

Dear Prospective Board Candidate,

Thank you for your interest in serving on the Monadnock Food Co-op (MFC) Board of Directors. We ask that you read over the enclosed information carefully before filling out the application. Please feel free to contact us with any questions that you may have; we look forward to meeting you!



The member-owners of MFC elect Board members during an election season in the fall of each year (see Bylaws). All candidates must be current member-owners in good standing. The MFC Board officially endorses candidates, which will be indicated on the ballot form. This endorsement process helps both candidates and the Board by ensuring that candidates understand the Board's work before committing to serve. To receive an endorsement from the Board of Directors you must commit to indicate that you are willing to take on these responsibilities:

Board Candidate Application Packet

- (1) Agree to fulfill the responsibilities of the board, complete enclosed checklist
- (2) Agree to meet the expectations of board members, complete enclosed checklist
- (3) Agree to abide by the Director's Code of Ethics and Code of Conduct (see page 12 of this packet), if elected to serve on the Board.
- (4) Submit your candidate application, including a picture of yourself, to the Nominations Committee
- (5) Attend at least one meeting of the board of directors
- (6) Candidates are also asked to attend the annual fall member-owner meeting, typically held in October.

Cooperatively yours,
The Nominating Committee

Co-operative Principles and Values

Co-operative Principles

Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. People serving as elected representatives are accountable to the membership. In primary co-operatives, members have equal voting rights (one member, one vote) and co-operatives at other levels are organized in a democratic manner.

Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Education, Training, and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the

general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

Co-operation Among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.

Concern for Community

While focusing on member needs, co-operatives work for the sustainable development of their communities through policies accepted by their members.

Co-operative Values

Basic co-operative values are general norms that cooperators, co-operative leaders and co-operative staff should share; the values should determine their way of thinking and acting. This list of ten values was proclaimed by the International Co-operative Alliance in 1995.

Self-help

Self-responsibility

Democracy

Equality

Equity

Solidarity

Honesty

Openness

Social Responsibility

Caring for others

Frequently Asked Questions For Prospective Candidates

What is the Board of Directors and what does it do?

The Board of Directors is the governing body for the member-owners of MFC. It is composed of nine people, all member-owners of MFC, elected by member-owners. Terms for Directors are three years to ensure no more than three terms are scheduled to expire every year.

The Board is responsible for ensuring organizational performance on behalf of all of MFC member-owners. This work includes developing clearly stated expectations through written policies; delegating responsibility for, and authority over, the achievement of stated objectives; and monitoring compliance with written policies.

The Board of MFC should be strategic and visionary with its view toward the future of our co-operative, rather than focusing solely on the short-term.

By devoting time to focus on the big-picture vision of MFC, the Board will ensure that we adequately position our organization for the maximum benefit of our member-owners, as well as anticipate trends and values which may have a critical impact on our relevance and survival.

The Board governs the organization and delegates all operational duties to one employee, the General Manager. We are involved in strategic planning, financial oversight, member-owner and community outreach.

What if my wife/husband works part time at the Co-op?

According to our bylaws, employees of the Co-op and members of any employee's household may not run for or serve on the board during such employment and for a period of two (2) years after such employment terminates.

What does the Board of Directors NOT do?

The Board of Directors does not make decisions about, become involved with, or take part in any of the day-to-day activities or decisions regarding the operation of MFC. The Board's sole official connection to the operations of the co-operative is through the General Manager.

What are the requirements for running?

Directors must be member-owners of MFC in good standing without a substantial conflict of interest resulting from an affiliation with any enterprise that is in competition with the Co-op. Once elected, Directors must sign a Statement of Agreement and publicly disclose any potential conflicts of interest. As for personal qualifications, Board experience is helpful, but not a prerequisite for Directorship. More important are: willingness to work closely and cooperatively with the other Directors; commitment to providing the time and energy necessary to accomplish the Board's objectives and fulfill the required term; the ability to learn quickly; and organizational skills.

How much time would I need to put into serving?

The Board holds one regular meeting for two hours each month, at which attendance is expected as outlined in our bylaws. Beyond the regular board meeting, the time commitment for a Director typically averages out to an additional one hour per week (3-5 hours), including preparation for regular monthly meetings as well as specially-called Board meetings, and participation on committees.

