

Belfast
Cooperative, Inc.
POLICY REGISTER

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Revisions:

September 25, 2014 – revised C8.3; changed “Belfast Cooperative Store” to “Belfast Cooperative, Inc.” and “BCS” to “BCI” throughout.

January 22, 2015 – Added B7.8; revised C5.2 and C5.5

April 23, 2015 – Considered draft of A – Global Ends and CI

June 25, 2015 – approved version of A – Global Ends

October 29, 2015 – approved revised C4 – Meetings

December 17, 2015 – approved revised B7.6

April 28, 2016 – approved revised C3.3

June 30, 2016 – approved revised C5.3b

September 1, 2016 – approved addition C7.4

September 1, 2016 – approved revised C2 – The Board’s Role

January 25, 2018 – approved revised B1 – Financial Condition and Activities

January 25, 2018 – approved addition C8.5

March 22, 2018 – approved addition of C8.3

March 22, 2018 – approved revised A – Global Ends

August 23, 2018 – approved addition of B6.2

November 29, 2018 – approved revised C4.1

January 24, 2019 – approved revised C4.5

April 25, 2019 – approved revised B1.13

August 22, 2019 – approved revised C7.1

October 24, 2019 – approved revised C8.2a

July 23, 2020 – approved revised C1

September 24, 2020 – approved revised C8.4

December 17, 2020 – approved revised C5.7

January 28, 2021 – approved revised D1.1

March 25, 2021 – approved gender inclusive language in policies: B6.4; B7.4; B9; C5.1; C5.2b; C6.4; & D4.3

July 29, 2021 – approved revised C3.2 & revised C6

May 19, 2022 – approved revised C5.2b & revised C5.5

June 16, 2022 – approved revised C5.2d, revised D4.2, & revised D4.3

October 26, 2022 – approved addition C8.6

April 24, 2024 – approved revised C3.1

June 26, 2024 – approved revised D3.2

August 28, 2024 - approved revised C7.5:C7.6

October 23, 2024 – approved addition B1.14 & B1.15

November 20, 2024 – approved revised A, C2.9, & C4.5

December 18, 2025 – approved revised B2

February 26, 2025 – approved revised Global D

May 28, 2025 – approved revised Global A.3

June 25, 2025 – approved revised A & B3, add policy B10

July 23, 2025 – approved revised B2 section 2.3

Policy Type: Ends

Policy Title: A – Global Ends

Last Revised: **Board Meeting: June 25, 2025**

Member-owners have made it the mission of the Belfast Community Co-op to ensure that our community benefits from:

1. A thriving, just, and sustainable local food economy.
2. A source of healthy, nutritious, affordable food, and water.
3. An environmentally responsible, efficiently managed, financially sound, democratically governed, inclusive cooperative enterprise.
4. A greater understanding of health, food systems, cooperatives, and economic and environmental sustainability.
5. An invested, engaged, and empowered staff that thrive in a safe, respectful, inclusive, and equitable workplace.

Policy Type: Executive Limitations

Policy Title: B – Global Executive Constraint

Last Revised: **BCI Retreat: April 27, 2014**

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

Policy Type: Executive Limitations

Policy Title: BI – Financial Condition and Activities

Last revised: **Board Meeting: October 23, 2024**

With respect to the actual, ongoing financial conditions and activities, the General Management must not cause or allow the development of fiscal jeopardy, or key operational indicators to be below the median for our industry or to be unprepared for future opportunities.

The GM must not:

1. Allow sales growth to be inadequate to meet organizational goals.
2. Allow operations to generate an inadequate net income.
3. Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. Allow solvency (the relationship of debt to equity) to be insufficient.
5. Allow growth in ownership and owner equity to be insufficient.
6. Default on any terms that are part of the Co-op's loans.
7. Allow late payment of contracts, payroll, loans or other financial obligations.
8. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
9. Acquire, encumber or dispose of real estate.
10. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
11. Use restricted funds for any purpose other than that required by the restriction.
12. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).
13. Fail to meet at least quarterly with the Treasurer to review the status of the budget for the Board of Directors to review the General Manager's credit card statements.
14. Fail to respond in a timely manner to a reasonable request from the Treasurer for financial information or data.
15. Fail to have the Co-op's financial accounts reviewed at the end of each fiscal year (with an audit performed every three years) by an accounting firm approved by the Board, with the resulting report shared in a timely manner with the Board.

Policy Type: Executive Limitations

Policy Title: B2 – Business Planning and Financial Budgeting

Last revised: **Board Meeting: July 23, 2025**

The General Manager must produce a written business plan each year prior to the start of the fiscal year. Each year's plan must:

1. Be developed in consultation and cooperation with the Board;
2. Include description of specific activities and efforts to be undertaken in the coming fiscal year toward effecting Ends established in Policy A;
3. Include summary of a budget that provides sufficient financial support for undertaking the activities and efforts contained in the plan;
4. Not deviate significantly from the Board's Ends priorities;
5. Not risk financial jeopardy;
6. Be derived from a multiyear plan.

The General Manager must provide reasonable advance notice and discussion with the Board prior to undertaking:

1. Any major deviation from the plan;
2. Any major new effort or major change in Operations not included in the plan; or
3. Any major expenditure or contract not included in the budget adopted as part of the plan.

