



# Oryana Board Policies

May 2025

This version reflects changes by the Oryana Board as of May 15, 2025.

## Mission Statement

The purpose of Oryana is to provide high quality food produced in ecologically sound ways at fair value to member-owners and the community. Oryana members and staff are committed to enhancing their community through the practice of cooperative economics and education about the relationship of food to health.

## Ends Policies

**Economy:** Because of Oryana, our community has a vibrant cooperative business whose success stimulates cooperative activity.

**Localism:** Because of Oryana, our community has an accessible and healthy marketplace for goods produced locally that have a positive environmental and social impact.

**Wellness:** Because of Oryana, our community has direct access to solutions that contribute to health and wellness.

**Education:** Because of Oryana, our community has opportunities to learn about cooperative economics and the interconnectivity between healthful foods, environmental stewardship, and social responsibility.

**Community:** Because of Oryana, ecologically regenerative and socially just community development efforts are nourished and supported.

**Model Workplace:** Because of Oryana, our community has a model workplace which demonstrates a professional culture of mutual support and open communications, which is based on the balance of personal and organizational needs.

## Executive Limitations

### 2.0. Global Executive Constraint

The GM shall not cause or allow any practice, activity, decision, or organizational circumstance that is unlawful, imprudent, or in violation of cooperative principles and commonly accepted business and professional ethics and practices.

### 2.1. Treatment of Consumers

The General Manager will not fail to ensure that our customers receive high value in our products and services. The GM will not:

1. Fail to offer a range of products and services that meet our customers' needs.

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

## **2.2. Membership**

The General Manager will not fail to establish, maintain, and promote a vital membership program that builds a sense of ownership among members. The GM will not:

1. Elicit information for which there is no clear necessity.
2. Use methods of collecting, reviewing, transmitting, or storing information that fail to protect against improper access to the information elicited.
3. Fail to provide volunteer opportunities for members to participate in the cooperative.
4. Fail to ensure that members are aware of Board actions, meetings, activities and events.
5. Change the membership equity requirement.

## **2.3. Treatment of Staff**

With respect to relations with paid staff and volunteers, the General Manager will not cause or allow conditions which are unfair, unsafe, or unclear. The GM shall not:

1. Cause or allow discrimination or harassment among employees and potential employees.
2. Operate without written personnel policies that: (a) clarify rules for staff, (b) provide for effective resolution of conflicts and a procedure that brings grievances against the GM to the board for review, (c) protect against wrongful conditions, and (d) protect against retaliation.
3. Fail to provide for appropriate documentation, security and retention of personnel records and all personnel related decisions.
4. Fail to operate without staff having a clear understanding of (or being trained in) personnel policies.

## **2.4 Financial Condition and Activities**

With respect to the actual, ongoing financial conditions and activities, the GM shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from board priorities established in Ends policies. The GM will not:

1. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
2. Use restricted funds for any purpose other than that required by the restriction.
3. Allow liquidity, or the ability to meet cash needs in a timely and efficient fashion, to be insufficient.
4. Fail to settle contracts, payroll, loans or other financial obligations in other than a timely manner.
5. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
6. Allow operations to generate an inadequate net income.
7. Fail to generate sufficient member equity.
8. Acquire, encumber or dispose of real estate.
9. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

## **2.5 Financial Planning and Budgeting**

The GM may not cause or allow planning to deviate materially from the board's Ends priorities, risk financial jeopardy, or fail to be derived from a strategic long-term plan. The GM will not cause or allow plans that:

1. Omit credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
2. Contain insufficient information to support assumptions.

3. Are not updated at least annually.
4. Do not protect the long-term health of the Co-op as described in Financial Conditions policy.
5. Do not provide for governance development (as set forth in Board Process policy 4.11).
6. Leave the Co-op unprepared for loss of key management personnel.

## **2.6. Asset Protection**

The GM shall not allow assets to be unprotected, unreasonably risked, or inadequately maintained. The General Manger will not allow:

1. Inadequate security of premises and property.
2. Uncontrolled purchasing or purchasing subject to conflicts of interest.
3. Lack of due diligence in contracts.
4. Equipment and facilities to be uninsured, inadequately insured, or otherwise unable to be replaced if damaged destroyed, including coverage for any losses incurred due to business interruption.
5. Unnecessary exposure to liability or lack of insurance protection from claims of liability.
6. Data, intellectual property, or files to be unprotected from loss, theft or significant damage.
7. Damage to the co-op's goodwill, it's public image, it's credibility, or it's ability to accomplish ends.