This is a sampling of the time you can expect to spend in a given month:

Meeting preparation – 1 hour

Board Meeting –2 hours

Committee work – 2 (per committee)

Total number of hours per month: 5

What compensation is there for serving?

Currently, the board receives a \$20 gift card each month. The Board President receives a \$40 gift card each month.

When will elections be held?

The annual election is in the fall and the election process is determined by the board.

OK, I've decided to run - now what?

To help the member-owners make an informed decision regarding the Directors they elect, we ask you to attend a Board Meeting and to fill out the Board Candidate Application included in this packet. **Please email your completed application back to the Nominations Committee. The answers to the essay questions, along with a photograph of yourself will be published** in the September newsletter in advance of the annual meeting and election.

It sounds like a big step!

And worthwhile! As a co-operative, MFC is only as strong as its member-ownership. The Board traditionally has been a diverse group of people with a wide range of skills who have brought the Co-op to where it is today.

Policy Governance

The MFC Board operates using the Policy Governance* model, which was developed to allow Boards to maintain accountability for organizational performance while focusing on providing visionary leadership around our 'big-picture' mission. With the recognition that delegation is a significant component of our accountability, the Board maintains written documentation of expectations for ourselves, our organization, and our General Manager--our policies are the primary vehicle for recording these expectations, and they are monitored on a regular basis.

The relevance of this methodology stems from (1) the fact that a significant volume of information is required to fulfill our fiduciary duties; (2) the need to delegate authority in order to accomplish our organizational purpose; (3) the desire to ensure that our member-owners and stakeholders are well-served by organizational accomplishments.

The Policy Governance model is designed to allow the Board to delegate with great clarity by completing three steps:

1. Expressing the expectations of the job being delegated.
2. Assigning the expectations with no ambiguity to the party who is to be held accountable for meeting them.
3. Checking that expectations were met.

We have four general categories of policies that express our expectations for ends to be achieved and the acceptable means by which to achieve them:

A -- Ends

Ends policies broadly state the desired organizational outcomes. They describe the ongoing priorities of what should be achieved and for whom. The General Manager is responsible for reporting on compliance with these policies once a year.

B -- Governance Process

The 'B' policies describe how the Board is organized and its process and products. The Board evaluates its compliance with these policies throughout the year.

C -- Governance-Management Connection

These Board-GM policies describe how the Board delegates to our sole employee, the General Manager. The Board evaluates its compliance with these policies throughout the year.

D -- Executive Limitations

The Executive Limitations delineate job expectations and acceptable constraints within which the general manager can act. The General Manager develops a written report for the Board on each of these policies on a regular basis throughout the year, and the Board evaluates whether the interpretation was reasonable, and makes conclusions about whether the GM is in compliance. If it is determined that we are not in compliance with our policies, the Board discusses the reasons for this result and establishes parameters and expectations for achieving compliance within a set time frame. The Board may require additional monitoring of the policy (on a more frequent basis) or even conclude that the policy needs to be revised.

Our approach to crafting policies is to begin with broad statements regarding allowable and prohibited behavior, and make increasingly specific policies. For example, a policy that prohibits the General Manager from violating the law provides a concise statement of expectation (and is a lot easier than trying to think of and then write down a list of all the illegal actions which could be undertaken!). A more specific policy might require that a certain level of insurance be carried to protect MFC property. We limit the level of detail in our written policies to that required for the Board to accept any reasonable interpretation. This approach allows for the maximum flexibility and creativity within clearly established boundaries, and provides a system for delegation and accountability. (It helps also to have a manageable amount of policies--it would be much more difficult to monitor 200 pages of detailed policies! Furthermore, it keeps us out of the micro-managing realm so that we can focus on the big picture questions like 'how can MFC promote the transformation of society?')

The advantages of using the Policy Governance model are:

- It enables the Board to focus on the future, and provide high-level organizational leadership rather than focusing on day-to-day operational issues. (After all, if the Board does not provide this type of leadership, who else could?)
- By deciding on the larger issues about ends and means the Board can maintain meaningful control of the

organization while allowing others to decide on smaller issues.

