

Policy Manual Guidelines

The main reason for writing this policy and procedures manual is to educate new and existing board members as to the existing rules and operating procedures of the cooperative. This should help define the roles of the board and give a sense of purpose to each board member. Each board member represents the interests of the members of the cooperative and should focus on the good of the entire market rather than their own or special interests within the market.

A copy of the bylaws could be included at the front of this manual for the board members to familiarize themselves with. The bylaws contain the rules for the cooperative and should be read and understood by every board member. Much of the information in a policy manual should come from the bylaws, articles of incorporation, and meeting minutes.

The following are areas that should be addressed in a general cooperative policy manual, but each cooperative is unique and a policy manual will need to be tailored to fit an individual cooperative.

1. A policy for a formal annual manager and employee evaluation, this should be performed by a committee. This evaluation will be important in determining raises in salary and other actions taken by the board with respect to employees. This could include an activity report that the manager fills out on a monthly basis and possibly time sheets for other employees. This could provide more disclosure and clarity about the value of the market manager and its employees. As part of the policy manual, a separate personnel manual should be made available to employees to inform them of the expectations the cooperative places on each hired position. This should include detailed job descriptions written and kept for all employees of the cooperative.
2. There should be a policy for a fill in or emergency replacement for the manager. The manager has many responsibilities and if he/she could not perform the duties for an extended period of time the market would suffer. It may be possible to name a board member as a substitute manager in the event of an emergency. This policy could be addressed with the hiring of an assistant manager or designation of a key employee as the fill in for the manager in the event of an emergency.
3. There should be a policy explaining the liability of the directors, and the importance of bringing issues to the board before making decisions that will have a material effect on the market or its image. This responsibility should fall on the president of the board and the manager.
4. A borrowing policy should be drafted that would specify how much the cooperative should be able to borrow and which avenue of financing the cooperative should use taking into account the current financial condition. There should be a policy that deals

with member equity and when an equity drive could be held to raise funds for new capital projects.

5. There should be a policy dealing with financial controls including which employees have access to sensitive information and the selection of an auditor to conduct a financial audit of cooperative on a yearly basis.

6. There should be a policy dealing with surplus capital or income that the market may have or generate in the future. If no dividends are to be paid to members, then a general policy should be written such that the money will be reinvested in the cooperative either through defined areas of the budget or determined by the board as needed.

7. There should be a policy that deals with board member interaction with members. It is necessary that information transfer from the board meetings to the members is a transparent and uniform process. To minimize the risk of misinformation it may be possible to put a section in the cooperative newsletter that details the main points of the board meetings.

8. A policy that defines the role of a new board member should be enacted. This could range from requiring the new director to hold a committee chair position to requiring board training. This would be an attempt to make sure new directors play an active role on the board and ensure that board responsibilities are spread evenly.

9. There should be a policy that outlines the role of each committee and provides a clear definition as to the number of members allowed to serve on a committee. There should also be a policy which outlines the roles of the elected positions within the board of directors.

10. There should be a policy for dealing with website content if applicable. This policy should deal with online sales and the amount of information available on the website.

11. There should be a policy that outlines the mission and/or vision of cooperative. The reason it was originally formed and what it plans to achieve in the future should be addressed. Some discussion of the cooperative's history may be necessary to educate new board members.