## **2.7. Emergency GM Succession**

To protect the board from sudden loss of GM services, the GM shall not permit there to be fewer than one other executive sufficiently familiar with board and GM issues and processes to take over with reasonable proficiency as an interim successor.

## **2.8. Compensation and Benefits**

With respect to employment, compensation, and benefits to employees, the GM shall not cause or allow jeopardy to the financial condition or to the public image of Oryana and will be guided by principles of a model workplace with respect to a fair compensation and benefit package in exchange for work performed. Further, without limiting the scope of the previous statement by the following, the GM shall not:

1. Change the GM's own compensation and benefits, the exception being his or her benefits that are consistent with a package for all other eligible employees.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographical market or cooperative standards for the skills employed, except where such a standard is demonstrably exploitive or inadequate.
4. Create obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.
5. Establish or change benefits so as to cause inequitable situations, including those that:
  - a. Incur unfunded liabilities.
  - b. Allow any employee to lose benefits already accrued from any previous plan.
  - c. Provide less than some basic level of benefits to all full time employees so long as it does not cause financial hardship.

## **2.9. Communication and Support to the Board**

The GM shall not cause or allow the board to be uninformed or unsupported in its work. The GM will not:

1. Neglect to submit monitoring data required by the board (see policy 3.4 on monitoring GM performance) in a timely, accurate, and understandable fashion, directly addressing the provisions of board policies being monitored.
2. Fail to report in a timely manner any actual or anticipated noncompliance with any policy of the board.
3. Allow the Board to be unaware of relevant trends, public events of the Cooperative, or internal and

- external changes which affect the assumptions upon which Board action has previously been based.
4. Fail to advise the board if, in the GM's opinion, 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 and the GM
  5. Present information in unnecessarily complex or lengthy form.
  6. Interact with the Board in a way that favors or privileges certain board members over others except when responding to officers or committees duly charged by the board.
  7. Fail to supply for the board's consent agenda, all decisions delegated to the GM yet required by law, regulation, or contract to be board-approved.
  8. Fail to report in a timely manner any actual or anticipated action or issue that could become a significant liability (including but not limited to legal, financial, or public relations issues.)

## **Board – General Manager Delegation**

### **3.0. Global Governance-Management Connection**

The Board has hired a chief executive officer, titled General Manager (GM), to operate the business. The Board will be an excellent employer to the GM as the sole employee, cultivating a relationship rooted in equity, respect, and mutual support. In delegating authority to the GM, the Board acknowledges the GM's expertise and will work collaboratively and transparently with the GM in addressing any issues as they arise.

### **3.1. Unity of Control**

Only official decisions and policies of the Board acting as a body are binding on the GM.

1. Decisions or instructions from individual directors or committees are not binding on the GM except in rare instances when the Board has specifically authorized this power.
2. In the case of directors or committees requesting information or assistance without Board authorization, the GM may refuse any requests that, in the GM's opinion, disrupt operations or require excessive staff time or resources.

### **3.2. Accountability of the GM**

The GM is the Board's only link to the organization's operational achievement and conduct.

1. The GM is accountable for achieving the Ends and operating the organization within the Executive Limitations.
2. The Board will view organizational accomplishment of Ends and organizational operations within Executive Limitations as successful GM performance.
3. The Board will not instruct or evaluate any employee other than the GM.

### **3.3. Delegation to the GM**

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 all further policies, practices, and plans for the cooperative.
2. The Board will accept and support the GM's choices as long as those choices are based on reasonable interpretations of board policies.
3. The Board may change its Ends and Executive Limitation policies.
  - a. If the Board changes an Ends or Executive Limitations policy, the date for compliance will be stated. Until that date, the existing policy will stand.

### **3.4. Monitoring GM Performance**

The Board will systematically and rigorously monitor and evaluate the GM's job performance.

1. Monitoring is how the Board determines the degree to which the GM is following board policies. Information that does not directly relate to Ends or Executive Limitations policies is not monitoring information.
2. The Board will evaluate the GM annually, based on a summary of monitoring reports received from January 1 through December 31. The schedule will be established in the Board Annual Calendar.
3. The Board will acquire monitoring information by one or more of three methods:
  - a. By internal report, in which the GM or a GM-appointed designee discloses interpretations and compliance information to the Board;
  - b. By external report, in which an external, impartial third party selected by the Board assesses compliance with board policies;
  - c. By direct inspection by the Board, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
4. The Board will judge the reasonableness of the GM's interpretation, including clear metrics and benchmarks, and whether data demonstrates accomplishment of the interpretation.
  - a. The standard for compliance shall be any reasonable GM interpretation (as described by operational definitions and metrics) of 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 board members or by the Board as a whole.
5. In evaluating non-compliance, the Board will consider the severity, implications, and trends, as well as the GM's explanation and plan to achieve compliance.
6. The Board will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method but will ordinarily follow the schedule outlined in the Board Annual Calendar.

