Last revised 10/28/25

2025
PFC Board Policies

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Policy Type: Ends
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Last Revised: August 2020

PFC exists to build and nourish an equitable, resilient community.

Policy Type: Executive Limitations
Policy Title: B – Global Executive Constraint
Last Revised: May 6, 2019

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.

Policy Type: Executive Limitations
Policy Title: B1 – Financial Condition and Activities
Last revised: May 6, 2019

With respect to the actual, ongoing financial conditions and activities, the General Manager must not cause or allow the Cooperative to be unprepared for future opportunities, the development of fiscal jeopardy, or key operational indicators to be below average for our industry.

The GM must not:

1. Allow sales growth to be inadequate.
2. Allow operations to generate an inadequate net income.
3. Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. Allow solvency (the relationship of debt to equity) to be insufficient.
5. Allow growth in ownership and owner paid-in equity to be insufficient.
6. Default on any terms that are part of the Cooperative's loans.
7. Allow late payment of contracts, payroll, loans or other financial obligations.
8. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.

9. Acquire, encumber or dispose of real estate.
10. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
11. Use restricted funds for any purpose other than that required by the restriction.
12. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

Policy Type: Executive Limitations
Policy Title: B2 –Planning and Financial Budgeting
Last revised: May 6, 2019

The General Manager must not operate without annual and multi-year budgets and plans that address intentional and improved Ends accomplishment along with avoidance of fiscal jeopardy.

The GM must not:

1. Create plans or budgets that risk incurring those situations or conditions described as unacceptable in the Board policy “Financial Condition and Activities.”
2. Omit credible projection of revenues and expenses, owner investment and return, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Do not address excellence in business systems and operations.
4. Have not been tested for feasibility.
5. Provide less for Board prerogatives during the year than is set forth in the board budget.

Policy Type: Executive Limitations
Policy Title: B3 – Asset Protection
Last revised: May 6, 2019

The General Manager must not allow assets to be unprotected, unreasonably risked, or inadequately maintained.

The GM must not:

1. Allow equipment and facilities to be inadequately insured, or otherwise unable to be replaced if damaged or destroyed, including coverage for any losses incurred due to business interruption.
2. Allow unnecessary exposure to liability or lack of insurance protection from claims of liability.
3. Allow deposits or investments to be unreasonably risked.

4. Allow inadequate security of premises and property.
5. Allow data, intellectual property, or files to be unprotected from loss, theft or significant damage.
6. Allow improper usage of members' and customers' personal information.
7. Allow purchasing that is uncontrolled or subject to conflicts of interest.
8. Allow lack of due diligence in contracts.
9. Allow damage to the Cooperative's public image.

Policy Type: Executive Limitations
Policy Title: B4 – Membership Rights and Responsibilities
Last Revised: May 6, 2019

The General Manager must not allow members to be uninformed or misinformed of their rights and responsibilities.

The GM must not:

1. Create or implement a member equity system without the following qualities:
   a. The required member equity, or fair share, is determined by the Board.
   b. Members are informed that equity investments are a) at risk, and b) generally refundable, though the Board retains the right to withhold refunds when necessary to protect the Cooperative's financial viability.
   c. Equity will not be refunded if such refunds would lead to a net decrease in total member paid-in equity, or would risk, cause or exacerbate non-compliance with any Financial Condition policy.
2. Implement a patronage dividend system that does not
   a. Comply with IRS regulations.
   b. Allow the Board to examine a range of options and implications, so the Board can make a timely determination each year concerning how much, if any, of the Cooperative's net profit will be allocated and distributed to members.

Policy Type: Executive Limitations
Policy Title: B5 – Treatment of Customers
Last Revised: May 6, 2019

The General Manager must not be unresponsive to customer needs.

The GM must not:

1. Operate without a system for soliciting and considering customer opinion regarding preferences, product requests, complaints and suggestions.
2. Allow an unsafe shopping experience for our customers.
3. Discriminate based on race, religion, color, creed, gender, political affiliation, sexual orientation, national origin, sex, age, marital status, gender-identity, height, weight or mental or physical disability.

Policy Type: Executive Limitations
Policy Title: B6 - Staff Treatment and Compensation
Last revised: May 6, 2019

The General Manager must not treat staff in any way that is unfair, unsafe, or unclear.

The GM must not:

1. Operate without written personnel policies that:
    a. Clarify rules for staff.
    b. Provide staff with the opportunity to report unethical or illegal actions
    c. Provide for fair and thorough handling of grievances in a way that does not include the board as a participant in the grievance process.
    d. Are accessible to all staff.
    e. Inform staff that employment is neither permanent nor guaranteed.

