**Harmony Board B Policies. Executive Limitations**

**(as of 2021)**

**B1: Staff Treatment**

With respect to treatment of paid and volunteer staff, the General Manager may not cause or allow conditions that are unsustainable, inhumane, unfair or undignified.

Accordingly, s/he may not:

1. Cause nor allow discrimination or harassment among employees and potential employees based on other than business related criteria, individual performance, and qualifications. Specifically, the manager shall not:
	1. Cause nor allow discrimination or harassment based upon sex, race, age, physical or mental disability, sexual orientation, national origin, marital/parental status or religion.
	2. Fail to take reasonable steps to prevent discrimination or harassment.
	3. Fail to ensure that channels are established and known to staff, to bring claims of harassment or discrimination without fear of retaliation.
2. Fail to provide a positive work environment by:
	1. Providing channels for staff input into decisions about how their work is done
	2. Providing sufficient tools, information and technology needed for staff to perform their jobs;
	3. Cultivating a workplace culture that emphasizes recognition and appreciation;
	4. Providing mechanisms for staff involvement in operational improvements;
	5. Regularly obtaining an objective assessment of the employees’ perception of the current work environment that includes more that one data source that is reported directly to the board yearly.
3. Operate nor allow the co-op to operate without written personnel policies including a grievance procedure that are issued to all staff in most current form. The personnel policies must:
	1. Comply with all applicable laws;
	2. Protect the co-op’s “at will” status and apprise staff that employment is neither permanent nor guaranteed
	3. Be adhered to and consistently applied to all employees;
	4. Be regularly reviewed and updated to ensure current legal compliance;
	5. Provide for a fair and thorough review of any grievance by means of a known procedure that can be used without bias.
4. Fail to protect staff from unsafe, unhealthy, or illegal conditions.
5. Fail to establish job descriptions for all jobs.
6. Fail to provide adequate orientation and training as needed so staff can successfully perform their jobs.
7. Fail to evaluate each employee at least annually based upon pre-established criteria.
8. Fail to take disciplinary action as needed following established procedures.
9. Fail to provide for appropriate documentation, security, and retention of personnel records and all personnel related decisions.
10. Fail to provide for staff development by:
	1. Providing opportunities for staff to develop skills and knowledge.
11. Posting all job openings for staff.

This policy shall be monitored twice a year by internal report in March and October.

Approved by Board of Directors as of April 22, 2008

Revised on October 24, 2012

**B2. Compensation & Benefits**

With respect to employment, compensation and benefits to employees, consultants, contract workers, and volunteers, the General Manager may not cause or allow conditions that are illegal, unfair, or that jeopardize the Co-op’s fiscal integrity or public image. Accordingly, s/he may not fail to:

1. Establish a wage schedule, based upon job responsibilities and the local labor market that is applied consistently to all people and positions.

2. Establish compensation and benefits packages that are competitive and that:

* 2.A. Represent the geographic or professional market for the skills employed.
* 2.B. Are based on revenues that can be safely projected.
* 2.C. Represent internal equity.
* 2.D. Base pay increases upon evaluation of performance.

3. Provide some portion of staff compensation contingent upon the financial performance of the co-op.

This policy shall be monitored annually by internal report in August.

Approved by Board of Directors as of April 22, 2008

Revised on August 24, 2016

**B3. Budget & Financial Planning**

In order to protect the owners’ interests and investment, the General Manager may not jeopardize either operations or fiscal integrity of the Cooperative with respect to planning fiscal events (budgeting for all or any part of a fiscal period).

Accordingly, s/he shall not fail to prepare a budget that:

1. Contains sufficient detail to enable reasonably accurate projections of revenues and expenses, separation of capital and operational items, cash flow, subsequent audit trails and disclosure of planning assumptions.
2. Projects income conservatively and sets income projections based on a minimum of a quarterly sales cycle, and constrains budgeted expenses within projected income levels.
3. Relies on Board’s ENDS POLICIES when making allocations between competing budgetary needs.

This policy shall be monitored annually by internal report in **January.**

Approved by Board of Directors as of April 22, 2008

Revised 12/19/11

**B4. Financial Condition**

With respect to operating the Cooperative in a sound and prudent manner, the General Manager may not jeopardize the long-term financial health of the Cooperative.

