style that emphasizes strategic leadership more than administrative detail, clear distinction of Board and staff roles, future rather than past or present, and action rather than reaction.

In this spirit, the Board will:

1. Focus chiefly on intended long term impacts (Ends), not on the administrative or operational means on attaining those effects.
2. Direct, control and inspire the organization through the careful establishment of the broadest organizational values and perspectives (policies). Policies will address a) Ends: what benefits for which needs at what cost, b) Executive Limitations: boundaries of prudence and ethics to be observed by staff, c) Board-General Manager Relationship: linkage between Board and management, and d) Governance Process: Board role and responsibilities.
3. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to attendance, policy making principles, respect of clarified roles, speaking with one voice and self-policing of any tendency to stray from governance adopted in Board policies.
4. Regularly and actively solicit member input and involvement in the cooperative venture. Be accountable to the membership and the general public for competent, conscientious and effective accomplishment of its obligations as a body. It will allow no officer, individual or committee of the Board to usurp this role or hinder this discipline.
5. Monitor and regularly discuss the Board’s own process and performance. Insure the continuity of Board improvements through systematic evaluation of the Board’s performance and annual director training.
6. Be an initiator of policy, not merely a reactor to staff initiatives. The Board, not the staff, will be responsible for Board performance.

This policy will be monitored annually by direct Board inspection.

Approved by Board of Directors as of April 22, 2008

**D2: Board Job Products**

The job of the Board is to make certain contributions that lead the organization toward the desired performance and assure that it occurs. The Board’s specific contributions are unique to its trusteeship role and necessary for proper governance and management.

Consequently, the “products” or job contributions of the Board shall be:

* The sustainably productive link between the cooperative and its owners.
* Written governing policies which, at the broadest levels, address:
	+ Ends: organizational products, impacts, benefits, outcomes (what good for whom at what cost)
	+ Executive Limitations: constraints on the General Manager which establishes the boundaries of acceptable executive authority.
	+ Board-General Manager Relationship: how power is delegated and its proper use monitored.
	+ Governance Process: specification of how the Board conceives, carries out and monitors its own tasks.
	+ The assurance of General Manager performance against policy.
* Progress on annual goals:
	+ Support efforts to achieve profitability
		- 1. Sales growth
		- 2. Ownership growth
		- 3. Support General Manager to focus on profitability
		- 4. Be clear on Board’s rol
* Understand members:
	+ - 5. The Board shall construct tools to survey the wishes and Harmony Co-op’s membership.
		- 6. Apply results to strategic planning process
* Work to update Bylaws
* Ends Policy Development
* Scheduling and planning of the Annual Ownership Meeting
* Succession planning for offices of chairperson, treasurer and secretary
* Continued support to our community commitments
* Develop plan for Board orientation and training

This policy will be monitored annually by direct Board Inspection**.**
Approved by Board of Directors as of April 22, 2008

Revised December 2, 2020

**D3: Board of Directors Roles**

*As Harmony's Board of Directors, we are charged with not simply spreading our community's wealth, but growing the wealth. We don't just divvy up the pie, we make more pie by monitoring initiatives and operations that connect shoppers, farmers, employees and owners in ways that grow the regional healthy foods economy.*

**Directors' Role**

Because of the importance of the Board's governance role, Directors must:

* c*ommit to serving a minimum of a 3-year term*
* *attend monthly meetings*
* *attend annual retreats*
* *adhere to Policy* [*D4: Code of Conduct for the Board of Directors*](http://harmonycoop.pbworks.com/w/page/97302054/D4%3A%20Code%20of%20Conduct)

In addition, it is hoped Directors will assist with Harmony Co-op events such as the Annual Meeting, the Fall Festival, and in-store events.

If a Director misses 2 meetings in a row (including the Annual retreat) and/or fails to support at least one event per year, the Board will review the situation and consider terminating that Director's term.

