

Executive Limitations

General Executive Constraint

The General Manager has a fiduciary obligation to the vision, the values, the goals, and the preferences of the Board of Directors. S/he is the means by which the Board achieves its intents and purposes for the Cooperative. Between sessions of the Board, the General Manager is the de facto surrogate for the Board. This implies broad, but never independent, powers.

In exercising these powers, the General Manager shall not cause or allow any practice, activity, decision, or organizational circumstance which is either imprudent, unlawful, or in violation of commonly accepted business and professional ethics.

Accordingly, s/he may not fail to:

1. Deal with staff and volunteers in a humane, fair, respectful, and forthright manner.
2. Treat customers and member-owners in a safe and respectful manner.
3. Develop and operate with a financial plan that does not incur fiscal jeopardy, includes adequate detail and disclosed assumptions, and does not deviate materially from Board Ends priorities.
4. Maintain financial conditions that do not incur fiscal jeopardy or compromise Board priorities as represented in the bylaws and Ends respectively.
5. Protect and adequately maintain assets.
6. Maintain Employee compensation and benefits without jeopardizing MNFC's fiscal integrity and while adhering to policies authorized by the board.
7. Provide appropriate information and advice to the Board that is timely, complete, and accurate.
8. Ensure that no fewer than two key staff members are familiar with Board of Directors and General Manager issues and processes.
9. Ensure that the Cooperative's 'Buying Criteria for Retail Shelf Space' are followed.
10. Work with neighboring Co-ops for mutual benefit.

Reviewed 6/19/97 A.W./A.R.

Revised 11/15/07 K.W.

Revised 08/31/09 A.N./M.M./K.B./J.L.

Executive Limitations

Staff Treatment

The General Manager will not treat staff in any way that is unfair or unclear.

The GM may not fail to:

1. Operate with written personnel policies that:
 - a. Clarify rules for staff
 - b. Provide for fair and thorough handling of grievances
 - c. Are accessible to all employees
 - d. Inform staff that employment is neither permanent nor guaranteed.
2. Apply personnel policies consistently.
3. Not discriminate against any staff member for ethical dissent.
4. Protect staff from unsafe, unhealthy, and illegal work conditions.
5. Provide adequate staff training and professional development.
6. Acquaint staff with their rights under this policy.
7. Conduct management team annual reviews within a month of the employee's anniversary date (to be monitored quarterly).
8. Assess and address issues of staff satisfaction.

The General Manager shall report on this policy annually.

Reviewed 6/17/97 A.W./A.R.

Revised 11/15/07 K.W.

Revised 08/31/09 A.N./M.M./K.B./J.L.

Executive Limitations

Treatment of Member-Owners and Customers

With respect to interactions with customers and members, the General Manager shall not cause or allow conditions, procedures, or decisions which are unsafe, disrespectful, undignified, unnecessarily intrusive, or which fail to provide appropriate confidentiality and privacy.

Accordingly, s/he may not fail to:

1. Avoid asking member-owners and customers for personal information for which there is no clear necessity.
2. Establish with member-owners a clear contract of what may be expected and what may not be expected from the services offered by MNFC.
3. Make sure that the member-owners are accurately informed of their rights and responsibilities.
4. Listen, and provide a full explanation, to member-owners and customers who are dissatisfied.
5. Have a system for soliciting, considering, and responding to member-owner and customer opinion regarding preferences, product requests, complaints, and suggestions.
6. Protect member-owners and customers from discrimination on the basis of race, color, religion, national origin, sex, age, sexual or affectional orientation, veteran or handicap status, political views, marital or parental status.

The General Manager shall report on this policy annually.

Reviewed 6/17/97 A.W./A.R.

Revised 08/31/09 A.N./M.M./K.B./J.L.

Executive Limitations

Business Planning and Financial Budgeting

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

The GM will not cause or allow plans, budgets, or forecasts that:

1. Omit credible projections of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
2. Risk incurring those situations or conditions described as unacceptable in the EL 4.
3. Fail to budget for essential Board prerogatives such as: cost of a fiscal audit, Board development, Board meetings, and Directors' and Officers' liability insurance.
4. Endanger the fiscal soundness of future years or ignore building MNFC's capability to achieve sufficient ends in future years.
5. Would result in default under any of MNFC's financing agreements or cause the insolvency of MNFC.

The General Manager shall report on this policy annually.

Revised 11/15/07 K.W.

Revised 08/31/09 A.N./M.M./K.B./J.L.

Executive Limitations

Financial Condition

With respect to the actual, ongoing condition of the MNFC's financial health, the General Manager may not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies.

Accordingly s/he may not:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (below in #4) is met.
2. Incur a level of debt beyond current line-of-credit to cover short term cash flow needs.
3. Fail to settle payroll and debts in a timely manner.
4. Reduce current assets to less than twice the current liabilities for more than 30 days.
5. Vary materially from the Board-approved budget for total revenues, total expense, and total staff and staff related costs.
6. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.

The General Manager shall report on this policy quarterly.

Reviewed 6/17/97 A.W./A.R.

Revised 08/31/09 A.N./M.M./K.B./J.L.