1. Cause the Cooperative to **incur indebtedness** other than trade payables and payroll incurred in the ordinary course of doing business without prior Board approval.
2. Use **restricted funds** for any purpose other than that required by the restriction.
3. Settle **payroll, taxes, and debts** in other than a timely manner.
4. Allow expenditures to deviate materially from the Board’s **ENDS POLICY and budget**.
5. Fail to disclose a summary of all of the previous month’s fiscal activity to the Board including but not limited to the following fiscal information: **cash flow, aged payables, debt:equity ratio,** and the **percentage of variance from sales growth, gross margin**, and **net profit** as previously set in the budget.
6. Fail to establish a plan by which the Cooperative will achieve a **sales growth percentage** at least equal to the most current projections/budget for the period of the report and, should the sales growth percentage fall below that goal, fail to notify the Board in writing at the next Board meeting of said condition, reasons for said condition, and corrective action/plan to remedy said condition.
7. Fail to establish a plan by which the Cooperative will achieve a **gross margin percentage** at least equal to the most current projections/budget for the period of the report and, should the gross margin percentage fall below that goal, fail to notify the Board in writing at the next Board meeting of said condition, reasons for said condition, and corrective action/plan to remedy said condition.
8. Fail to establish a plan by which the Cooperative will achieve a **net profit percentage** at least equal to the most current projections/budget for the period of the report and, should the net profit percentage fall below that goal, fail to notify the Board in writing at the next Board meeting of said condition, reasons for said condition, and corrective action/plan to remedy said condition.
9. Make **capital expenditures** without specific Board approval for purchases in excess of Twenty-Thousand ($20,000) Dollars. For capital expenditures that are under $20,000, the GM doesn't not fail to notify the board on a timely basis.

This policy shall be monitored **monthly** by income, expense and budget comparison statements.

Approved by Board of Directors as of April 22, 2008
Amended by Board of Directors as of November 28, 2011

Amended by the Board of Directors as of August 22, 2018

**B5. Asset Protection**

To prevent disrepair, excessive risk, untraceable transactions or conflict of interest in the management of the Cooperative’s resources, the General Manager may not:

1. Allow insurance coverage of stock, building, furniture and equipment to fall below replacement value.
2. Allow directors and officers liability insurance coverage to lapse.
3. Fail to maintain a readily accessible savings balance equal to twice the average gross bi-weekly payroll plus the employer's share of payroll taxes and benefits
4. Fail to conduct an Annual Summary Review of our end-of-year financials. If a financial audit is warranted, will not fail to initiate the audit within sixty days.
5. Fail to apply credits, bonuses or discounts (e.g., frequent flyer miles, room rate reductions, speaker fees) resulting from expense paid by the Cooperative, on behalf of members, staff or Board, to reduce the Cooperative’s expenses.
6. Permit cash to be handled in an insecure manner.
7. Receive, process or disburse funds under controls insufficient to meet generally accepted accounting principles.
8. Allow any one individual to have complete authority over a financial transaction.
9. Fail to properly maintain building and equipment. Ensure that all regulatory inspections are completed.
10. Fail to maintain a prioritized list of needed capital expenditures, provide a copy of the list to the board, and inform board when additions and or changes are made to the list.
11. Allow abuse or misuse of the Cooperative’s assets.
12. Fail to ensure that the Cooperative’s assets are not subject to theft or unaccountable/unacceptable amount of loss.
13. Fail to ensure safeguards against theft, loss or damage of property are in place.
14. Fail to deposit the Cooperative’s funds in institutions that are monitored for financial stability. (Federal Deposit Insurance Corporation coverage is not required on all accounts.)
15. Fail to ensure that all financial, organization, and membership records are backed up electronically in a timely manner via at least two backup sources, one of which must be off site.

This policy shall be monitored annually by internal report in **August**.

Approved by Board of Directors as of April 22, 2008

Amended November 19, 2008

September 21, 2009

Amended August 22, 2018

Amended August 29, 2019

**B6. Communication & Counsel to the Board**

With respect to providing information and counsel to the Board, the General Manager may not cause or allow the Board to be uninformed or misinformed.

Accordingly, s/he may not fail to:

1. Make the Board aware of relevant trends, public events of the organization or internal and external changes, which affect the assumptions upon which Board policy has previously been submitted.
2. Submit accurate and understandable monitoring data required by Board policy under MONITORING PERFORMANCE at least two days prior to scheduled meeting in which a policy report is due.
3. Gather and provide information to the Board as needed and as requested for fully informed Board decisions.
4. Inform the Board if, in the General Manager’s opinion, any of the Board’s policies should be clarified, amended, deleted or made more specific.
5. Provide the Board with sufficient administrative staff to support governance activities and Board communication.
6. Should the General Manager deem it necessary to violate Board policy, report all violations of Board policy to the Board as soon as possible, and no later than the next regularly scheduled Board meeting.
7. Inform the Board of any potential or perceived conflicts of interest.
8. Inform the board of any and all results of regulatory inspections.