Helpful dispositions for Harmony Co-op Directors include:

* *an open mind*
* *ability to communicate well with one another*
* *willingness to contribute technical expertise, community knowledge, and skill set to Board operations*
* *willingness to contribute to growth, development, and ongoing success of Harmony Co-op*

Directors follow the governance policies of Harmony Co-op and will be [trained into their roles upon their election](http://harmonycoop.pbworks.com/w/page/94249547/Board%20Orientation%20Resources).

**Chairperson's Role**

In addition to the duties stated for all directors, the Board Chair must have planning skills and a sense of group process. The Board must ensure that the Chair has adequate training in these areas.

The job “product” of the Chairperson is the integrity of the Board's process.

The job output of the Chair is Board behavior consistent with its own rules and those legitimately imposed upon it from outside the organization.

The Chair is empowered to conduct Board meetings with all the commonly-accepted power of that position (e.g., ruling, recognizing).

* *Meeting discussion topics will include only those issues which, according to Board policy, clearly belong to the board to decide.*
* *Deliberation will be timely, fair, orderly, thorough, efficient, focused on topic, and limited to time.*

The authority of the Chair includes representing any Board decision on behalf of the Board that falls within or is consistent with Board policies on governance process and on the Board-General Manager relationship.

* *The Chair is the only person authorized to represent Board decisions, except for communication between the General Manager and the staff, other than in rare and specifically authorized instances.*
* *The Chair's authority, as an individual, does not extend to supervising, interpreting Board policies to, or otherwise directing the General Manager. It does not extend to making decisions within Ends and Executive Limitations policy areas, each of which is within the purview of the General Manager.*

The Chair will ensure that the Board is adequately prepared for succession upon the Chair's retirement.

* *The Chair will work with a successor who has served at least 2 years on the Board, attended at least one CBLD 101 class, or has prior experience on a cooperative board.*
* *This succession process will happen no later than a year before the Chair's last term.*

**Vice Chair's Role**

In addition to duties stated for all directors, the Vice-chair must be prepared to step into the role of Chair. The Vice-chair will:

* acquire the necessary training to fulfill the Chair's role
* conduct meetings in the Chair's absence
* know how to access and manipulate board content management system
* work with the Chair on issues related to GM evaluation and monitoring as needed

**Treasurer's Role**

In addition to duties stated for all Directors, the Treasurer will:

* review monthly financial statements in advance of the monthly meeting. If something in those statements appears about of balance, the Treasurer will contact the GM and review those items together.
* interpret the financial health of Harmony Coop for the Board in the Annual Report
* support the work of annual partronage dividend disbursement as needed
* facilitate along with the GM where KBA will present the prior year’s Annual Financial Statements at the first board meeting following the completion of the annual financial reports.

The Treasurer must have a background or willingness to be trained in reviewing of financial statements.

**Secretary's Role**

In addition to duties stated for all Directors, the Secretary will:

* support the election process for the Annual Meeting with the Board Coordinator
* record discussion and decisions during closed sessions
* in conjunction with Marketing & Membership Coordinator, maintain:
	+ the social media on a monthly basis with current minutes and a monthly 'post.'
	+ and bulletin board messaging of the board in the store
* as a back up for the Board Coordinator, take monthly minutes as needed
* maintain the GM compliance evaluation spreadsheet
* It is noted here that Harmony delegates to the Board Administrator the secretary's role in the Articles of Incorporation.

**Board Conscience**

In addition to duties stated for all Directors, the Board Conscience’s main function is to support the Chair in implementing [D1: Governing Style](http://harmonycoop.pbworks.com/w/page/114221329/D1%3A%20Governing%20Style). Specifically:

* the Board Conscience will work with the Chair to plan strategic board discussions in advance of the meeting, to plan for full participation of the board on agenda items.
* during the meeting, if needed, the Board Conscience will raise guiding questions that aim to bring the discussion back to the principles of D1.
* at the close of each meeting, the Board Conscience will help the board reflect on its implementation of D1.