The General Manager must not:

1. Create plans or budgets that
 - a. Risk incurring those situations or conditions described as unacceptable in Board Policy BI "Financial Condition and Activities."
 - b. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
 - c. Have not been tested for feasibility.
 - d. Ignore the triple bottom line (people, planet, profit).
 - e. Provide less for Board expenses during the year than is set forth in the board budget.

Policy Type: Executive Limitations

Policy Title: B3 – Asset Protection

Last revised: **Board Meeting: June 25, 2025**

The General Management must not allow assets to be unprotected, unreasonably risked, or inadequately maintained.

The GM must not:

1. Allow 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.
2. Allow unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Allow deposits or investments to be unreasonably risked.
4. Allow inadequate security of premises and property.
5. Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
 - a. Allow improper usage of members' and customers' personal information.
6. Allow purchasing that is uncontrolled or subject to conflicts of interest.
7. Allow lack of due diligence in contracts.
8. Allow damage to the Co-op's public image.
9. Operate without documented emergency preparedness and business continuity plans that address environmental and climate-related disruptions.

Policy Type: Executive Limitations

Policy Title: B4 – Membership Rights and Responsibilities

Last Revised: **BCI Retreat: April 27, 2014**

The General Management must not allow members to be uninformed or misinformed of their rights and responsibilities.

The GM must not:

- I. Create or implement a member equity system without the following qualities:
 - a. The required member equity and annual membership fee are determined by the Board.
 - b. Members are informed that equity investments are a) at risk, and b) generally refundable, though the Board retains the right to withhold refunds when necessary to protect the Co-op's financial viability.
 - c. Equity will not be refunded if such refunds would lead to a net decrease in total member paid-in equity, and would risk, cause or exacerbate non-compliance with any Financial Condition policy.
2. Implement a patronage dividend system that does not
 - a. Comply with IRS and State regulations.
 - b. Allow the Board to examine a range of options and implications, so the Board can make a timely determination each year concerning how much, if any, of the Co-op's net profit will be allocated and distributed to members.

Policy Type: Executive Limitations
Policy Title: B5 – Treatment of Customers
Last Revised: **BCI Retreat: April 27, 2014**

The General Management must not be unresponsive to customer needs.

The GM must not:

1. Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
2. Allow an unsafe shopping experience for our customers.

Policy Type: Executive Limitations
Policy Title: B6 – Staff Treatment and Compensation
Last revised: **Board Meeting: March 25, 2021**

The General Management must not treat staff in any way that is unfair, unsafe, or unclear.

The GM must:

1. Operate with written personnel policies that:
 - a. Clarify rules for staff.
 - b. Provide for fair and thorough handling of grievances in a way that does not include the board as a participant in the grievance process.
 - c. Are accessible to all staff.
 - d. Inform staff that employment is neither permanent nor guaranteed.
2. Report on annual staff turnover statistics.

The GM must not:

1. Cause or allow personnel policies to be inconsistently applied.
2. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.
3. Establish compensation and benefits that are internally or externally inequitable, or fail to make reasonable progress towards a living wage standard.
4. Change the GM's own compensation and benefits, except as their benefits are consistent with a package for all other employees.

Policy Type: Executive Limitations

Policy Title: B7 – Communication to the Board

Last Revised: **Board Meeting: March 25, 2021**

The General Management must not cause or allow the Board to be uninformed or unsupported in its work.

The GM must not

1. Submit monitoring reports that are untimely or inaccurate, or that lack operational definitions and related verifiable data.
2. Report in an untimely manner any actual or anticipated noncompliance with any Board policy, along with a plan for reaching compliance and a proposed schedule regarding follow-up reporting.
3. Allow the Board to be unaware of legal actions, media coverage, trends, public events relevant to the Cooperative.
4. Withhold their opinion if the GM believes the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board, the GM and staff.
5. Deal with the Board in a way that favors or privileges certain directors over others except when responding to officers or committees duly charged by the Board.
6. Fail to supply for the Board's monthly meeting agenda all decisions delegated to the GM yet required by law, regulation, or contract to be Board-approved.
7. Fail to inform the Board of any significant customer concerns or issues and actions taken by the GM to address them.
8. Fail to provide to the Board monthly general operational reports.

Policy Type: Executive Limitations
Policy Title: B8 – Board Logistical Support
Last Revised: **BCI Retreat: April 27, 2014**

The General Management must not allow the Board to have inadequate logistical support.

The GM must not:

1. Provide the Board with insufficient staff administration to support governance activities and Board communication.
2. Allow the board to be without a workable mechanism for official board, officer or committee communications.
3. Allow directors to be without an updated copy of the Policy Register, the Bylaws and the Board Handbook.
4. Provide inadequate communication to members concerning Board actions, meetings, activities and events.
5. Allow insufficient archiving of board documents.

Policy Type: Executive Limitations

Policy Title: B9 – Emergency General Management Succession

Last revised: **Board Meeting: March 25, 2021**

To protect the Cooperative from sudden loss of General Management services, the GM must not have less than one other manager sufficiently familiar with Board and GM issues and processes to enable them to take over with reasonable proficiency as an interim successor.

