January 11, 2022
Policy B – Global Executive Constraint, last revised: June 14, 2016.
**I report compliance with all parts of this policy unless otherwise noted below.**
Unless indicated otherwise, this data is accurate as of January 11, 2022
I certify that the information contained in this report and any attachments is true.

General Manager

Attachments:

- January – June 2021 GM Policy Monitoring Table
- July – December 2021 GM Policy Monitoring Table

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## Policy Language

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

## Interpretation & Operational Definitions:

The General Manager will ensure that all operational functions, carried out by anyone in the organization, will conform to the expectations set out in this policy and its sub-policies. The General Manager is not responsible for governance functions other than advising the Board if she is aware of non-compliance with its own policies as called for in policy B7.

The Board's entire set of limitations policies sufficiently interpret and define this global policy in most areas. All submitted monitoring reports and acceptance of them, when taken together, provide demonstration of compliance with this top-level policy. Look to those reports for more specific definitions and data. In this global report, I will provide data concerning lawfulness and Co-op Principles.

In her article "Cooperative Principles Updated" (Cooperative Grocer #62, 1996), Ann Hoyt states:

> Principles are guidelines for how to put ideals and values into practice. They rest on a distinct philosophy and view of society that helps us judge our accomplishments and make decisions. If successful, principles are incorporated into the organizational culture of the cooperative; they are the broad vision statement for cooperatives to be distinguished from other forms of organization. As the ICA (International Cooperative Alliance) puts it,

> "Principles are not a stale list to be reviewed periodically and ritualistically; they are empowering frameworks through which cooperatives grasp the future.

The Cooperative Principles essentially describe the means of the cooperative; following them is what makes us **a** cooperative. Working towards our Ends policies is what makes us **this** particular co-op.

- All monitoring reports submitted to the Board will demonstrate compliance or will include a plan for attaining compliance that is acceptable to the Board. Compliance with this global policy will be achieved if the Board accepts the B1-B9 monitoring reports.
- The General Manager will ensure that the Co-op conforms to any municipal, county, state or federal laws and/or any regulation that applies to our organization. Compliance will be achieved if the Cooperative has not been fined or successfully sued for any illegal activity.
- The General Manager will report to the Board any known illegal activity even if there are no fines or lawsuits as a result of that activity.
- Activities and practices of the Moscow Food Co-op will align with the seven Cooperative Principles. See the data section for detailed operational definitions of each principle.

Data:

- See the attached Monitoring Summary Tables
- Fines assessed during this reporting period: **None**
- Lawsuits initiated or resolved during this reporting period: **None**
- Illegal activity known to the General Manager: **None**
- Cooperative Principles (see below)

| Principle 1 – Voluntary and Open Membership | |
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| ICA Definition | Co-operatives are voluntary organizations, 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. |
| Operational Definition & Interpretation | Articles of incorporation and bylaws provide legal structure consistent with this principle. |
| | Our common practice is consistent with the cooperative principle. |
| Data | Our articles of incorporation and bylaws call for open and voluntary membership of the cooperative. |
| | Membership requirements are set by the members in the bylaws. |
| | Members have joined in the last year with no claims other than these acts being voluntary. |

| Principle 2 – Democratic Member Control | |
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| ICA Definition | Co-operatives are democratic organizations controlled by their members, who actively participate in setting their own policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner. |
| Operational Definition & Interpretation | Bylaws authorize members to exercise their one member-one vote rights to elect a Board of Directors to represent them, to make bylaw revisions, and provide for various other member controls. |
| | Elected representatives are held accountable by the members to further organize themselves, to provide leadership necessary for the organization to produce the desired results and avoid unacceptable conditions and activities, and to check to ensure that those expectations are being met. |
| Data | An election was held March 7-20, 2021 in which 830 members participated. Dulce Kersting-Lark, Cheyne Mayer, and Trish Hartzell were elected to the Board. |
| | Each member had one vote. |
| | The Board has a comprehensive set of policies that include expectations about how the Board is organized, its relationship with the GM, the desired results of the organization, unacceptable conditions and activities, and it maintains a schedule for monitoring all of these policies. |
| | Board and management account to our members through the Annual Report and the Annual Meeting. |