*Approved by Board of Directors as of April 22, 2008*
*Amended by the Board of Directors on February 27, 2013*
*Amended by the Board of Directors on May 28th, 2014*

*Amended by the Board of Directors on October 26th, 2017*

**D4: Code of Conduct**

The Harmony Coop Board of Directors expects ethical and businesslike conduct of itself and its members. This commitment includes proper use of authority and appropriate decorum in group and individual behavior when acting as Board members.

Directors must represent unconflicted loyalty to interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy and interest groups, and/or membership on other boards or staffs. It also supersedes the personal interest of any Director acting as an individual Harmony Coop owner.

Directors must avoid any conflict of interest with respect to their responsibilities.

* *There must be no self-dealing or any conduct of private business or personal services between a Director and Harmony Coop except as procedurally controlled to assure openness, competitive opportunity, and equal access to “inside” information.*
* *Directors must not use their positions to influence employment in the organization for themselves, family members, or close associates.*
* *A Director who applies for employment at Harmony Coop must first resign from the Board.*

Directors will always strive to avoid the appearance of conflict of interest. Each will sign a “Director Conflict of Interest Declaration” after election to the Board. Examples of conflict of interest include but are not limited to: having been an employee, a vendor, or a partner of an employee of Harmony Coop in the past 3 years.

Directors should alert the Board an actual or perceived conflict of interest at the outset of discussion of an issue. The record should reflect that this notice was given.

* *Where potential or perceived conflict of interest exists for a Director, it shall be recorded in the minutes for each issue.*
* *Said Director may participate in any discussion of the issue but shall refrain from voting.*
* *Said Director shall leave the room during voting, or the vote shall be taken by secret ballot.*
* *This all shall be recorded in the minutes.*

Directors will respect confidentiality appropriate to sensitive issues and must continue to honor confidentiality after leaving Board service.

Directors must not attempt to exercise authority over the Harmony Coop except as explicitly set forth in Board policies. Directors will support the legitimacy and authority of Board decisions on any matter, regardless of their personal positions.

* *Directors' interactions with the General manager and with staff must recognize the lack of authority in any individual Director or group of Directors except as noted above.*
* *Directors' interactions with the public, press, or other entities must recognize the same limitation and the similar inability of any Director to speak for the Board.*
* *Directors will make no judgments of General Manager or staff performance except* *as that performance is assessed against explicit Board policies by the official process.*

Any Director who does not follow the Code of Conduct Policy can be removed from the Board by a 2/3 majority vote of the remaining Board. If such a situation arises, said Director agrees to resign and not cause further disruption of Harmony Coop operations and governance.

This policy will be monitored annually by direct Board inspection.

Approved by Board of Directors as of April 22, 2008

Amended by the Board of Directors on May 28, 2014.

Amended by the Board of Directors on October 26th, 2017.

**D5: Committees**

The Board may establish committees to help carry out its responsibilities. To preserve Board holism, committees will be used sparingly, only when other methods have been deemed inadequate. Committees will be used so as to minimally interfere with the wholeness of the Board’s job, and so as never to interfere with delegation from Board to General Manager.

1.A.This policy applies only to committees that are formed by Board action, whether or not the committees include non-Board members. It does not apply to committees formed under the authority of the General Manager.

1.B.The Board, or designee, shall determine the structure and set the goals of each committee, its meeting times and frequency, and provides a copy of this information and this policy to each committee member. Should the Board to elect to develop a formal charter for a committee, the charter will be added to these policies in the form of an addendum to the Governance policies.

1.C. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated in order not to conflict with authority delegated to the General Manager.

1.D. Board committees are to help the Board do its job, not help the staff do its job. Committees will assist the Board chiefly by preparing policy alternatives and implications for Board deliberation. Committees act in an advisory capacity only, and final decisions rest with the Board. The Board may delegate the authority back to the committees to implement their decisions. Board committees are not to be created by the Board to advise staff.