Policy Type: Executive Limitations

Policy Title: B10 – Environmental Impact

Last Revised: **Board Meeting: June 25, 2025**

The GM shall not allow organizational operations that create unreasonable environmental harm.

The GM must not:

1. Fail to establish and monitor measurable targets for minimizing carbon emissions, waste generation, and resource consumption.
2. Allow purchasing or operational practices that ignore available environmentally preferable alternatives when cost and quality are reasonably comparable.
3. Fail to provide customers with adequate information to make informed environmental choices about products and services.
4. Fail to report regularly to the board on environmental performance against established targets.

Policy Type: Board Process

Policy Title: C – Global Governance Commitment

Last Revised: **BCI Retreat: April 27, 2014**

Acting on behalf of our owners, the Board ensures the success of the cooperative by working together effectively, empowering and holding accountable professional management, providing strategic leadership for our cooperative, and perpetuating and enhancing our democratic organization.

Policy Type: Board Process

Policy Title: CI – Governing Style

Last Revised: **Board Meeting: July 23, 2020**

We will govern in a manner consistent with the Four Pillars of Cooperative Governance (Teaming, Accountable Empowerment, Strategic Leadership, Democracy) and observe the 10 Policy Governance principles (Ends Policies, Ownership, Board Process Policies, Board Holism, Board-Management Relationship Policies, Governance Position, Limitations Policies, Policies/Decisions Come in Sizes, Any Reasonable Interpretation, Monitoring)¹. In order to do this, we will:

1. Be a strategic leader by focusing our vision locally, globally, and toward the future.
2. Ensure effective systems of delegating authority to professional management, holding the use of that power accountable, and clearly distinguishing between board and management responsibilities.
3. Maintain team integrity through honesty, truthfulness, and a strong moral consistency and accountability by assuming responsibility for our actions, decisions, and policies).
4. Use modified consensus decision-making.
5. Practice the habits of a successful democracy by being fair in all dealings, open to differing viewpoints and opinions, and by using various sources of information in our decision making.
6. Obey all relevant laws and bylaws.

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For further explanation of the 10 Policy Governance Principles see “POLICY GOVERNANCE® SOURCE DOCUMENT” in the appendix

Policy Type: Board Process

Policy Title: C2 – The Board's Role

Last Revised: **Board Meeting: November 20, 2024**

In order to govern successfully, we will:

1. Practice, protect, promote and perpetuate a healthy democracy for our Cooperative.
2. Hire, compensate, delegate responsibility to, and hold accountable General Management.
3. Use a strategic process to establish the value of GM compensation, and complete this process in a timely manner.
4. Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles within the Board and GM.
5. Rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship.
6. Perpetuate the Board's leadership capacity using ongoing education and training.
7. Recruit qualified candidates using a nomination process and fair elections.
8. Actively encourage communications between member-owners and the Board, and facilitate member-owner engagement with our Cooperative.
9. Respond promptly to complaints, issues, suggestions, or concerns presented by member-owners to the Board by letter, email, or orally at a Board meeting, provided the member-owner has requested a response and given information as to where the response should be directed. If the complaint, issue, suggestion, or concern is about matters under the authority of the GM, the member-owner's concern will be referred to the GM for response. Responses regarding other matters will be made by the Board President, who may involve other Board members or the full Board in determining an appropriate response. All responses by either the President or the GM will be shared informally with the Board.
10. Perform other duties as required by the bylaws or because of limitations on GM authority.

Policy Type: Board Process

Policy Title: C3 – Agenda Planning

Last Revised: **Board Meeting: April 24, 2024**

We will incorporate strategic work, good board development practices, and active policy review and monitoring into an annual agenda for Board action and activities..

1. We will create, and modify as necessary, an annual calendar that includes but is not limited to tasks and events related to: our annual agenda, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions
2. Board meeting agendas will be determined by the Officers and may be modified at the meeting by a decision of the Board.
3. We may use a consent agenda for approval of items not requiring discussion at the board meeting.

Policy Type: Board Process

Policy Title: C4 – Board Meetings

Last Revised: **Board Meeting: November 20, 2024**

Board meetings are for the task of getting the Board's job done.

1. We will use Board meeting time only for work that is the whole Board's responsibility. We will minimize committee issues, operational matters, personal concerns and other topics that are not the highest and best use of our time.
2. Meetings will be open to the membership except when executive session is officially called.
3. We may occasionally use executive session to deal with confidential matters, as long as the purpose of the session is stated. When possible, announcement of the executive session should be on the published agenda.
4. We will seek consensus through discussion. We will then finalize and document decisions through the use of the modified consensus process.
5. The Board Secretary will compile minutes (with help from the scribe as needed) and submit Draft Minutes for Approval in time to be included in both the Preliminary and Final Board Meeting Packets distributed to Board Members prior to the next monthly meeting.

Policy Type: Board Process

Policy Title: C5 – Directors’ Code of Conduct

Last Revised: **Board Meeting: June 16, 2022**

We each commit ourselves to ethical, professional and lawful conduct.