### **3.5 Compensating the GM**

The Board will compensate the General Manager in a way that honors their value to the cooperative and demonstrates our commitment to equitable treatment.

1. The Board will establish a compensation package that is equitable, competitive in our market, and sustainable for the cooperative.
2. The Board will use a strategic process to establish the value of the GM's compensation and will complete this process in a timely manner.

## **Board Process**

### **4.0. Global Governance Commitment**

The purpose of the board, on behalf of the Oryana membership, is to see to it that Oryana (a) achieves its goals as specified in board Ends policies and (b) avoids unacceptable actions and situations (as prohibited in board Executive Limitations policies).

#### **4.1. Governing Style**

The board will govern lawfully with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of board and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.

Accordingly:

1. The board will cultivate a sense of group responsibility. The board will be responsible for excellence in

governing and be the initiator of policy. The board will not use the expertise of individual members to substitute for the judgment of the board, although the expertise of individual members may be used to enhance the understanding of the board as a body.

2. The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives. The board's major policy focus will be on the intended long-term impacts outside the staff organization, not on the administrative or programmatic means of attaining those effects.
3. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the board can change its Governance Process policies at any time, it will scrupulously observe those currently in force.
4. Continual board development will include orientation of new board members in the board's Governance Process and periodic board discussion of process improvement.
5. The board will allow no officer, individual, or committee of the board to hinder or serve as an excuse for not fulfilling group obligations.
6. The board will monitor and discuss the board's process and performance on a regular basis. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-Management Delegation categories.
7. The board will follow the following process for decision-making:
  - a. Decisions will be made within a consensus decision-making framework. Consensus decision-making is a process of building united—not unanimous—judgment. The guiding assumption is that each member of the group possesses an important piece of the truth, and that the work of the meeting is to elicit these truths and create the best decision possible at that time.
  - b. A 2/3 majority rule escape clause vote can be used as a last resort when consensus fails to produce a decision quickly enough for the needs of the Board. Before the 2/3 majority vote of the quorum can be used, the following steps need to be taken:
    1. An ample but defined period is set for airing and discussing the proposal, including questions and clarifications.
    2. If there is still no consensus, the person(s) objecting shall choose two individuals on the Board to break into a small group for the purpose of creating amendments, resolutions or new proposals.
    3. If there is still no consensus, the objector(s) are asked if they will step aside and allow the decision to be adopted if (i) their dissenting ideas are recorded, and (ii) it is stipulated that the decision does not set a precedent and cannot be used as a basis for future decisions.
    4. If the objector(s) are still unwilling to stand aside, then the Board shall try to reach consensus to go to a 2/3 majority vote of the quorum.
    5. As a last resort, 2/3 of the Board may vote to decide by a 2/3 majority vote of the quorum. Board members' votes and abstentions shall be duly recorded in the minutes.
  - c. Once the consensus is reached, the Board shall speak as one voice.

#### **4.2. Board Responsibilities**

The job of the Board is to represent membership by directing and inspiring the Cooperative through clearly articulated policy and ensuring appropriate organizational performance through oversight and monitoring. Accordingly, the Board has responsibility to:

1. Practice and perpetuate a healthy democracy for our Cooperative. Ensure democratic member control.
2. Establish and maintain communication with members, including educating ourselves on diverse needs and perspectives and reporting on the Board's activities and decisions.
3. Hire, set compensation for, delegate responsibility to, and hold accountable a General Manager.

4. Assign responsibility through written policies in a way that honors our commitment to empowerment and a clear distinction of roles.
5. Regularly and rigorously monitor governing policies, including:
  - a. Ends: intended outcome, impact, and benefits.
  - b. Executive limitations: constraints on executive authority that establish the prudence and ethical boundaries within which all executive activity and decisions must take place.
  - c. Governance process: specification of how the board conceives, carries out, and monitors its own tasks.
6. Perpetuate the Board's leadership capacity by using: a robust recruitment process that results in dedicated and capable candidates; thoughtful appointments when necessary; fair elections; and ongoing education and training for board members. The board accomplishes this through a commitment to:
  - a. Strategic year-round recruitment.
  - b. Diversity, equity, and inclusion that seeks to identify and represent all members.
  - c. Orientation for newly elected or appointed directors that includes Policy Governance, board processes, and financial training.
  - d. Ongoing educational events such as board training, workshops and conferences.
7. Review and recommend revisions to the Cooperative's bylaws.