Executive Limitations

Asset Protection

The General Manager may not allow assets to be unprotected, under-insured, inadequately maintained, or unnecessarily risked.

Accordingly, s/he may not:

1. Fail to maintain adequate insurance coverage so that equipment, facilities, and inventory can be insured against damage, theft, and destruction. This includes coverage for any significant losses incurred due to business interruption.
2. Allow unauthorized parties access to material amounts of funds.
3. Fail to keep facilities in a safe, useable, and secure condition.
4. Unnecessarily expose the Cooperative, its Board or staff to claims of liability.
5. Make any purchase of assets: (a) wherein normally prudent protection has not been given against conflict of interest; (b) of a single item over \$1,500 without having obtained comparative prices and quality; (c) of a single item over \$10,000 without a thorough cost benefit analysis.
6. Fail to protect intellectual property, information, and files from loss, theft, or significant damage.
7. Fail to meet standard accounting practices with regard to receiving, processing, or disbursing funds.
8. Invest or hold operating capital in unsecured instruments, including uninsured checking accounts or in non-interest bearing accounts except with board approval.
9. Acquire, encumber, or dispose of real-estate without Board approval. Accordingly, the GM must exercise due diligence in all contacts and real-estate transactions
10. Endanger MNFC's public image or credibility, particularly in ways that would hinder its accomplishment of Ends, or fail to disclose any real or arguable conflict of interest.

The General Manager shall report on this policy quarterly.

Reviewed 6/17/97 A.W. / A. R.

Revised 08/31/09 A.N./M.M./K.B./J.L.

Executive Limitations

Compensation and Benefits

With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the General Manager may not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, s/he may not:

1. Change the General Manager's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.
2. Establish compensation and benefits that are internally or externally inequitable.
3. Establish or change benefits which cause unfunded liabilities to occur or in any way commit the MNFC to benefits which incur unpredictable future costs.

The General Manager shall report on this policy quarterly.

Reviewed 6/17/97 A.W. / A. R.

Revised 08/31/09 A.N./M.M./K.B./J.L.

Executive Limitations

Communication, Counsel, and Support to the Board

With respect to providing information and counsel to the Board, the General Manager may not permit the Board to be uninformed.

Accordingly s/he may not fail to:

1. Submit monitoring data required by the Board (see BGM 3 policy on Evaluating the General Manager) in a timely, accurate, and understandable fashion, directly addressing provisions of the Board policies being monitored.
2. Make the Board aware of relevant trends, anticipated adverse media coverage, material personnel changes, or material external and internal changes, and particularly changes in the assumptions upon which any Board policy has previously been established.
3. Advise the Board if, in the General Manager's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Staff Relationship, particularly in the case of Board behavior which is detrimental to the work relationship between the Board and the General Manager.
4. Marshal for the Board as many staff and external points of view, issues and options as needed for fully informed board choices.
5. Present information in a clear and concise form.
6. Provide the Board with workable mechanisms and sufficient staff to support governance activities and Board communications.
7. Deal with the Board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the Board.
8. Report in a timely manner an actual or anticipated noncompliance with any policy of the Board.
9. Get Board consent for those decisions delegated to the GM yet required by law, regulation, or contract to be Board approved.

The General Manager shall report on this policy annually.

Reviewed 6/17/97 A.W./A.R

Revised 08/31/09 A.N./M.M./K.B./J.L.

Executive Limitations

Emergency Management Succession

1. In order to protect the Board from sudden loss of the General Manager's services, the General Manager may not have fewer than two other key staff members familiar with Board of Directors and General Manager issues and processes, to enable one of them to take over with reasonable proficiency as an interim successor.
2. The GM shall not fail to maintain an operational GM job description of the GM's duties. The GM Job description content shall not be monitored by the Board.

The General Manager shall report on this policy annually.

Executive Limitations

Buying Criteria

In selecting products to sell at the MNFC, the General Manager shall not fail to ensure that the Cooperative's 'Buying Criteria for Retail Shelf Space' are followed.

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Buying Criteria

Given MNFC's commitment to healthy, organic, and local products, the GM shall insure that the following buying criteria are followed.

1. That products are selected with a primary emphasis on **organic** and **local** items.
2. In addition, in line with MNFC established buying criteria, s/he will not knowingly allow the following items on the shelf:
 - Irradiated foods
 - Foods containing artificial preservatives, colors, or flavors.
 - Meat products from animals raised with hormones or antibiotics
 - Fluid milk, ice cream, frozen yogurt, or dairy products containing Bovine Growth Hormone (rBST)
 - Foods containing hydrogenated oils or trans fats
 - Products tested on animals

Although MNFC follows this policy to the best of its ability, on occasion an item on the shelves may not meet all of these criteria. If MNFC discovers that any of its products do not meet these criteria, MNFC will remove the item from the shelf and not repurchase the item.

The General Manager shall report on this policy annually.

Executive Limitations

Cooperative Economy

The General Manager shall not fail to work with our neighboring co-ops to create an interdependent cooperative economy for our mutual benefit.

The General Manager shall report on this policy annually.

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