1. Every director is responsible at all times for acting in good faith, in a manner which they reasonably believe to be in the best interests of the Cooperative, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
2. As fiduciaries, the directors may not put themselves in a position where their interests and duties conflict with the duties and accountability that they must demonstrate to the interests of the Co-op’s member/owners.
 - a. There will be no self-dealing or any conduct of private business or personal services between any director and the Cooperative except as procedurally controlled to assure openness, competitive opportunity and equal access to “inside” information.
 - b. At a new director’s first board meeting, they will complete the “Code of Conduct” form, and will disclose to the whole board the potential conflicts. Any subsequent potential conflicts will be reported to the whole board immediately.
 - c. When the Board is to decide on an issue about which a director has an unavoidable conflict of interest, that director shall abstain from the conversation and the vote.
 - d. Any director who is also a paid employee has the same duties and responsibilities as any other director, and has the additional duty of clearly segregating staff and Board responsibilities. If any director who is also an employee leaves their paid position at the Co-op, the remaining directors will make an independent determination regarding the individual’s continued service on the board.
3. Directors may not attempt to exercise individual authority over the organization.
 - a. When interacting with the GM or employees, directors must carefully and openly recognize their lack of authority.
 - b. When interacting with the public, the press, or other entities, directors must recognize the same limitation and the inability of any director to speak for the Board except to repeat explicitly stated Board decisions. If a Board member is stating a personal opinion that is contrary to a decision of the Board they must state clearly that what they are saying is a personal opinion, making sure their listener understands the distinction.

4. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
5. Directors will prepare for, attend, and participate fully in all Board meetings and trainings. It is the director's responsibility to communicate to the Board if they are unable to do so.
6. Directors will support the legitimacy and authority of the Board's decision on any matter, irrespective of the director's personal position on the issue.
7. Any director who does not follow the code of conduct policy can be removed from the Board by a decision of 2/3 of the remaining Board.

Policy Type: Board Process

Policy Title: C6 – Officers’ Roles

Last Revised: **Board Meeting: July 29, 2021**

We will elect officers in order to help us accomplish our job.

1. No officer has any authority to supervise or direct the GM, except under explicit delegation by the Board.
2. Officers may delegate their authority but remain accountable for its use.
3. The president ensures the Board acts consistently with Board policies.
 - a. The president is authorized to use any reasonable interpretation of the provisions in the Board Process and Board-Management Relationship policies.
 - b. The president plans for leadership (officer) perpetuation.
 - c. The president may represent the Board to outside parties.
4. The vice-president will perform the duties of the president in the president’s absence.
5. The treasurer, in conjunction with the Finance Committee, will lead the Board’s process for creating and monitoring the Board’s (not the Co-op’s) budget.
6. In addition, the treasurer, in conjunction with the Finance Committee, will facilitate the Board’s understanding of the financial condition of the Cooperative.
7. The secretary will make sure the Board’s documents are accurate, up to date, and appropriately maintained.

Policy Type: Board Process

Policy Title: C7 – Board Committee Principles

Last Revised: **Board Meeting: August 28, 2024**

We will use Board committees only to help us accomplish the work of the board.

1. Committees will reinforce and support Board holism by researching alternatives and bringing back information and recommendations.
2. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.
3. The Board will establish, through written committee charters, committee expectations and authority to make sure they do not conflict with authority delegated to the GM.
4. All committee membership shall be subject to the advice and consent of the full Board.
5. An ad hoc committee appointed for a specific purpose will exist only until the work described in its charter is either completed or no longer necessary. Board authorization for an ad hoc committee shall be for no longer than one year, which may be renewed by further action of the Board.
6. Each committee shall provide regular reports to the Board about its work and report on an annual self-evaluation about its effectiveness and accomplishments.

Policy Type: Board Process

Policy Title: C8 – Governance Investment

Last Revised: **Board Meeting: October 26, 2022**

We will invest in the Board's governance capacity.

1. We will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
2. We will incur governance costs prudently.
 - a. We will use training and retraining to orient new directors and board candidates, as well as to maintain and increase existing directors' skills and understanding.
 - b. We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
 - c. We will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
 - d. We will use professional and administrative support.
3. We will submit reasonable expenses incurred in the execution of Board duties.
4. We will present the Board's annual budget no later than one month before the Co-op's annual budget.
5. The Treasurer will meet at least quarterly with the General Manager to review the status of the budget for the Board of Directors and will report any significant issues at the next subsequent regular Board meeting.
6. Existing directors will receive a small, monthly stipend in recognition of their service.

Policy Type: Board-Management Relationship
Policy Title: D – Global Board-Management Connection
Last Revised: **Board Meeting: February 26, 2025**

The Board's official connection to the operations of the cooperative will be through the General Manager.

Policy Type: Board-Management Relationship

Policy Title: DI – Unity of Control

Last Revised: **Board Meeting: January 28, 2021**

Only modified consensus decisions of the Board are binding on the GM.

1. Decisions or instructions of individual directors, officers, or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power, or when committees are carrying out their work using approved procedures, such as the Operational Request Form.
2. In the case of directors or committees requesting information or assistance without Board authorization, the GM can refuse any requests that, in the GM's opinion, may disrupt operations or that require too much staff time or resources.

Policy Type: Board-Management Relationship

Policy Title: D2 – Accountability of the GM

Last Revised: **BCI Retreat: April 27, 2014**

The General Management is the Board's link to operational achievement and conduct.