2. The primary product of committee work will be a report containing recommendations that will be provided to each committee member, Board member and made available to membership by being attached to the official minutes in the Minute book.

3. Committees may consist of Harmony Co-op members who volunteer to serve on them, Board member assigned by the Board, and any other person assigned by the Board. Committees must have at least one Board member, and more than one Board member may serve on each committee. The board, at its discretion, may choose to limit the membership of a committee to Board Members only.

4. Committee meeting process conforms with Harmony Co-op Board meeting process and committee member conduct will conform with Harmony Board Code of Conduct.

This policy will be monitored annually by direct Board inspection.

Approved by Board of Directors as of April 22, 2008
Amended by Board of Directors as of August 27, 2008

Amended by Board of Directors as of April 22, 2015

**D6: Board Meetings**

Board meetings are for staying current and getting the Board’s job done.

Meetings will be open to the ownership except when closed session is officially announced. Closed session will only be used when the subject matter is related to litigation, personnel, real estate transactions or other strategically sensitive items including visioning and planning.

Any Board member may request a closed session, but:

* 2.A. The purpose of such session must be stated.
* 2.B. The Board may include no one else or anyone else it chooses.

Authority to declare the session is vested in the Chairperson unless overridden by simple majority.

Where possible, announcement of closed session should be on the agenda.

A calendar of open meetings will be posted on the Board bulletin board in the store and the website.

**Agenda Control:** the Board is the sole authority over its agenda. The Chairperson will exercise this control on behalf of the Board, but any Board member – with the majority agreeing – may add or delete items from the agenda within the following constraints:

* 4.A. The Chairperson and General Manager will confer at least one (1) week prior to the scheduled Board meeting date to set the agenda.
* 4.B. The agenda will be provided to Board members at least two (2) days prior to the scheduled Board meeting date.

Any Co-op member may request an addition to the Board’s agenda prior to the Agenda Setting Conference. Such agenda items will be subject to time constraints at the Board Meeting.

At each meeting the Board shall agree upon the date and time for the next Board meeting which will be reported in the meeting’s minutes.

Agenda Content: Only issues within the Board’s legal responsibilities and its chosen areas of responsibility shall consume Board time. That is, the Board will work on the Board’s job, not on the staff’s job, though the Board may review management performance against Board policies at any time it chooses. Meetings shall be concluded with an evaluation on procedure and attention to all of the agenda items.

Board members are obliged to prepare for meetings and to participate productively in the discussion, always within the boundaries of discipline established by the Board.

It is the primary responsibility of all Board members to educate themselves on the issues that come before them in their official capacity as members of the Board. Therefore, all Board members are expected to adequately prepare and educate themselves on issues that come up for a vote. Since the welfare of Harmony Co-op as well as liability for Board actions ultimately falls upon all Board members, this is a serious matter of personal responsibility and discretion. To help ensure adequately informed decisions:

* 7.A. If an issue comes to a vote and an individual Board member is not adequately prepared to vote on the issue or, for any other reason, feels unprepared to make an informed decision, s/he shall abstain from voting.
* 7.B. If a quorum cannot be achieved because a majority of Board members abstain from voting on an issue, the vote will be postponed until a quorum is prepared to vote on it.

A Board member must be in attendance the Board meeting in order to vote on an item.

Whenever possible decisions will be made by consensus. Reaching consensus does not mean that there must always be unanimous, complete agreement on an issue. The following approach will be used to make board level decisions:

* 8.A. The issue will be stated clearly.
* 8.B. If someone does not approve, the discussion will continue to either gain full support or until there is acceptance (consensus).
* 8.C. If consensus still cannot be reached, the issue will be tabled until the next meeting.
* 8.D. At the next meeting the issue will be discussed further. If consensus still cannot be reached, the issue will be decided by majority vote.

This policy will be monitored annually by direct Board inspection.

