

## Section II: EXECUTIVE LIMITATIONS

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### **2.0 POLICY TITLE: GLOBAL EXECUTIVE CONSTRAINT**

The Executive Team shall not cause or allow any practice, activity, decision, or organizational circumstance which, is either unlawful, imprudent or in violation of commonly accepted cooperative administrative practice and professional ethics, or in violation of Cooperative Identity, Values and Principles.

### **2.1 POLICY TITLE: TREATMENT OF MEMBER-RESIDENTS**

With respect to interactions with member-residents or those applying to be member-residents, the Executive Team shall not cause or allow conditions, procedures, or decisions that are unsafe, unclear, inequitable, unfair, disrespectful or unnecessarily intrusive.

Further, the Executive Team shall not:

1. **2.1.1** Use application forms that elicit information for which, there is no clear necessity.
2. **2.1.2** Use methods of collecting, reviewing, transmitting, or storing resident information that fail to protect against improper access to the material elicited.
3. **2.1.3** Allow residents to be uninformed or misinformed about Cooperative Identity, Values and Principles, and their rights and responsibilities as cooperative members and as residents.
  1. **2.1.3.1** Operate without a written policy on member relations, including rights and responsibilities as cooperative members and as residents.

### **2.2 POLICY TITLE: TREATMENT OF HOUSEHOLDS**

With respect to interactions with co-op houses, the Executive Team shall not cause or allow conditions, procedures, or decisions that interfere with house autonomy in quality of life/culture issues of the household.

Further, the Executive Team shall not:

1. **2.2.1** Interfere with the ability of a household's members to make independent financial decisions that impact quality of life.
2. **2.2.2** Override the ability of a household to opt in to group purchases even when there are significant savings to be gained.

### **2.3 POLICY TITLE: TREATMENT OF WORKERS**

With respect to the treatment of paid and volunteer staff, member-workers and contractors, the Executive Team may not cause or allow conditions, which, are unfair, unsafe, undignified, disorganized, or unclear.

Further, the Executive Team shall not:

1. **2.3.1** Operate without written and consistently enforced personnel policies which, clarify rules for all workers and provide for effective handling of grievances internally.
2. **2.3.2** Discriminate against any worker for non-disruptive expression of dissent.

3. **2.3.3** Provide for inadequate documentation, security and retention of personnel records and personnel-related decisions.
4. **2.3.4** Deter workers from grieving to the board when internal grievance procedures have been exhausted and the worker alleges that board policy has been violated to their detriment.
5. **2.3.5** Operate without an appropriate level of cross-training so that workers can provide basic information and service to member-residents.
6. **2.3.6** Fail to acquaint staff with the Executive Team's interpretation of their protections under this policy.

## **2.4 POLICY TITLE: COMPENSATION AND BENEFITS**

With respect to employment, compensation, and benefits to workers, the Executive Team shall not cause or allow jeopardy to fiscal integrity or public image.

Further, the Executive Team shall not:

1. **2.4.1** Promise or imply permanent or guaranteed employment to individuals.
2. **2.4.2** Establish compensation and benefits which, are internally inequitable or not in alignment with similar student cooperative organizations.
3. **2.4.3** Change their own compensation and benefits, except to be consistent with the package for all other employees.

## **2.5 POLICY TITLE: BUSINESS PLANNING AND FINANCIAL BUDGETING**

Business planning and financial budgeting for any fiscal year or the remaining part of any fiscal year shall not deviate materially from board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

Further, the Executive Team shall not:

1. **2.5.1** Omit credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
2. **2.5.2** Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
3. **2.5.3** Fail to plan an adequate reserve fund to facilitate the growth, repair, renewal or replacement of the co-op's capital assets.
4. **2.5.4** Plan for the operating reserves to drop below three months or 25% operating expenses.
5. **2.5.5** Provide less for board prerogatives during the year than is set forth in the Governance Investment policy (3.8).

## **2.6 POLICY TITLE: FINANCIAL CONDITION AND ACTIVITIES**

With respect to the actual, ongoing financial condition and activities, the Executive Team shall not cause or allow the development of fiscal jeopardy, a material deviation of actual expenditures from board priorities established in Ends policies, or financial accounting to be out of conformity with Generally Accepted Accounting Principles.