1. Organizational performance reflects GM performance. Accomplishment of Ends and operation within Executive Limitations will be viewed as successful GM performance.
2. The Board will not instruct or evaluate any employee other than the GM.

Policy Type: Board-Management Relationship

Policy Title: D3 – Delegation to the GM

Last Revised: **BCI Retreat: June 26, 2024**

The Board delegates authority to the GM through written Ends and Executive Limitations policies.

1. As long as the GM uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the GM is authorized to establish operational policies, practices and plans for the cooperative.
2. The Board will respect and accept the GM's choices as long as those choices are based on reasonable interpretations of Board policies. The Board is the final arbiter of reasonableness but will always judge with a "reasonable person" test rather than with interpretations favored by individual directors.
3. If the Board changes an Ends or Executive Limitations policy, the change only applies in the future.

Policy Type: Board-Management Relationship

Policy Title: D4 – Monitoring GM Performance

Last Revised: **Board Meeting: June 16, 2022**

The Board will systematically and rigorously monitor and evaluate the GM's job performance compared to expectations set forth in Board policies.

1. The Board will acquire monitoring information by one or more of three methods: (a) by internal report, in which the GM discloses policy interpretations and compliance information to the Board; (b) by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or (c) by direct Board inspection, in which a designated director or committee assesses compliance with the policy.
2. In every case, the Board's standard for compliance will be any reasonable GM interpretation (as described by operational definitions and metrics) of the Board policy being monitored. The Board is the final arbiter of reasonableness but will always judge with a "reasonable person" test rather than with interpretations favored by individual directors.
3. The Board will accept that the GM is compliant with a policy if the GM presents a reasonable interpretation and adequate data that demonstrate accomplishment of that interpretation.
4. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.
5. The Board's annual evaluation of the General Management, based on a summary of monitoring reports received from January 1 through December 31, will be completed by February 28. The Board will make its decisions concerning the evaluation no later than March 31.

APPENDICES

BOARD PROCEDURES

Procedure Title: C2.7 – Creation and Use of Board Nominating Committee

Related Policy: C2 – The Board's Role

Last Revised: Board Meeting – May 28, 2025

1. To maintain the effectiveness of the Board by recruiting highly qualified candidates for each annual Board election, the Board will create and annually activate a Board Member Nominating Committee.
2. The Nominating Committee will be a subcommittee of the Board Development Committee.
3. In addition to Board Development Committee members and other interested Board members, the Nominating Committee will include select Co-op member-owners who know the community and the Co-op well.

Procedure Title: C2.7.1 – Annual Nomination Panel for New Board Members

Related Policy: C2 – The Board's Role

Last Revised: Board Meeting – July 23, 2025

1. This procedure describes how the Board Development Committee (BDC) will fulfill its responsibilities under the BDC charter, which charges the BDC with the “perpetuation of the board,” and “to recruit new board members year-round.”
2. Six months before a board election, the Board Development Committee (BDC) will create a Nomination Panel. The BDC will select one of its members to serve as the chair of the Panel.
3. The Panel is responsible to advertise the upcoming board election; encourage owners to run for election; and most importantly identify good candidates and directly solicit their participation.
4. The Panel will be composed of all the members of the BDC. The BDC will announce the creation of the Panel one month prior to its initiation, and will extend an invitation to all owners to apply for membership. All owners will be eligible to join the Panel, as long as they are in good standing (up-to-date on annual equity payments). Members of the management team of the Co-op (the General Manager and those reporting directly to the GM) are not eligible. The BDC will choose among applicants to ensure a diversity of representation, including new and seasoned owners and owners who are or have been workers at the Co-op.
5. At its first meeting each year, the Panel will create minimum requirements for candidates, and a timeline for completing them. This could include, for example: attending a set number of board meetings; meeting individually with the Board officers; meeting with the General Manager of the Co-op; sitting for an interview with the Panel; completing an application, etc. These requirements will be approved by the full Board made clear to the Board as well as to all people wishing to be a candidate.

6. The Panel will serve as the primary point of contact for candidates.
 7. The Panel can set its own meeting schedule. Progress of the Panel will be reported to the full board via the BDC.
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Procedure Title: C3.2 – Means for Board Members to Place a Matter on the Board Agenda
Related Policy: C3.2 – Agenda Planning
Last Revised: Board Meeting – June 25, 2025

1. Any Board member may present an idea for Board discussion to a committee or to the Board President (who may refer the idea to a committee for review).
 2. Either a committee or the Board President may refer the matter to the Board Executive Committee for possible placement on a Board meeting agenda.
 3. If the Board member feels the matter is of sufficient importance for immediate discussion by the Board, despite not having been placed on the regular agenda, the Board member may ask that the topic be added to the Board agenda during the Agenda Review part of the Board meeting. In such a situation, it is expected that the Board President will have been alerted to the Board member's intent before the start of the Board meeting.
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Procedure Title: C8.2.d – Annual Evaluation of Columinate Services
Related Policy: C8.2d – Board Logistical Support
Last Revised: Board Meeting – June 25, 2025

Each year (typically in September), prior to Board consideration of the Columinate Services annual contract, the Board Development Committee will assist the Board in evaluating Columinate's prior year services to the Co-op.