- The Board can delegate genuine authority to others without failing in its own accountability -- the parameters of delegated authority are clearly established by the Board, allowing for decisive leadership by others.
- Regular assessment of compliance with policy provides a systematic method for evaluating organizational performance because the Board knows what to look for.
- The Board and its subordinates (e.g. its committees, the General Manager) know what is required of them because expectations are clearly articulated. Since the design of jobs has already been decided, the Board can distinguish the proper course of action when confronted by questions without having to spend time defining the nature of governance itself.

The Board of Directors exists for the sole purpose of ensuring, on behalf of our (legal and moral) member-owners, that the organization performs as it should. We must constantly evaluate our purpose -- what change we want to occur for people and even the world outside of our organization -- and our Ends -- the accomplishments which justify our existence. This brings us to the most important question: what difference does having MFC in the world make to you?

The Policy Governance methodology was developed by John Carver as a means to structure Board process to allow for Board accountability on a meaningful level and empower the Board to lead their organizations at the highest level. The term Policy Governance is registered and protected and is often called "PoGo" by the hipsters. Carver's website address is: www.carvergovernance.com

Board Candidate Application

Any MFC member-owner is able to run for a seat on the Board of Directors. (as long as they are not an employee, do not currently have or have had within the last two years, a member of their family working as an employee) and are above 18 years of age. In order to run with the distinction of being “endorsed” by the Board, you need to fill out this application form (see page 1 for other requirements for endorsement). This application gives voters information about your background and expertise, what you can offer to the MFC Co-op, and what interests you about serving on the Board. A Nominations Committee member may call you for further information, but generally, these answers will be your way of communicating to other MFC member-owners why you should be a Board member. Feel free to contact the nominations committee if any questions arise.

Name _____
Address _____
Phone # _____
E-mail _____
Place of employment _____
Position/Title _____
Education (degree, major, etc.) _____
How many years have you lived in the Monadnock Region? _____
How many years have you been a member-owner of the MFC? _____

Please also email a photograph of yourself for publication.

Responsibilities of Board Members

*Please read carefully and thoughtfully; **check each item** to indicate that you are willing to take on these responsibilities. In general, members of a Co-op Board of Directors have the same duties as the Directors of any business. In addition, co-op Boards must act on behalf of MFC member-owners (as fiduciaries), meaning that individual Directors have to balance individual interests, business interests, and member interests when making decisions. To do this, Directors must be able to:*

- _____ Uphold fiduciary duty on behalf of MFC's member-owners
- _____ Exercise due diligence in monitoring MFC's financial condition
- _____ Abide by all items contained in the Statement of Agreement, which includes the Code of Ethics, Code of Conduct, and Conflict of Interest policy (last two pages of this packet)
- _____ Maintain confidentiality when required
- _____ Faithfully honor all legal obligations that come with Directorship, which include the:
 - _____ Duty of care (make informed decisions in good faith; act as a prudent person; use a good process for decision making; be honest; ensure adequate record keeping)
 - _____ Duty of loyalty (always act in the best interest of the co-operative; disclose and avoid conflicts of interest; engage in no self dealing; maintain confidentiality)
 - _____ Duty of Attention/Diligence (attend meetings; participate in discussions; be prepared; review materials; ask questions; know and adhere to state laws and co-op bylaws; support Board decisions and policies; honor contracts; ensure payment of all tax obligations)

Expectations of Board Members

*Please read carefully and thoughtfully; **check each item** to indicate that you are willing to meet the expectation.*

- _____ Be a member-owner in good standing and shop regularly at the Co-op.
- _____ Be willing to make a three-year commitment to serving on the board
- _____ Be prepared for meetings, including reading--carefully and thoughtfully--the agenda packet in advance of every Board meeting.
- _____ Be willing to accept the majority vote of the Board even when you may not have agreed with the decision.
- _____ Participate fully in Board meetings. Attend all monthly meetings, as well as any meetings of committees you may serve. Special projects may require more time commitment.
- _____ Actively participate in Board discussion via e-mail or phone between meetings as necessary.
- _____ Attend board training sessions, the annual retreat, and the annual member-owner meeting.
- _____ Actively participate in the annual election by spending time in the store (or other get-out-the-vote activities) to remind member-owners to vote.

Qualifications of a Board Member

Please answer the following three questions **as thoroughly as possible, while keeping your answers to 200 words or less**. Your answers will be published to members in advance of the election. We encourage you to be concise and thoughtful in each of your responses.