#### **4.3. Annual Agenda Planning**

To accomplish its work with a governance style consistent with board policies, the board will follow an annual agenda that achieves the following:

1. The board's annual governance cycle will run from May 1 to April 30.
2. The annual governance cycle begins with developing an agenda for the forthcoming year.
3. The Board will create and maintain an annual calendar that includes membership meetings, Board training schedules, monitoring schedules, and GM evaluation and compensation decisions as outlined in Policy 3.4.6.
4. The annual agenda will include educational opportunities and resources for continuous improvement of Board members, including but not limited to the topics of Cooperatives, policy governance, and ends determination.
5. Board meeting agendas will be determined by the Executive Committee and may be modified at the meeting by a majority vote of the Board.

#### **4.4. Board Meetings**

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

1. Meetings will be open to Cooperative membership except when closed session is officially called.
2. Directors may request a closed session but:
  - a. The purpose of the session must be stated.
  - b. The Board may choose to include or remove any individual parties from the closed session as determined by a majority vote.
  - c. When possible, announcement of the closed session should be on the published agenda.
3. Meeting discussion content will only be those issues which, according to Board policy, clearly belong to the Board to decide, rather than the General Manager.
4. Deliberation will be timely, fair, orderly and thorough, but also efficient, limited to time and kept to the point. The Board will limit the amount of meeting time taken up by monitoring reports, discouraging discussion unless the reports indicate policy violations, or the policy criteria themselves need review.

5. As warranted by time constraints, the Board may place a limit on public comment of 3 minutes per speaker and 10 minutes per group, and the Board may limit comments from speakers other than Directors and the General Manager to the defined public comment periods.
6. Board meetings include only work that is the whole Board's responsibility; work that is the primary responsibility of committees and individuals shall be limited unless it requires input of the whole Board.
7. The Board will seek agreement through discussion. Following discussions, decisions may be made through the use of motions, seconds, and majority vote.
8. Meetings are chaired by the President. Decisions are made according to the bylaws. Minutes are recorded by the Board Administrator or other designee.

#### **4.5 Officer Roles**

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

1. We will elect officers in order to help us accomplish our job.
2. No officer has any authority to supervise or direct the GM.
3. Officers may delegate their authority but remain accountable for its use.
4. President
  - a. The president ensures the Board acts consistently with Board policies.
  - b. The president is authorized to use any reasonable interpretation of the provisions in the Board Process and Board-Management Relationship policies to facilitate the board's functioning.
  - c. The president proposes the agenda and chairs Board meetings.
  - d. The president ensures that deliberation is fair, open, and thorough, but also timely, orderly, and kept to those topics within the jurisdiction of the Board.
  - e. The president will act as the intermediary for communication between the Board and General Manager between meetings.
  - f. The president plans for leadership (officer) perpetuation.
  - g. The president may represent the Board to outside parties.
5. Vice President
  - a. The vice-president will perform the duties of the president if the president is unable to do so.
6. Treasurer
  - a. The treasurer is responsible for supporting the board in all finance-related board work.
  - b. The treasurer will lead the Board's process for creating and monitoring the Board's (not the Cooperative's) budget.
  - c. The treasurer will facilitate the Board's understanding of the financial condition of the Cooperative.
7. Secretary
  - a. The secretary will make sure the Board's documents are accurate, up to date, and appropriately maintained.
  - b. Board documents include: the policy register, meeting minutes, monitoring report summary, annual calendar, and committee charters.

#### **4.6 Executive Committee Election Policy**

Elections of officers will take place at the first Board meeting following the Annual Meeting. Prior to this meeting, Board members will participate in a nomination process to identify candidates for each Executive Committee position.

1. Nomination Process:
  - a. Board members will receive a survey to indicate their willingness to serve in an officer role (self-nomination) or to nominate fellow Board members.

- b. All nominees will be contacted to confirm their willingness to appear on the ballot.
- 2. Election Process:
  - a. Officers will be elected in the following order: President, Vice President, Secretary, and Treasurer.
  - b. Voting will be administered by Oryana staff at the end of the May Board meeting.
  - c. Winners are determined by a majority vote of the Board.
  - d. In the event of a tie, the outcome will be determined by a run-off vote where the top two candidates from the first round continue to the second round.
- 3. Transition:
  - a. Election results will be announced immediately after voting.
  - b. Newly elected officers will coordinate a transition process, including attending an Executive Committee meeting before the next Board meeting.

#### **4.7 Board Members' Code of Conduct**

Directors commit to ethical, responsible and lawful conduct.