Approved by Board of Directors as of April 22, 2008
Amended by Board of Directors as of December 17, 2008
Amended by Board of Directors as of January 23, 2012

Amended by Board of Directors as of December 2, 2020

**D7: Relationship to Owners**

The Board obtains its authority from the owners. The Board is responsible for linkage with owners. The relationship with owners is a Board’s representational relationship. The Board has fiduciary and legal responsibility to the owners.

1. Since the Board represents the owners, it shall educate itself and keep open communication with the ownership regarding the values held by the owners and shall act always under the influence of those values. Communication to owners must include:

* 1.A. Quarterly newsletter
* 1.B. Section on the Harmony co-op web site for Board and ownership business

2. The Board shall report periodically to the owners on its activities and decisions. At least, annually, the Board shall disseminate a statement of its values and a report of its financial resources and how those resources have been translated into services.

This policy will be monitored annually by direct Board inspection.

Approved by Board of Directors as of April 22, 2008

Modified February 22, 2017

**D8: Minutes Procedures**

The Board Secretary or person designated by the board shall not fail to ensure that the following procedures relating to the Minutes of all Board and General Membership meetings are observed:

**BOARD OF DIRECTORS MEETINGS:**

1. Minutes are taken or recorded and a draft thereof is e-mailed or mailed to each Director and to the General Manager within 2 days of the following meeting.
2. Any changes are incorporated in a second draft that is submitted as revised for approval at the next Board meeting.
3. Approved minutes of most recent meetings will be made available to ownership by posting in a designated area in the store and by posting on Harmony co-op’s web site. A permanent file of Board and membership meeting minutes will be maintained indefinitely in the cooperative’s business office, and at least two copies will be archived electronically, one of which will be stored off site.

**GENERAL MEMBERSHIP MEETING AND/OR SPECIAL MEMBERSHIP MEETINGS:**

1. Minutes are taken or recorded and a draft thereof is e-mailed or mailed to each Director and distributed to the General Manager and the ownership at the next general or special meeting.
2. Any changes are incorporated in a second draft that is submitted as revised for review at the next Board meeting.
3. Board-reviewed Minutes of GMM and/or Special Membership Meetings are published for approval in the next Annual Report along with a request that any questions or revisions be delivered to the Board secretary prior to, or during, the next GMM meeting.
4. Minutes of the prior year’s GMM and/or Special Membership Meetings will be approved by a vote at the next GMM if a quorum is present. If a quorum is not present, minutes of the prior year’s GMM and/or Special Membership Meetings will be acknowledged as duly presented for member review and approval and will be filed in the official minute book.

This policy is monitored annually by direct Board inspection.

Approved by Board of Directors as of April 22, 2008

Amended by Board of Directors as of December 17, 2008

Amended by Board of Directors as of June 24, 2020

**D9: Recruitment, Nominations, Elections, Orientation**

**Purpose:**

To ensure fair and equal access for eligible candidates to the Board. By eligible we mean candidates who are owners of the Coop and can demonstrate ability to fulfill the **Code of Conduct (D4)** of the Board of Directors.

**Recruitment**

1. The Board shall initiate the recruitment process by:

* 1.A. Hosting a fall recruitment meeting event with potential interested candidates who are intentionally invited from the current ownership list of frequent shoppers. This gives candidates the chance to
	+ 1.A.1 Attend at least one regularly scheduled board meeting and introduce him or herself as a potential board candidate.
	+ 1.A.2 Meet with board members to learn more about the board's role in governing Harmony.
	+ 1.A.3. Receive a board-developed handout of the process and timeline for joining the Harmony Board via both election and appointment pathways.
	+ 1.A.4. Receive 2 follow up calls from a designated board member, one in early December and one in January, to explore potential interest and/or answer questions as well as to remind them of the application deadline at the end of January.
* 1.B. Posting the invitation to join the board on the website and social media platforms.
* If candidates are unable to attend the fall recruitment event, then the board will ensure items in #1.A. are met for each interested candidate.
1. Candidates who meet the criteria set forth in #1 and whose profiles are received on or before the published deadline appear on the ballot. Nominations are closed on this date.

