

Policy Type: Executive Limitations
Policy Title: D – Global Executive Constraint
Last Revised: February 25th, 2020

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

This policy shall be monitored annually in December.

Policy Type: Executive Limitations
Policy Title: D1 – Financial Condition and Activities
Last revised: February 25th, 2020

D.1 With respect to the actual, ongoing financial conditions and activities, the General Manager (GM) shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.

The GM will not:

- D.1.1 Allow sales to decline or be stagnant.
- D.1.2 Allow operations to generate an inadequate net income.
- D.1.3 Allow liquidity, or the ability to meet cash needs in a timely and efficient fashion, to be insufficient.
- D.1.4 Allow solvency, or the relationship of debt to Owners' equity, to be insufficient.
- D.1.5 Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
- D.1.6 Acquire, encumber or dispose of real estate.
- D.1.7 Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- D.1.8 Allow late payment of contracts, payroll, loans or other financial obligations.
- D.1.9 Use restricted funds for any purpose other than that required by the restriction.
- D.1.10 Allow financial record keeping systems to be inadequate or out of conformity with GAAP.
- D.1.11 Allow growth in ownership and owner paid-in equity to be insufficient.
- D.1.12 Default on any terms that are a part of the Cooperative's loans.

Full Report shall be monitored quarterly 30 days after the end of each quarter January, April, July, and October.

Policy Type: Executive Limitations
Policy Title: D2 – Business Planning and Financial Budgeting
Last revised: February 25th, 2020

D.2 The General Manager (GM) shall not cause or allow business planning and budgeting for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board’s Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.

The GM will not cause or allow plans that:

- D.2.1 Risk incurring those situations or conditions described as unacceptable in the Board Policy D.1 “Financial Condition and Activities.”
- D.2.2 Omit credible projection of revenues and expenses, Owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- D.2.3 Do not address excellence in business systems and operations.
- D.2.4 Have not been tested for feasibility.
- D.2.5 Provide less for Board prerogatives during the year than is set forth in Policy B.8 “Governance Investment.”

This policy shall be monitored annually in July.

Policy Type: Executive Limitations
Policy Title: D3 – Asset Protection
Last revised: February 25th, 2020

D.3 The General Manager (GM) shall not allow assets to be unprotected, unreasonably risked, or inadequately maintained.

The GM will not allow:

- D.3.1 Equipment and facilities to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
- D.3.2 Unnecessary exposure to liability or lack of insurance protection from claims of liability.
- D.3.3 Inadequate security of premises and property.
- D.3.4 Data, intellectual property, or files to be unprotected from loss, theft or significant damage.
 - D.3.4.1 Improper usage of Owners' and customers' personal information.
- D.3.5 Uncontrolled purchasing or purchasing subject to conflicts of interest.
- D.3.6 Lack of due diligence in contracts.
- D.3.7 Damage to the Co-op's public image.
- D.3.8 Allow deposits or investments to be unreasonably risked.

This policy shall be monitored annually in February.

Policy Type: Executive Limitations
Policy Title: D4 – Ownership Rights and Responsibilities
Last Revised: February 25th, 2020

D.4 The General Manager (GM) will not allow Owners to be uninformed or misinformed of their rights and responsibilities.

The GM will not:

- D.4.1 Create or implement a Owner equity system without the following qualities:
 - D.4.1.1 The required Owner equity, or fair share, is determined by the Board.
 - D.4.1.2 Owners are informed that equity investments are at risk. While they are generally refundable, the Board retains the right to withhold refunds when necessary to protect the Co-op's financial viability.
 - D.4.1.3 Equity will not be refunded if such a refund would risk, cause or exacerbate non-compliance with any Financial Condition policy.
- D.4.2 Implement a patronage dividend system that does not
 - D.4.2.1 Comply with IRS regulations.
 - D.4.2.2 Allow the Board to examine a range of options and implications, and make a timely determination each year concerning how much, if any, of the Co-op's net profit will be allocated and distributed to Owners.
- D.4.3 Operate without a policy that:
 - D.4.3.1 Provides owners with prompt and reasonable access to Co-op information.
 - D.4.3.2 Includes a transparent process for Owner submittal, and Co-op response or denial, of requests for information.
 - D.4.3.3 Identifies the types of confidential or competitive information unavailable to Owners.