1. Annually, all Directors must review and sign a Code of Conduct Agreement.
2. Directors are 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.
3. Directors must demonstrate accountability to the interests of the Cooperative that 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-owner.
  - a. Self-dealing or any conduct of private business or personal services between any Director and the Cooperative is prohibited, except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
  - b. All Directors have a duty to disclose, in writing, any potential or perceived conflict of interest and must provide all material facts to the Board of Directors. Any subsequent potential conflicts must be reported to the Board of Directors immediately. The Board of Directors shall determine the process for participation by the Director.
  - c. When the Board is to decide on an issue about which a Director has an unavoidable conflict of interest, that Director must recuse themselves from the conversation and the vote.
  - d. A Director who applies for employment at the Cooperative must first resign from the Board.
4. Directors may not attempt to exercise individual authority over the organization.
  - a. When interacting with the GM or employees, Directors must respectfully and openly recognize their lack of authority.
  - b. When interacting with the public, the press, or other entities, or on social media, Directors must recognize the same limitation and the inability of any Director to speak for the Board except to repeat explicitly stated Board decisions.
5. Directors must not exhibit violent, oppressive or racist behaviors or speech.
6. Directors must respect the confidentiality appropriate to issues of a sensitive nature and must continue to honor confidentiality after leaving Board service.
7. Directors must use electronic communications in a manner consistent with this policy and the responsibilities of a Board member.
8. Directors must prepare for, attend, and participate fully in all Board meetings, retreats, and trainings.
9. Directors must make a good faith effort toward professional development and continuous improvement, including learning about the Cooperative, its operations, model board governance, and their responsibilities as a Board member via educational opportunities.

10. Directors must support the legitimacy and authority of the Board's decision on any matter, regardless of the Director's personal position on the issue.
11. Directors must refrain from soliciting, inferring, or otherwise requesting special privileges as a Board member and from interfering with the authority of the GM and Cooperative management.
12. Any Director who does not follow or abide by the Code of Conduct Agreement may be removed from the Board by a two-thirds majority vote of the remaining Board.

#### **4.8 Board Committee Principles**

Board committees will be used only to help the Board accomplish its work. Committees will support the Board as a whole by researching alternatives, providing recommendations, and overseeing specific Board-designated functions.

1. Committees will reinforce board holism. Committees may not speak or act for the Board unless formally authorized for a specific, time-limited purpose.
2. Committees do not have authority over staff and cannot interfere with the delegation of authority to the General Manager (GM).
3. Only the Board has the authority to create committees and appoint members.
4. All committees must have a written charter outlining their purpose, responsibilities, and authority. Charters must be approved and regularly reviewed by the Board to ensure alignment with Board responsibilities and GM authority.

#### **4.9 Governance Investment**

The board will not fail to invest in its governance capacity including but not limited to funds derived from the annual budget. Accordingly, resources may be used for any or all of the following: trainings and retreats, seminars and conferences, consultants and facilitators, materials, third-party monitoring and advice, outreach with owners, administrative and meeting support, and other costs determined by the Board to enhance their capacity to govern.

#### **4.10 Grievances Against the GM**

Grievances Against the GM Grievances against the GM brought for review by the Board should be conducted as follows:

1. Types of grievances appropriate for Board review:
  - a. A claim that a management decision violates existing Oryana policy.
  - b. A claim that a management decision creates an unfair situation for which no Oryana policy exists.
  - c. A claim that a management decision duly following Oryana policy creates an unfair situation because the policy itself is inherently unfair or discriminatory.
  - d. A claim of harassment or discrimination against the GM.
2. Review Process:
  - a. Grievance forms must be filed within 7 days of the response from the GM that the employee is appealing.
  - b. Within 30 days of the Board receiving the grievance against the GM, the Board will determine if the grievance meets the criteria for Board Review based on the types of grievances listed in 4.10.a. If the grievance does not meet the criteria, the employee will be advised. If the grievance meets the criteria, the grievance will be included on the agenda of the next Board meeting. To protect the privacy of the parties involved, Directors will request a closed session at the end of the Board meeting to review the Grievance and relevant policies. If the claim is

harassment or discrimination, the board will follow up within 4 business days (or as soon as possible) of receipt.

- c. The Board will respond to the written Grievance Form within 10 days of the board meeting at which the grievance is discussed and issue a decision whether to grant a hearing to the employee that includes an arbitrator.
- d. Employee hearings will be conducted within 90 days of the original complaint.
- e. The Board President, GM, Human Development Manager, a third-party arbitrator, and at least 3 Directors will be present at the employee hearing.
- f. The Board may request an extension if more time is needed to collect documents and/or information regarding the grievance.
- g. All decisions made by the Board at this hearing are considered final and binding.