To help inform this process the Committee will ask each Board member to rate Columinate's services in each of the following categories on a scale of 1 to 5, where 1 = Excellent and 5 = Poor. Board members may also mark a response of n/a, where they do not have a basis for a rating.

Board members will be asked to:

- List the Columinate trainings they attended and rate the quality of training and how much they got out of it.
- Rate online Columinate written materials on value of contributions to the effectiveness of the Board.
- Rate the Columinate consultant on value of contribution to the annual retreat.
- Rate the Columinate consultant on value of other contributions to the effectiveness of the Board.

Board officers will also be asked to rate the value of contributions of the Columinate consultant to resolution of difficult governance questions and issues that come up over the year.

CODE OF CONDUCT

As a co-op director, I commit myself to ethical, professional and lawful conduct.

1. Every director is responsible at all times for acting in good faith, in a manner which they reasonably believe to be in the best interests of the Cooperative, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
2. As fiduciaries, the directors may not put themselves in a position where their interests and duties conflict with the duties and accountability that they must demonstrate to the interests of the Co-op's member/owners.
 - a. There will be no self-dealing or any conduct of private business or personal services between any director and the Cooperative except as procedurally controlled to assure openness, competitive opportunity and equal access to "inside" information.
 - b. At a new director's first board meeting, they will complete the "Code of Conduct" form, and will disclose to the whole Board the potential conflicts. Any subsequent potential conflicts will be reported to the whole Board immediately.
 - c. When the Board is to decide on an issue about which a director has an unavoidable conflict of interest, that director shall abstain from the conversation and the vote.
 - d. Any director who is also a paid employee has the same duties and responsibilities as any other director, and has the additional duty of clearly segregating staff and Board responsibilities. If any director who is also an employee leaves their paid position at the Co-op, the remaining directors will make an independent determination regarding the individual's continued service on the Board.
3. Directors may not attempt to exercise individual authority over the organization.
 - a. When interacting with the GM or employees, directors must carefully and openly recognize their lack of authority.
 - b. When interacting with the public, the press, or other entities, directors must recognize the same limitation and the inability of any director to speak for the Board except to repeat explicitly stated Board decisions.
4. Directors will respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
5. Directors will prepare for, attend, and participate fully in all Board meetings and trainings. It is the director's responsibility to communicate to the Board if they are unable to do so.
6. Directors will support the legitimacy and authority of the Board's decision on any matter, irrespective of the director's personal position on the issue.
7. Any director who does not follow the code of conduct policy can be removed from the Board by a decision of 2/3 of the remaining Board.

By signing this document, I acknowledge that I have read and understand it, and I am signing voluntarily.

Signature of Belfast Co-op director

Date

Printed Name

Adapted from Policy C5 – Directors' Code of Conduct: 06/22

Belfast Community Co-op Executive Committee Charter

Charge

The Executive Committee is responsible for ensuring effective operation of the Board of Directors through organization of agendas for Board meetings (regular, special, and annual) and coordination of other Board activities. The Committee may also discuss and provide recommendations to the Board on matters not readily assignable to review by other Board Committees.

Membership

The Executive Committee membership is composed of the Board officers, defined in Board Policy C6 (President, Vice President, Treasurer, Secretary).

Meetings

The committee will meet at least monthly. The chairperson will call meetings, set the agenda, and provide a report to the Board on a regular basis.

Activities

1. Organize and set the agenda for (a) both regular and special Board meetings; (b) the annual Board Retreat; and (c) in cooperation with the Owner Engagement Committee, the annual Member-Owner Meeting.
2. Set such special Board meetings as the Committee deems necessary.
3. Organize Board participation in the annual performance evaluation of the General Manager.
4. Organize development of the General Manager's employment agreement.
5. Review allegations of Board member violations of Board policy; make recommendation for remediation or resolution, if warranted.
6. Discuss and make recommendations to the Board about matters not clearly covered by the charge of other Board committees.
7. Recommend appointment of *ad hoc* committees as may be deemed necessary.

Approved May 28, 2025

Belfast Community Co-op Board Development Committee Charter

Charge

The Board Development Committee is responsible for ensuring the effectiveness, perpetuation, training, and education of the Board, and the accountability and transparency of its policies and processes.

Membership

The committee will include a chairperson and at least two other Board Directors. These, and any at large members of the committee, should be familiar with and versed in Policy Governance and the Policy Register of the Co-op. Membership in the committee is subject to the advice and consent of the full board.

Meetings

The committee will meet monthly. The chairperson will call meetings, set the agenda, and report to the Board on a regular basis.

Activities

The Committee will:

1. Maintain the Policy Governance compliance monitoring reports and summary, and ensure the policy register is updated when changes are approved by the Board.
2. Lead the Board in self-evaluations through reflection on its C – Board Process and D – Board-Management Relationship policies.
3. Gather and present educational materials to improve effective functioning of the Board.
4. Assist the Board in activities of board development, such as training and planning.
5. Identify conferences and other external opportunities for board development and facilitate the participation of Board members.
6. Plan the Board's Annual Retreat and provide for its facilitation.
7. Recruit board members year-round.
8. Provide for orientation of new directors to include Board procedures, directors' responsibilities, Policy Governance, and the Board's calendar.