2. Cause or allow personnel policies to be inconsistently applied.

3. Provide for inadequate documentation, security and retention of personnel records and all personnel related decisions.

4. Establish compensation and benefits that are internally or externally inequitable.

5. Change the GM's own compensation and benefits, except as their benefits are consistent with a package for all other employees.

Policy Type: Executive Limitations
Policy Title: B7 – Communication to the Board
Last Revised: May 6, 2019

The General Manager must not cause or allow the Board to be uninformed or unsupported in its work.

The GM must not:

1. Submit monitoring reports that are untimely or inaccurate, or that lack operational definitions and verifiable data directly related to each section of the policy.
2. Report in an untimely manner any actual or anticipated noncompliance with any Board policy, along with a plan for reaching compliance and a proposed schedule regarding follow-up reporting.
3. Allow the Board to be unaware of relevant legal actions, media coverage, trends, public events of the Cooperative, or internal and external changes.
4. Withhold from the Board relevant information from or about key partners including NCG, including (but not limited to): reports about industry trends, operational audits, risk assessment and joint liability, program participation, and member agreements.
5. Withhold his/her opinion if the GM believes 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.
6. Deal with the Board in a way that favors or privileges certain directors 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.

Policy Type: Executive Limitations
Policy Title: B8 –Board Logistical Support
Last Revised: May 6, 2019

The General Manager must not allow the Board to have inadequate logistical support.

The GM must not:

1. Provide the Board with insufficient staff administration to support governance activities and Board communication.
2. Allow the board to be without a workable mechanism for official board, officer or committee communications.
3. Allow directors to be without an updated copy of the Policy Register and the Bylaws.
4. Provide inadequate information and notice to members concerning Board actions, meetings, activities and events.
5. Allow insufficient archiving of board documents.

Policy Type: Executive Limitations
Policy Title: B9 – Emergency GM Succession
Last revised: May 6, 2019

To protect the Board from sudden loss of GM services, the GM must not have less than one other manager sufficiently familiar with Board and GM issues and processes to enable her/they to take over with reasonable proficiency as an interim successor.

Policy Type: Executive Limitations
Policy Title: B10 – Anti Racism / Anti Oppression
Last revised: October 28, 2025

The GM must not allow PFC to operate without supporting an equitable community through policy, initiatives, programs, and partnerships that support diversity, equity, justice, and inclusion.

Policy Type: Board Process
Policy Title: C – Global Governance Commitment
Last Revised: May 6, 2019

Acting on behalf of our owners, the Board ensures the success of the cooperative by working together effectively, empowering and holding accountable professional management, providing strategic leadership for our cooperative, and perpetuating our democratic organization.

Policy Type: Board Process
Policy Title: C1 – Governing Style
Last Revised: May 6, 2019

We will govern in a manner consistent with the Four Pillars of Cooperative Governance (Teaming, Accountable Empowerment, Strategic Leadership, Democracy). In order to do this, we will:

1. Be a strategic leader by focusing our vision outward and toward the future.
2. Ensure effective systems of delegating authority to professional management, holding the use of that power accountable, and clearly distinguishing between board and management responsibilities.
3. Observe the 10 Policy Governance principles (Ends Policies, Ownership, Board Process Policies, Board Holism, Board-Management Relationship Policies, Governance Position, Limitations Policies, Policies/Decisions Come in Sizes, Any Reasonable Interpretation, Monitoring)
4. Maintain team discipline, authority and responsibility.
5. Practice the habits of a successful democracy.
6. Obey all relevant laws and bylaws.

Policy Type: Board Process
Policy Title: C2 – The Board's Job
Last Revised: August 26, 2025

In order to govern successfully, we will:

1. Practice, protect, promote and perpetuate a healthy democracy in our Cooperative.
2. Hire, compensate, hold responsible and accountable a General Manager.
3. Assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles.
4. Rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship.
5. Evaluating outcomes and policies to ensure they are aligned with our values.
6. Make central to our work our values of collaboration and cooperation, transparent communication, social equity and equal opportunity.
7. Perpetuate the Board's leadership capacity using ongoing education and training, recruitment, qualification and nomination processes, and fair elections and through the recruitment of new directors.
8. Fulfilling the duties of attention, loyalty, and care in good faith, with ordinary prudence, and in the best interests of the organization by:
   A. Supporting the Co-op as an active owner and advocate.
   B. Pledging to work in the PFC tradition of cooperative decision making, while encouraging sharing of all opinions.
   C. Performing other duties as required by the bylaws or because of limitations on GM authority.

Policy Type: Board Process
Policy Title: C3 – Agenda Planning
Last Revised: August 26, 2025

We will follow a strategic work plan and annual agenda that focuses our attention toward the future and away from operational details.