2.A. Applicants returning forms after the published deadline are informed that nominations have been closed and that their applications will be kept on file for possible appointments, as well as being advised of the current Board Nominations Policy.

**Elections –**

3. Candidate Statements will be published in the newsletter directly preceding Board elections, posted on the Harmony co-op web site, and copies will be made available in the store.

4. Ballots will be mailed to all members via an insert in the newsletter directly preceding Board elections.

5. Members will have the option to vote in one of two ways:

* 5.A. Returning their completed ballot via mail. The completed ballot must be received no later than the published election date.
* 5.B. Completing a ballot in the store and placing it in a ballot box located next to the cash registers, anytime before the Annual Meeting.

6. Candidates who are elected to the Board will be introduced at the Annual Meeting.

7. In the unlikely event that one of the seats up for election is to complete the term of a Director who has left the Board prior to the end of their term, new directors will reach consensus about which director(s) will complete the unfinished term and which will initiate an entire new term.

**Orientation**

8. In lieu of April’s business meeting, the board will host an orientation session for new directors to review the basics of policy governance and Harmony board operations. At that time, each new director will be assigned a mentor, who is tasked with reaching out periodically to the new director, at a period of no less than every 6 months at first.

9.Harmony’s Board Coordinator will connect new directors to Harmony staff to ensure:

9.A. new directors are oriented to their personal Board’s Microsoft Teams account, or equivalent document library technology.

9.B. new director photos are added to the board’s in-store bulletin board and website.

10. This policy will appear with Board candidate application information on the Harmony web site.

This policy is monitored annually by direct Board inspection.

Approved by Board of Directors as of April 22, 2008

Revised September 29, 2021

**D10: Board Compensation**

The purposes of Board compensation are to begin to address the barriers of time, family responsibilities and distance that may deter potential candidates from participating

Therefore, the Board shall not fail to direct the General Manager to:

1. Compensate each regular board member for each meeting attended as noted in this list:
	1. regular board members, $25, for each monthly meeting in: Jan, Feb, March, May, June, August, Sept, Oct
	2. officers, $35, for each monthly meeting in: Jan, Feb, March, May, June, August, Sept, Oct
2. Compensate each board member with a $25 gift card for storewide event:
	1. Annual Meeting
	2. Summer Festival
	3. Fall Festival
3. Compensate each director in attendance at the annual retreat with a $50 gift card.

This policy will be monitored annually by direct Board inspection.

Approved by Board of Directors as of April 22, 2008

Revised March 26, 2019.

**D11: Membership Application**

In support of the first Cooperative Principle, Open and Voluntary Membership, and with respect to Harmony Co-op’s Bylaws, the Board’s establishes the following:

1. procedures with regard to the issuing of Class A member-ownership shares in the Coop:
	1. When member-owners wish to sell back their Class A member-ownership stock, pursuant to our bylaws, the Board of Directors reserves the right to buy back said stock when it is financially prudent for the Coop to do so. When deemed financially prudent, the Board of Directors will vote to buy back the member-owner Class A stock at prescheduled times twice a year.
2. limited criteria based upon which the Board would reject a Membership or limit the benefits of an applicant:
	1. The Board will reject or rescind a membership if the Board determines, based on a documented history of previous behavior, that an applicant does not wish to peacefully and democratically participate in the cooperative.
	2. The Board will limit the credit benefits, (e.g., check cashing over the amount of purchase, IOU) of an applicant or member whose membership has been previously terminated for failure to respect Harmony Co-op’s credit policies.

This policy will be monitored annually by Internal Report.

Approved by Board of Directors as of April 22, 2008

Amended by Board of Directors as of July 23, 2008

Amended by the Board of Directors as of April 25, 2011

Amended by the Board of Directors as of April 25, 2012

Amended by the Board of Directors as of February 26, 2020