Updated July 2020

Belfast Community Co-op Board Finance Committee Charter

Charge

The Finance Committee supports the Board in exercising its fiscal oversight and fiduciary responsibilities. The committee will take an active part in periodic reviews of financial reports presented by management and will support or recommend to the Board financial and accounting policies and practices that strengthen the Co-op. The Committee will investigate whether an audit or a review is needed each year, and will recommend to the Board what type or kinds of audit services to purchase.

Membership

The Board Treasurer will head the Committee, which will also include no fewer than one and up to six other members, the sum of which may be comprised of any combination of: (a) Board Member(s); and (b) Member-Owner(s) with expertise in accounting, financial management, or banking, and a commitment to the Seven Co-operative Principles. The Board will appoint and remove committee members. All committee members must declare any potential conflicts of interest before serving. The General Manager will participate in all meetings.

Activities

The Board authorizes the Committee to ask the General Manager to provide information that may reasonably be needed to conduct committee business. The Committee is authorized to conduct meetings with chosen outside auditors within the limits of the Committee's budget.

The Committee will:

1. Meet monthly, as needed, but no less than once a quarter. Minutes of each meeting will be kept and distributed to committee members and the Board.
2. Negotiate fees with auditors and recommending pre-approval of auditing services, before those services are delivered, as well as reviewing the performance of the auditors; and providing for regular audits to be performed on a schedule of once every three years, except as may be directed otherwise by the Board.
3. Provide financial orientation materials for new or existing board members.
4. Review B1: Financial Condition (quarterly) and B2: Planning & Budgeting (annual) monitoring reports in preparation for board meetings, and highlight for the Board significant trends and any noncompliance.
5. Make recommendations to the Board regarding patronage dividends, refunds and retains, using the audited or reviewed end-of-year financials for the completed fiscal year.
6. Review proposals from the General Manager concerning major capital purchases, long-term financial planning, and debt acquisition, and make recommendations concerning these proposals to the Board.
7. Receive budget proposals from other board committees in July, and create the initial draft of the annual board budget for approval by the Board in August. Monitor board expenses against the board budget at least quarterly, and prepare materials for annual reporting on C8: Governance Investment in September.
8. Review its effectiveness annually, and endeavor to stay abreast of changes in financial reporting, auditing and co-operative laws.

Code of Conduct

The committee commits itself and its individual members to ethical, businesslike and lawful conduct, and to adherence with Generally Accepted Accounting Principles, and the laws and tax codes of the State of Maine and the United States Internal Revenue Service, in its deliberations, decisions, and recommendations.

Approved 04/25/2019

Belfast Community Co-op Owner Engagement Committee Charter

The purpose of the Owner Engagement Committee is to:

Facilitate communication between the Board of Directors and Owners

The duties of the Owner Engagement Committee are:

1. To Encourage Owner involvement in the Co-op.
2. Strengthen Board and Owner connection through in person, virtual and written communications.
 - a. Ensure consistent and regular access to Board members both in person and virtually.
 - b. Encourage Owner participation in annual elections.
3. Organize and facilitate Owner Forums, Events, and Activities in collaboration with Marketing.

Owner Engagement Committee composition

The Owner Engagement Committee will be made up of directors, staff, and member-owners. Staff involvement is with the understanding that any participation in any board committees is as an owner and any work that they take on without operational request will be done on personal time. This committee will be led by a Chair, who will be chosen by the committee members through consensus on an annual basis at the beginning of each term. The Chair will be chosen from the directors on the committee. If any person chooses to join the Owner Engagement Committee mid-way through the term, they will be provided with the Owner Engagement Committee Charter.

All committee membership shall be subject to the advice and consent of the full Board.

Owner Forums

1. The purpose of these forums is to encourage, welcome, and grow owner engagement in our Co-op community. The goal is to provide our owners with a better understanding of our co-op, a venue where all can feel heard, and authentic opportunities for active participation in shaping our co-op.
2. Forum will be based on timely topics of relevance to the Owners. Additional topics will be provided through Owner suggestions and chosen at the committee meeting following each forum, allowing ample time for research and publicity.
3. The committee members will research upcoming topics in order to provide relevant and informative material for each forum.
4. The committee can organize these types of activities as needed, and on an appropriate scale, as determined by the committee and the BOD.

Owner Events and Activities

1. The purpose of Owner events and activities is to bring owners together to strengthen our co-op community and potentially gather informal owner feedback. The goal is forging stronger connections amongst owners, and between owners and the BOD.
2. Activities and events are gatherings meant to bring owners together such as (but not limited to) ice cream socials, family oriented crafts, potlucks, or movie nights.
3. These activities and events are organized in collaboration with the Marketing department, ensuring enough lead time for their support. Board initiated events will not duplicate or replace other Co-op led events.

Outreach to Owners

1. In cooperation with the Board President, the OEC encourages Board Directors to write articles to be included in Marketing's emails and other messaging to Co-op Member-Owners.
2. Organize opportunities and encourage Board members to gather owner feedback at the store.

POLICY GOVERNANCE® SOURCE DOCUMENT

Why a Source Document?