This policy shall be monitored annually by internal report and direct board inspection in **May.**
**Approved by Board of Directors as of April 22, 2008**

Revised May 22, 2019

**B7. Management Succession**

The General Manager shall not operate without a plan for emergency management succession.

Accordingly, the General Manager shall not fail to:

1. Establish a “chain of command” to be used at any time the General Manager is unable to serve (planned or emergency absence).
2. Identify said persons to the Board and require the next-in-charge to attend at least one Board meeting every six months and to attend Board orientations.
3. Establish and document systems and procedures so that others can find information needed to meet the Cooperative’s obligations in a planned or emergency General Manager absence.
4. Actively prepare through training, coaching, development, and access to information at least one staff member who could be a candidate for General Manager if needed.

This policy shall be monitored annually by internal report in **May.**
**Approved by Board of Directors as of April 22, 2008**

**B8. Customer Service**

The Cooperative is committed to excellent service, fair prices and operating a fiscally sound business. As a consumer-owned business, the Cooperative is accountable to its customers, to its community and to its environment.

Therefore, the General Manager shall not fail to ensure that:

1. Every customer that comes to the Cooperative is treated respectfully and fairly.
2. Staff strives to meet customer’s expectations for quality and service.
3. The Cooperative’s Mission Statement, membership information and bylaws are posted in the store and are made available on Harmony Co-op’s web site.

This policy shall be monitored annually by internal report in **Nov-Dec.**
**Approved by Board of Directors as of April 22, 2008**

**B9. Environmental Policy**

The General Manager shall not fail to take reasonable measures to ensure that Harmony Co-op activities and practices do not unduly damage the environment.

The General Manager shall not fail to:

1. Minimize or eliminate any release of pollutants.
2. Reasonably minimize the creation of waste through reduction, reuse and recycling.
3. Ensure that all waste is disposed of through safe and responsible methods.
4. Reasonably minimize the use of non-renewable energy through improved efficiency and conservation.
5. Encourage patrons to access the store by modes of transportation that reduce fuel consumption and pollution caused by vehicles.
6. In an effort to limit environmental damage, we will work to consider how to lessen packaging and plastics within our product lines.

This policy will be monitored annually by internal report in **November.**
**Approved by Board of Directors as of April 22, 2008**

**Revised February 26, 2020**

**B10. Delegate Representation of Harmony**

The Board of Directors is responsible to assure the representation of Harmony Co-op interests in any and all organizations with which there is membership or other relationship. In general, this responsibility shall be delegated to the General Manager. The Board may designate its Chairperson or other Board member as its representative in some organizations.

With respect to delegate representation of Harmony Co-op, the General Manager shall not fail to:

* Inform the Board of pertinent issues.
* Seek Board input appropriately.

This policy will be monitored annually by internal report in **January**.

Approved by Board of Directors as of April 22, 2008

**B11. Growth & Development**

The General Manager shall not fail to be aware of, and plan for growth and development. In considering, creating and recommending any such plan, the GM may not fail to ensure and demonstrate that:

1. The growth and development helps the co-op achieve its board-stated Ends.
2. The board is aware of such plans.
3. If the growth and development includes a physical store expansion, the expansion has the support of owners and is supported by a feasible plan that:

3.A. Includes a mission statement to explain why the expansion is being proposed.

3.B. Demonstrates the financial viability of the new plan

3.C. Demonstrates an unmet need in the community that would be addressed by the expansion (using a market analysis or similar tool)

3.D. Includes a disinterested third party’s evaluation of the Plan’s assumptions and conclusions.

3.E. Demonstrates all current operations are fiscally sound, meeting the board’s stated financial condition policies, before undertaking significant expansion policies.

3.F. Reserves no less than 2% of the sales increase from the previous year into a cash reserve to be used solely for the use of expansion

4. The growth and development strengthens Harmony's vital connections to the community through partnerships and outreach. The scope of the development of partnerships and outreach includes, but is not limited to:

* + 4.A. Education about the benefits of local and organic eating, cooperative principles, and nutrition.
	+ 4.B. Support and involvement in community activities that align with our values and mission
	+ 4.C. Growing according to the community's needs whether physically through a store expansion or developing purposeful organizational partnerships that align with our values and mission to serve the common health of the community

This policy will be monitored in June.

Approved by Board of Directors as of Feb 2012.
Revised in July 2013.