| Principle 3 – Member Economic Participation | |
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| ICA Definition | Members contribute equity to, and democratically control, the capital of their co-operative. At least part of that capital is the common property of the co-operative. Members 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 their 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. |
| Operational Definition & Interpretation | The Board, on behalf of the members, sets and controls the member equity requirement. |
| | The Board decides, on a year-to-year basis, whether to provide patronage dividends based on the member dollars spend and their relation to profitability. |
| | In addition, members may provide vital capital to the co-op by loaning money to the co-op. These loans do not influence voting rights. |
| Data | See the most recent **B4** -- **Membership Rights and Responsibilities** monitoring report for data about equity payments and patronage dividends. |
| | The balance sheet provided with the most recent **B1** -- **Financial Conditions and Activities** monitoring report shows that we do not currently have any member loans on the books. |

| Principle 4 – Autonomy & Independence | |
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| ICA Definition | 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. |
| Operational Definition & Interpretation | From Ann Hoyt's Cooperative Grocer article "*The new principles emphasize that cooperatives must be free of intervention from governments or other sources, so that the members are able to control their own destiny.*" |
| Data | Our co-op was formed by and is controlled by its membership. |
| | In our NCG Member Agreements, our Co-op has agreed to:<br>1. Honor the international values and principles of cooperation.<br>2. Maintain a commitment to the system's diversity, equity and inclusivity while respecting the backgrounds, perspectives and experiences of all participants.<br>3. Abide by the requirements of NCG's Articles of Incorporation, Bylaws, member agreement and any program participation agreements between the member and NCG.<br>4. Commit to the growth, profitability, and continuous improvement of NCG and its member co-ops while considering the best interests of all system stakeholders.<br>5. Designate the co-op's general manager to make decisions and sign contracts on behalf of their cooperative as the co-op's designated representative.<br>6. Pay required dues.<br>7. Make and receive all payments to and from NCG using NCG's designated electronic payment systems.<br>8. Take all reasonable measures to avoid disclosure of NCG's confidential information.<br>9. Notify NCG of any conditions that could negatively impact the co-op's ability to satisfy its obligations to NCG.<br>10. Adhere to NCG rand and usage policies when using any NCG trademarks, logos, assets and materials.<br>11. Submit comprehensive data to NCG (weekly sales, customer counts, SPINS data, quarterly financials).<br>12. Ensure compliance with all NCG operating standards.<br>13. Ensure required attendance and participation at required national NCG meetings.<br>14. Keep NCG informed of the full name and contact information for the co-op's board chair. |

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| | 15. Adhere to the program requirements for any voluntary programs the co-op participates in.<br>16. Authorize NCG to act as the co-op's agent with SPINS.<br>17. Provide NCG the opportunity to resolve a grievance according to policy. |

| Principle 5 – Education, Training & Information | |
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| ICA Definition | Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of the co-operatives. They inform the general public -- particularly young people and opinion leaders -- about the nature and benefits of cooperation |
| Operational Definition & Interpretation | We provide regular education initiatives so that members, directors, managers, employees, and community members are encouraged to learn more about who we are and what we do |
| Data | See the most recent **A - Global Ends** monitoring report for data about education |

| Principle 6 – Co-operation Among Co-operatives | |
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| ICA Definition | Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, regional, national and international structures. |
| Operational Definition & Interpretation | The Moscow Food Co-op is a visible part of the larger cooperative movement; we have membership in other cooperatives; we contribute money and leadership to other cooperatives. |
| Data | The Moscow Food Co-op actively participates as a member of National Co-op Grocers. NCG helps unify natural food co-ops in order to optimize operational and marketing resources, strengthen purchasing power, and ultimately offer more value to natural food co-op owners and shoppers everywhere. See Principle 4 for more detail on our NCG member agreement. |
| | We participate in educational activities with other cooperatives as indicated above as part of the 5th principle. |
| | See the most recent **A - Global Ends** monitoring report for data about our co-op's contributions to other cooperatives. |

| Principle 7 – Concern for Community | |
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| ICA Definition | Co-operatives work for the sustainable development of their communities through their policies approved by their members. |
| Operational Definition & Interpretation | The Ends policies bring to life our owners' concern for community. |
| Data | See the most recent **A - Global Ends** monitoring report for data about how we demonstrate our concern for community. |

Data supports compliance.