



Co+op Board Application Packet

Term Begins January 2023

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Thank you for your interest in serving as a board member of the Sioux Falls Food Co+op Board of Directors. As you know, The Co+op is so much more than just a grocery store. **Our Ends Policy* is:**

The Sioux Falls Food Co+op exists so there will be a vibrant community that:

- **Has access to sustainable, healthy and fairly traded goods and services**
- **Champions the cooperative business model**
- **Is better educated about food and social responsibility**
- **Supports and strengthens the local economy**
- **Enjoys a higher quality of life**

The Co+op provides an outstanding selection of natural, local, and organic foods and products. We are committed to education and outreach including teaching classes, fostering gardening, and supporting local organizations throughout our community.

What do we do? We represent all of the Co+op owners in determining appropriate organizational performance. We are engaged primarily in developing the vision and long-term viability of the Co+op. We do NOT run the store nor do we have direct control over its daily operations.

How many Board seats are up for election? This election will fill three (3) seats of a nine (9) member Board of Directors. Each Director serves a three (3) year term. The Owners of the Sioux Falls Food Co+op elect Board Directors during November of each year.

Who is eligible? Board candidates must be Co+op Owners who are current on their stock investment and be at least 18 years of age. Board members cannot be employees of the Co+op or have a family member who is employed at the Co+op.

The Co+op Board asks that potential candidates:

- 1) Attend at least one regular meeting of the Board of Directors in 2022.
- 2) Board meetings are scheduled September 14th and October 12th at Noon. In-person or virtual attendance is available. Please RSVP to the board.
- 3) Attend an Information Session for Prospective Candidates or reach out to the Election Committee to set up a one-on-one meeting.
 - **Information Sessions will be held at the Co+op on Saturday, September 17th at 10AM or Tuesday, September 20th at 6PM.**
- 4) Agree to abide by the Director's Code of Conduct (See below p10, The Sioux Falls Food Co+op Policy Register C5) if elected to serve on the Board.
- 5) Submit your candidate application and a picture of yourself, to the Co+op Board of Directors by midnight on October 1, in electronic format, or drop-off at the store by 8PM.

Candidates will have opportunities to present themselves to their fellow Owners at "Meet the Candidates" event, as well as at the Annual Meeting, held in November.

Thank you again for your interest in serving The Co+op community! Please review the enclosed materials and contact us if you have any questions.

In Cooperation,
 The Co+op Election Committee
 Katrina Lehr-McKinney, Rika Peterson, Annie Taylor
election@siouxfalls.coop

**Ends are defined on page 7 under the Policy Governance section, see A.*

FAQ

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

The Board of Directors is the governing body for the Owners of the Sioux Falls Food Co+op. It is composed of nine people, all Owners of the Co+op, elected by Owners. Terms for Directors are three years, and three Directors are up for election each year.

The Board is responsible for ensuring organizational performance on behalf of all Co+op Owners. We are involved in strategic planning, financial oversight, Ownership linkage, and community outreach. 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 governs the organization and delegates all operational duties to the General Manager. In addition to hiring, supervising and evaluating the Co+op's General Manager, the Board sets acceptable guidelines for store operations and monitors the results through Policy Governance (see page 7); plans for The Co+op's future; approves capital and operating budgets; and recruits new Directors to ensure a well-qualified board.

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

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 the Co+op. The Board's sole official connection to the operations of the cooperative is through the General Manager.

What are the requirements for running?

Directors must be Owners of the Co+op in good standing without a substantial conflict of interest resulting from an affiliation with any enterprise that is in competition with the Co+op. Directors cannot be employees of the Co+op or have a family member who is employed at the Co+op. Once elected, Directors must 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 approximately 1.5 hours each month, at which attendance is expected (second Wednesday of each month at noon). New Directors participate in a half-day online orientation (Virtual CBL 101). This training is paid for by the Co+op through the Board's education budget. Additionally, Directors may serve on committees, which meet generally a few times in a 2 to 3 month time period. (Directors should plan on probably 3 to 5 meetings per committee per year.) Additionally, all Directors attend a board retreat each year, which may extend over a 1-2 day period.

What compensation is there for serving?

Each Director receives a 10% store discount.

I'm sure I have the time to commit, and I want to serve the Co+op; how else can I make up my mind whether or not to run?

You may obtain additional information about serving on the Board of Directors by talking to any of the current Directors to get a personal perspective on what Board service is all about.

Owners are always welcome to attend the meetings of the Board of Directors on the second Wednesday of each month. You can see how the Board functions and meet the current Directors. You may gain useful perspectives on the issues currently facing the Co+op. Additionally the Board meeting minutes are posted on the Co+op website.

When will elections be held?

The annual election begins in the Fall after the Board calls for a Co+op Vote. The election results are announced at the Co+op Annual Meeting in November.