1. We will create, and modify as necessary, an annual calendar that includes tasks and events related to our workplan, membership meetings, Board training schedule, monitoring schedule, and the GM evaluation and compensation decisions as outlined in our Board-Management Relationship policies.

2. Board meeting agendas will be determined by the Board president, and may be modified at the meeting by a majority vote of the Board.

Policy Type: Board Process
Policy Title: C4 – Board Meetings
Last Revised: August 26, 2025

1. Board meetings are for the task of getting the Board's job done. We will use Board meeting time only for work that is the whole Board's responsibility. We will avoid committee issues, operational matters, personal concerns and other topics that are not the highest and best use of our time.
2. Meetings will be open to the membership, staff and the public except when an executive session is officially called.
3. We may occasionally use executive sessions to deal with confidential matters, as long as the purpose of the session is stated. When possible, announcement of the executive session should be on the published agenda.
4. We will seek consensus through discussion. We will then finalize and document decisions through the use of majority vote.
5. Issues requiring official Board action may be raised and decided in email, or through other means if waiting until the next scheduled Board meeting could cause harm to the PFC or to essential board or operational functioning.
6. Action requests for such an issue must be presented to the President, who is responsible for notifying the Board and presenting the decision. The President may delegate the duty to notify and/or present the decision request to any other Director[s].
7. Each board Director must be notified about the vote and invited to vote.
8. Directors should respond to vote requests as soon as possible. Voting can be closed within 72 hours of all Directors being notified about the vote.
9. Any decision must be supported by a majority of the currently serving Board. No action may be taken if non-respondents could change the outcome.
10. Such decisions will be noted and approved in the next meeting's consent agenda, and recorded in the minutes.
11. Directors may change their votes if the situation was not as they understood (for example if the material was not fairly presented, or some aspects of the situation have changed).
12. Decisions on substantive issues, meriting significant debate, should be delayed until the next regularly scheduled Board meeting, until a special meeting scheduled to allow for its announcement to Members, or until a special, closed, executive session meeting can be called.
13. The employee director, if any, as well as any other director having a personal interest in matters regarding the General Manager will be recused from votes regarding the General Manager's regular evaluation and compensation.

Policy Type: Board Process
Policy Title: C5 – Directors' Code of Conduct
Last Revised: May 27, 2025

All Board members will act in a manner that positively represents the Co-op by:

1. Being responsible at all times for acting in good faith, in a manner which we 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.
2. Demonstrating 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 staff, and the personal interest of any director acting as an individual consumer or member.
3. 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.
4. At a new director's first board meeting, they will complete the "Conflict of Interest Disclosure" form, and will verbally report to the whole board the potential conflicts. Any subsequent potential conflicts will be reported to the whole board immediately and updated on the COI form.
5. 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.
6. A director who applies for employment at the co-op must first resign from the Board. Any director who is also a paid employee has the same duties and responsibilities as any other director and has the additional duty of clearly segregating staff and Board responsibilities. Any director who is also a paid employee will resign from the Board if they are terminated for cause.
7. When interacting with the GM or employees, directors must carefully and openly recognize their lack of authority.
8. 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.
9. Respecting the confidentiality appropriate to issues of a sensitive nature and by continuing to honor confidentiality after leaving Board service.
10. Preparing for, attending, and participating fully in all Board meetings, retreats, team-building events and training.
11. Attending all official meetings of the ownership that would require board action or involvement.
12. Understanding bylaws and attendance[proposed addition]
13. Being accessible to communicate with Ownership, Staff, and/or other Board Directors as needed.
14. Participating in board work appropriate to each director's expertise, needs, and available volunteer hours.
15. Supporting the legitimacy and authority of the Board's decision on any matter, irrespective of the director's personal position on the issue.
16. 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.

Policy Type: Board Process
Policy Title: C6 – Officers' Roles
Last Revised: August 26, 2025

1. We will elect officers in order to help us accomplish our job.
    a. Officers may delegate their duties but remain accountable.
2. The president ensures the Board acts consistently with Board policies.
    a. The president is authorized to make decisions that are consistent with Board Process and Board-Management Relationship policies in order to facilitate the Board's functioning.
    b. The president will chair and set the agenda for Board meetings.
    c. The president plans for leadership perpetuation.
    d. The president may represent the Board to outside parties.
    e. The vice-president will perform the duties of the president in her/his absence.
3. The treasurer will lead the Board's process for creating and monitoring the Board's budget. In addition, the treasurer will facilitate the Board's understanding of the financial condition of the Cooperative.
    a. The Treasurer shall ensure all financial reports of the Co-op accurate and prepared in a proper and timely manner. The Treasurer will ensure that reports are presented at least annually to the membership on the financial status of the Co-op and will countersign all documents in the absence or incapacity of the Secretary.
4. The secretary will make sure the Board's documents are accurate, up to date, and appropriately maintained.
    b. In addition, the secretary will see that minutes of Board meetings are taken, shall supervise custody of all corporate documents, and shall countersign documents as required.