1. Why do you want to serve on the Board of Directors of MFC?
2. What are you passionate about? How could we see that passion in action in your day-to-day life?
3. Describe an experience where you worked on a team. What did you offer the team? How did you compromise for the team's benefit?

Optional Question:

Is there anything else you'd like to tell us? Do you have other experiences that you see as being related to the work of the Board? You may, as an alternative or addition, choose to submit a resume. A resume will also be made available to MFC member-owners.

Statement of Agreement

I. Code of Ethics

The Board of Directors of the Monadnock Food Co-operative adopts the following Code of Ethics to clarify 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, management, and employees.

To that end, we the Directors of the Monadnock Food Co-Op agree that:

- The **Board's authority** is limited to overseeing the affairs of the co-operative in a manner deemed beneficial to the co-operative as a whole. To do this, we employ a manager to be responsible for the overall and day-to-day management of the business under the direction of the Board and work with management to set the future direction of the co-op. We are also responsible for carrying out other duties as provided by the bylaws or by general or specific corporate laws.
- Each **Director's authority** is equal only to the rights and authority of any individual member-owner of the co-operative except when the Board is in formal meeting. No individual Director may take action on behalf of the co-operative alone unless explicitly delegated that authority by action of the Board, and no individual Director has any particular rights to information not made available to all Directors.
- The **authority of the manager**, as approved by the Board in the General Manager's job description, is to manage the affairs of the co-operative. The manager shall employ, supervise, and discharge all employees, agents and laborers and engage in all negotiations and discussions on behalf of the co-operative as necessary and/or directed by the Board.

- 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.
- All Directors will maintain **confidentiality** as needed to protect the co-op's interests and financial viability. This means that all Directors shall not discuss disputed or 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. 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.
- Directors **serve as representatives** of the co-operative. We shall conduct ourselves in a professional manner that fosters confidence and reflects positively on the co-op, its member-owners, and its staff. We respect the rights of others - Directors, staff and member-owners - to communicate their ideas free from interruption and without intimidation.

II. Code of Conduct

As a co-op Director, I pledge to do my best for the Monadnock Food Co-operative and will:

- Devote the time needed to fulfill the responsibilities of the position;
- Attend and actively participate in the Board's training sessions and annual planning retreat to enhance Board understanding and cohesiveness;
- Consider the business of the co-op and its member-owners to be confidential in nature;
- Disclose any personal or organizational conflict of interest that I may have and refrain from discussing or voting on any issues related to that conflict;
- Be honest, helpful, diligent, and respectful in my dealings with the co-op, with other Directors, and with the co-op's management, staff and member-owners;
- 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, even if it is not my own personal opinion;
- Present the agreed-upon view of the Board of Directors, rather than my own, when I speak for the co-op to employees, member-owners, shoppers, and the general public;
- Refrain from asking for special privileges as a Board member and from interfering with management's authority;
- Work to ensure that the co-op is controlled in a democratic fashion by its member-owners and that all elections are open, fair, and encourage the participation of all member-owners;
- Strive at all times to keep member-owners informed of the co-op's status and plans, and of the Board's work, as appropriate;
- Continually seek to learn more about the co-op and its operations and about my responsibilities as a Board member by pursuing educational opportunities.

III. Conflict of Interest

I affirm that, to the best of my knowledge, neither I, nor any of my affiliates (hereinafter defined) have any financial or other personal interest, direct or indirect, that is incompatible with the proper discharge of my fiduciary duties as a member of the Board of Directors of MFC or would tend to impair my independence, judgment or action in performance of my duties as Director, except as described below. I further affirm that, to the best of my knowledge, neither I nor any of my affiliates is an officer or managing agent of any municipal, state, federal, or private granting or contracting entity that provides or receives funds or other benefits to or from MFC, except as described below. As used herein, I understand the term "affiliate" to mean any relative, business or professional partner or associate, or other person or entity (including without limitation any corporation or partnership in which I have a personal or financial interest) with whom I have any significant relationship.

Conflict Disclosure:

(Continue on other side if needed)

If elected as a Co-op Director, I agree to abide by this Statement of Agreement. I agree that if, in the opinion of the majority of Co-op Directors, I have violated the letter or spirit of this agreement that I shall resign my position on the Board immediately.

Printed Name of Co-op Director

Signature of Co-op Director Applicant Date