Further, the Executive Team shall not:

1. **2.6.1** Allow financial liquidity (the ability to pay our bills on time) or cash flow to be insufficient.
2. **2.6.2** Use any long term reserves except for purposes and amounts specifically released by the Board.
3. **2.6.3** Use restricted funds for any purpose other than that required by the restriction.
4. **2.6.4** Conduct interfund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 30 days.
  1. **2.6.4.1** Exception: Use funds to purchase up to \$30,000 of refrigerators from Best Buy to be used in SHC properties until reimbursed in full by BWL . This policy expires February 28, 2018.
1. **2.6.5** Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
2. **2.6.6** Allow late payment of contracts, payroll, loans or other financial obligations.
3. **2.6.7** Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
4. **2.6.8** Make a single unbudgeted purchase or commitment of greater than \$7500 with the exception of emergency purchases. Unbudgeted purchases over \$5000 shall not be made without timely notification to the Board.
  1. **2.6.8.1** Exception: Purchase \$10,000 of lumber from The Wood Butcher to be used in SHC properties. This policy expires August 1, 2016.
  2. **2.6.8.2** Exception: Hunnicutt Plumbing costs paid from operating budget.
1. **2.6.9** Acquire, encumber or dispose of real property.
2. **2.6.10** Fail to aggressively pursue receivables after a reasonable grace period.
3. **2.6.11** Implement any new initiative without conducting a feasibility study.
4. **2.6.12** Allow house finances to be in a deficit situation.

## **2.7 POLICY TITLE: ASSET PROTECTION**

Executive Team shall not allow cooperative assets to be unprotected, inadequately maintained or unnecessarily risked.

Further, the Executive Team shall not:

1. **2.7.1** Subject real property and equipment to improper wear and tear or insufficient maintenance.
2. **2.7.2** Unnecessarily expose the organization, its board or staff to claims of liability.
3. **2.7.3** Operate without proper risk management and appropriate insurance toward continuous operations, services and property.
4. **2.7.4** Allow unbonded personnel access to material amounts of funds.
5. **2.7.5** Allow inadequate security of cooperative premises and property and reasonable protections for member personal property.
6. **2.7.6** Make any asset purchase: (a) wherein normally prudent protection has not been given against conflict of interest; (b) without having obtained comparative prices and quality; © without a stringent method of assuring the balance of long term quality and cost.
  1. **2.7.6.1** Exception: emergency purchases.
1. **2.7.7** Allow improper access to data, intellectual property, and information or files to be unprotected from loss, theft or significant damage.
  1. **2.7.7.1** Allow improper usage of members' personal information.
1. **2.7.8** Receive, process or disburse funds under methods that are insufficient to meet the GAAP

standard for internal controls.

2. **2.7.9** Allow investments or operating capital to be held in insecure or uninsured instruments or unreasonably risked.
3. **2.7.10** Endanger the organization's public image or credibility.
4. **2.7.11** Allow lack of due diligence in contracts.
5. **2.7.12** Operate without an inventory of assets, updated annually, including an asset initially valued over \$2,000 and noting its current condition.
6. **2.7.13** Allow institutional memory to be undocumented or not archived.

## **2.8 POLICY TITLE: EMERGENCY EXECUTIVE DIRECTOR SUCCESSION**

In order to protect the board from sudden loss of Cooperative Management services, the Executive Director shall not operate without a written plan identifying at least one other named person familiar with Cooperative Management issues and processes.

## **2.9 POLICY TITLE: COMMUNICATION AND SUPPORT TO THE BOARD**

The Executive Team shall not permit the board to be uninformed or unsupported in its work.

Further, the Executive Team shall not:

1. **2.9.1** Withhold, impede, or confound information relevant to the board's informed accomplishment of its job.
  1. **2.9.1.1** Neglect to submit monitoring data required by the board (see policy on Monitoring Executive Team Performance) in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored and including operational definitions and verifiable data.
  2. **2.9.1.2** Allow the board to be unaware of any actual or anticipated noncompliance with any Ends or Executive Limitations policy as soon as the condition becomes apparent, regardless of the board's monitoring schedule.
  3. **2.9.1.3** Hesitate to advise the board if the board is out of compliance with its own board means policies, particularly in the case of board behavior which, is detrimental to the working relationship between the board and the Executive Team.
  4. **2.9.1.4** Allow the board to be without decision information required periodically by the board or let the board be unaware of relevant trends.
  5. **2.9.1.5** Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
  6. **2.9.1.6** Let the board be unaware of any incidental information it desires including anticipated media coverage, pending or credible threats of lawsuits and material internal changes, and quarterly financial statements.
  7. **2.9.1.7** Fail to supply for the consent agenda all items delegated to the Executive Team yet required by law or contract to be board-approved.
  8. **2.9.1.8** Fail to deal with the Board as a whole except when a. fulfilling individual requests for information or b. responding to officers or committees duly charged by the board.
1. **2.9.2** Withhold from the board and its processes logistical and clerical assistance.
  1. **2.9.2.1** Allow the board to be deprived of a workable, user-friendly mechanism for official board, officer, or committee communications.

1. **2.9.2.1.1** Allow the Board to operate without the most recent version of the Board Policy Manual or Bylaws.
2. **2.9.2.1.2** Allow insufficient archiving of Board documents.

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