A “source” is a point of origin. A source document is a “fundamental document or record on which subsequent writings, compositions, opinions, beliefs, or practices are based.” (Webster’s)

Without a simply expressed clear point of source, interpretations, opinions, writings and implementations may intentionally or unintentionally diverge from the originating intent and ultimately be undifferentiated. The point of source (“authoritative source”) is John Carver, the creator of Policy Governance, with Miriam Carver his fellow master teacher.

Without a simply expressed clear source document, Policy Governance is not reliably grounded and not transferable as a paradigm of governance. It is left vulnerable to interpretation, adaptation and impotence. This document has been produced by the International Policy Governance Association and approved by John and Miriam Carver as being true to source.

What is Policy Governance?

Policy Governance is a comprehensive set of integrated principles that, when consistently applied, allows governing Boards to realize owner-accountable organizations.

Starting with recognition of the fundamental reasons that Boards exist and the nature of Board authority, Policy Governance integrates a number of unique principles designed to enable accountable Board leadership.

What Policy Governance is NOT!

1. Policy Governance is not a specific Board structure. It does not dictate Board size, specific officers, or require a CEO. While it gives rise to principles for committees, it does not prohibit committees nor require specific committees.
2. Policy Governance is not a set of individual “best practices” or tips for piecemeal improvement.
3. Policy Governance does not dictate what a Board should do or say about group dynamics, methods of needs assessment, basic problem solving, fund raising, managing change.
4. Policy Governance does not limit human interaction or stifle collective or individual thinking.

Principles of Policy Governance

1. **Ownership:** The board exists to act as the informed voice and agent of the owners, whether they are owners in a legal or moral sense. All owners are stakeholders, but not all stakeholders are owners, only those whose position in relation to an organization is equivalent to the position of shareholders in a for-profit corporation.
2. **Position of Board:** The board is accountable to owners that the organization is successful. As such it is not advisory to staff but an active link in the chain of command. All authority in the staff organization and in components of the board flows from the board.
3. **Board Holism:** The authority of the board is held and used as a body. The board speaks with one voice in that instructions are expressed by the board as a whole. Individual board members have no authority to instruct staff.
4. **Ends Policies:** The board defines in writing its expectations about the intended effects to be produced, the intended recipients of those effects, and the intended worth (cost-benefit or priority) of the effects. These are Ends policies. All decisions made about effects, recipients, and worth are Ends decisions. All decisions about issues that do not fit the definition of Ends are means decisions. Hence in Policy Governance, means are simply not Ends.
5. **Board Means Policies:** The board defines in writing the job results, practices, delegation style, and discipline that make up its own job. These are board means decisions, categorized as Governance Process policies and Board-Management Delegation policies.

6. **Executive Limitations Policies:** The board defines in writing its expectations about the means of the operational organization. However, rather than prescribing board-chosen means -- which would enable the CEO to escape accountability for attaining Ends, these policies define limits on operational means, thereby placing boundaries on the authority granted to the CEO. In effect, the board describes those means that would be unacceptable even if they were to work. These are Executive Limitations policies.
7. **Policy Sizes:** The board decides its policies in each category first at the broadest, most inclusive level. It further defines each policy in descending levels of detail until reaching the level of detail at which it is willing to accept any reasonable interpretation by the applicable delegatee of its words thus far. Ends, Executive Limitations, Governance Process, and Board-Management Delegation policies are exhaustive in that they establish control over the entire organization, both board and staff. They replace, at the board level, more traditional documents such as mission statements, strategic plans and budgets.
8. **Clarity and Coherence of Delegation:** The identification of any delegatee must be unambiguous as to authority and responsibility. No subparts of the board, such as committees or officers, can be given jobs that interfere with, duplicate, or obscure the job given to the CEO.
9. **Any Reasonable Interpretation:** More detailed decisions about Ends and operational means are delegated to the CEO if there is one. If there is no CEO, the board must delegate to two or more delegatees, avoiding overlapping expectations or causing confusion about the authority of various managers. In the case of board means, delegation is to the CGO unless part of the delegation is explicitly directed elsewhere, for example, to a committee. The delegatee has the right to use any reasonable interpretation of the applicable board policies.
10. **Monitoring:** The board must monitor organizational performance against previously stated Ends policies and Executive Limitations policies. Monitoring is for the purpose of discovering if the organization achieved a reasonable interpretation of these board policies. The board must therefore judge the CEO's interpretation for its reasonableness, and the data demonstrating the accomplishment of the interpretation. The ongoing monitoring of board's Ends and Executive Limitations policies constitutes the CEO's performance evaluation.

All other practices, documents, and disciplines must be consistent with the above principles. For example, if an outside authority demands board actions inconsistent with Policy Governance, the board should use a 'required approvals agenda' or other device to be lawful without compromising governance.

Policy Governance is a precision system that promises excellence in governance only if used with precision. These governance principles form a seamless paradigm or model. As with a clock, removing one wheel may not spoil its looks but will seriously damage its ability to tell time. So in Policy Governance, all the above pieces must be in place for Policy Governance to be effective. When all brought into play, they allow for a governing board to realize owner accountability. When they are not used completely, true owner accountability is not available.

Policy Governance boards live these principles in everything they are, do and say.

Produced by GOVERN for IMPACT in consultation with John and Miriam Carver, 2005 – 2007 – 2011 – 2015 – Feb 2021.

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Reference: Carver Guides, 2nd Edition, 2009