Policy Type: Board Process
Policy Title: C7 – Board Committee Principles
Last Revised: September 10, 2019

We will use Board committees only to help us accomplish our job. Committees will reinforce and support Board holism.In particular, committees help the whole Board move forward when they research alternatives and bring back options and information and/or doing board-related planning and work.

1. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes.

2. The Board will establish, regularly review and control committee responsibilities in written committee charters.
3. We will carefully state committee expectations and authority to make sure they do not conflict with authority delegated to the GM.

Policy Type: Board Process
Policy Title: C8 – Governance Investment
Last Revised: September 22, 2025

1. We will invest in the Board's governance capacity.
2. We will make sure that Board skills, methods and supports are sufficient to allow us to govern with excellence.
3. We will use training and retraining as needed to orient new directors and board candidates, as well as to maintain and increase existing directors' skills and understanding.
4. We will actively participate in ongoing learning, reflection and development of diversity, equity, and inclusion principles and their application within our organization.
5. We will incur governance costs prudently and in service of the development and maintenance of our capacity and effectiveness.
6. We will arrange outside monitoring assistance as necessary so that the Board can exercise confident control over organizational performance.
7. We will use outreach mechanisms as needed to ensure our ability to listen to owner viewpoints and values.
8. We will use professional and administrative support as necessary.
9. We will develop the Board's annual budget in a timely way so as to not interfere with the development of the Cooperative's annual budget.

Policy Type: Board-Management Relationship
Policy Title: D – Global Board-Management Connection
Last Revised: April 24, 2023

The Board's sole official connection to the operations of the cooperative will be through the General Manager. The Board has hired the General Manager to operate the business. We will be an excellent employer to the GM as our sole employee, cultivating a relationship rooted in equity, respect and mutual support. In delegating authority to the GM, we acknowledge the GM's expertise, and we will work collaboratively and transparently with the GM in addressing any issues as they arise.

Policy Type: Board-Management Relationship
Policy Title: D1 – Unity of Control
Last Revised: April 24, 2023

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

Policy Type: Board-Management Relationship
Policy Title: D2 – Accountability of the GM
Last Revised: April 24, 2023

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

Policy Type: Board-Management Relationship
Policy Title: D3 – Delegation to the GM
Last Revised: April 24, 2023

1. The Board delegates authority to the GM through written Ends and Executive Limitations policies.
2. 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.
3. The Board will respect and accept the GM's choices as long as those choices are based on reasonable interpretations of Board policies.
4. If the Board changes an Ends or Executive Limitations policy, the change only applies in the future.

Policy Type: Board-Management Relationship
Policy Title: D4 – General Manager Evaluation
Last Revised: March 25, 2025

The Board will annually evaluate the GM's job performance based on organizational policies and procedures along with set goals and expectations set forth by the board and agreed upon by the GM.

1. The Board's policy monitoring process is the foundation of our annual evaluation of the GM.
    a. The GM Evaluation Committee will invite the GM into a conversation to share a fiscal report, financial review, annual summary of monitoring reports, and other relevant information and clarifications.
    b. Based on the review of reports and the conversation, and the achievement of three agreed upon goals set by the GM and the Board, the GM Evaluation Committee will present a full evaluation to the GM.
    c. This evaluation will be completed by the first fiscal quarter.

2. We will acquire monitoring information by one or more of three methods:
    a. Most commonly by internal report, in which the GM discloses policy interpretations and compliance information to the Board; (b) occasionally by external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies; or
    b. rarely by direct Board inspection, in which a designated director or committee assesses compliance with the policy.

3. We will accept that the GM is compliant with a policy if the monitoring report includes a reasonable interpretation, including clear metrics and benchmarks, and adequate data that demonstrate accomplishment of that interpretation and accepted by the Board.

4. In evaluating non-compliance, we will consider the severity, implications, and trends, as well as the GM's explanation and plan to achieve compliance.

5. We will monitor all policies that instruct the GM. The Board can monitor any policy at any time by any method listed above but will ordinarily follow the schedule outlined in the Board Annual Calendar.

Policy Type: Board-Management Relationship
Policy Title: D5 – General Manager Compensation
Last Revised: 4/1/2025

The Board will provide compensation to the General Manager that is equitable, competitive in our market, and sustainable for the cooperative. We will use a strategic process to establish the value of the GM's compensation, and we will complete this process by the end of the first fiscal quarter.

APPENDIX