This policy shall be monitored annually in October.

Policy Type: Executive Limitations
Policy Title: D5 – Treatment of Consumers
Last Revised: February 25th, 2020

D.5 The General Manager will not be unresponsive to customer needs.

The GM will not:

- D.5.1 Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
- D.5.2 Operate without a system for communicating relevant information about store operations to customers.
- D.5.3 Allow an unsafe shopping experience for customers.

This policy shall be monitored annually in September.

Policy Type: Executive Limitations
Policy Title: D6 - Staff Treatment and Compensation
Last revised: September 28th, 2021

D.6 The General Manager (GM) will not treat staff in any way that is unfair, unsafe, or unclear.

The GM will not:

- D.6.1 Operate without written personnel policies that:
 - D.6.1.1 Clarify rules for staff.
 - D.6.1.2 Provides processes for fair, thorough, and non-retaliatory handling of grievances and whistleblower complaints in a way that, except as provided in D.1.6.3 does not include the board as a participant in the process.
 - D.6.1.3 Provide specialized processes involving the board, for significant grievances and complaints involving the GM, that are fair, thorough, and non-retaliatory.
 - D.6.1.4 Are accessible to all employees.
 - D.6.1.5 Inform staff that employment is neither permanent nor guaranteed.
- D.6.2 Cause or allow personnel policies to be inconsistently applied.
- D.6.3 Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
- D.6.4 Establish compensation and benefits that are internally or externally inequitable; or that are inconsistent with a living wage model that is based on a standard of living in the community in which Wheatsville is located.
- D.6.5 Change the GM's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

This policy shall be monitored annually in June.

Policy Type: Executive Limitations
Policy Title: D7 – Communication to the Board
Last Revised: February 25th, 2020

D.7 The General Manager (GM) shall not cause or allow the Board to be uninformed or unsupported in its work.

The GM will not

- D.7.1 Submit monitoring reports that are untimely, inaccurate, or hard to understand, or lack operation definitions and verifiable data directly related to each section of the policy.
- D.7.2 Fail to report actual or anticipated noncompliance with any Board policy in a timely manner, along with a plan for reaching compliance and a proposed schedule regarding follow-up reporting.
- D.7.3 Allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or internal and external changes.
- D.7.4 Withhold his/her opinion if the GM believes the Board is not in compliance with its own policies on Board Process and Governance-Management Connection, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the GM.
- D.7.5 Deal with the Board in a way that favors or privileges certain Board Members over others except when responding to individuals or groups duly charged by the Board.
- D.7.6 Fail to supply for the Board's consent agenda all decisions delegated to the GM yet required by law, regulation, or contract to be Board-approved.

This policy shall be monitored annually in November.

Policy Type: Executive Limitations
Policy Title: D8 –Board Logistical Support
Last Revised: February 25th, 2020

D.8 The General Manager (GM) will not allow the Board to have inadequate logistical support.

The GM will not:

- D.8.1 Provide the Board with insufficient staff administration to support governance activities and Board communication.
- D.8.2 Allow the Board to be without a workable mechanism for official Board, officer or committee communications.
- D.8.3 Allow Board Members to be without an updated copy of the Policy Register and the Bylaws.
- D.8.4 Provide inadequate information and notice to Owners concerning Board actions, meetings, activities and events.
- D.8.5 Allow insufficient archiving of board documents.

This policy shall be monitored annually in April.

Policy Type: Executive Limitations
Policy Title: D9 – Emergency GM Succession
Last revised: February 25th, 2020

D.9 To protect the Board from sudden loss of General Manager (GM) services, the GM shall not have less than one other manager sufficiently familiar with Board and GM issues and processes to enable her/him to take over with reasonable proficiency as an interim successor.

This policy shall be monitored annually in May.