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

To help the Ownership make an informed decision regarding the Directors they elect, we ask you to fill out the Board Candidate Application included in this packet. **Please email or drop off your completed application back to the Co+op board by October 1.** Your personal statement, answers to the brief questions, and a photograph of yourself will be published via email, online, at the store, and through other avenues.

It sounds like a big step!

And worthwhile! As a cooperative, the Co+op is only as strong as its Ownership. The Board traditionally has been a diverse group of people with a wide range of skills who have brought the store to where it is today – serving Sioux Falls since 1973!

Seven Cooperative Principles

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

1. Voluntary and Open Membership.

Cooperatives are voluntary organization 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.

2. Democratic Member Control.

Cooperatives 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 cooperatives at other levels are organized in a democratic manner.

3. 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.

4. 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.

5. 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.

6. Cooperation Among Cooperatives

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

7. Concern for Community

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

Policy Governance

The Co+op 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 our organization, our General Manager, and ourselves. 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 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 – Board 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-General Manager 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 General Manager 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 the Co+op's property. We limit the level of detail in our written policies to that which is required for the Board to accept any reasonable interpretation of those policies. 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!

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) Owners, that the organization performs as it should. We must constantly evaluate our purpose - what transformations we want to influence in our community, local food systems, and the world outside of our organization. Our Ends define and justify our existence. This brings us to the most important question: what impact does the existence of the Sioux Falls Coop 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. Carver's website address is: www.carvergovernance.com

Board Candidate Application

Any Sioux Falls Food Co+op Owner is able to run for a seat on the Board of Directors. This application gives voters information about your background, worldview, expertise, what your leadership can offer to the Co+op, and what interests you about serving on the Board. One of the Board of Directors may call you for further information, but generally, these answers will be your way of communicating to other Co+op Owners why you should be a Board member. Feel free to contact the Election Committee if any questions arise at election@siouxfalls.coop.

All materials MUST be submitted electronically to board@siouxfalls.coop or physically at the store on or before October 1. You MUST be current with your annual investment as an owner of Co+op by this deadline as well.

A complete application will include

- Pages 9-13
- A signed Statement of Agreement, with conflict of interest disclosure.
- A digital photograph of yourself in jpeg or similar format.
- OPTIONAL- a digital video of yourself. This video can be a “selfie” taken on a smart phone and should be no more than 2 minutes in length. If you would like to submit a video but do not feel comfortable shooting it yourself, please contact the Election Committee to set up a time at the store.

Please note that portions of your application will be published on the Co+op website, and in various other communications encouraging Owners to vote in the election.

Name: _____

Address: _____

Phone Number: _____

E-mail: _____

Candidate Statement

Please attach a brief candidate statement (750 words or less in total) answering the following questions. Your answers will be shared with Co+op owners during the Board Election.

1. What is your personal story and how would your life experiences (employment, volunteer work, etc) bring value to the Co+op Board and why would you like to serve on the Co+Op’s Board of Directors?
2. The Sioux Falls Food Co+op is committed to diversity and inclusion. What does this mean to you? Please share your vision for a diverse and inclusive Co+op.
3. How do you envision the board realizing and expanding on the defined Ends Policy (**see page 3**) to serve the Co+op ownership and the community at-large?

Responsibilities of Board Members

Please read carefully and **initial 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 the Co+op's 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 the Co+op's Owners
- _____ Exercise due diligence in monitoring the Co+op'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 cooperative; 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 the Co+op's Bylaws; support Board decisions and policies; honor contracts; ensure payment of all tax obligations)

Expectations of Board Members

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

_____ Shop regularly at the Co+op.

_____ Be prepared for meetings, including reading – carefully and thoughtfully – the agenda packet in advance of every Board meeting.

_____ Participate fully in Board meetings. Attend all monthly meetings, as well as any meetings of committees you may serve on. Special projects may require more time commitment.

_____ Actively participate in Board discussion via e-mail or phone between meetings as necessary.

_____ Attend the Board Retreat

_____ Attend Owner Gatherings, Owner Appreciation Days and other special events.

_____ Actively participate in the annual election by spending time in the store (or other get-out-the-vote activities) to remind Owners to vote.

STATEMENT OF AGREEMENT

I. Directors' Code of Conduct (see the Sioux Falls Food Co+op Policy Register C-5)

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

1. Every director is responsible at all times for acting in good faith, in a manner which she/he reasonably believes 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. Directors must demonstrate unconflicted loyalty to the interests of the Cooperative's owners. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups, membership on other Boards or staffs, and the personal interest of any director acting as an individual consumer or member.
 - 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. Directors shall disclose any conflicts of interest annually.
 - 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. A director who applies for employment must first resign from 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 and attend all Board meetings and training.
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 2/3 majority vote of the remaining Board.

II. 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 the Sioux Falls Food Co+op 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 the Sioux Falls Food Co+op, 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:

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 Candidate

Signature of Co+op Director Candidate

Date