

Section III: GOVERNANCE PROCESS

3.0 POLICY TITLE: GLOBAL GOVERNANCE COMMITMENT

The purpose of the board, on behalf of our legal ownership (the people who hold shares in the MSU Student Housing Cooperative) and our moral ownership (the people who invest themselves for the common good, quality of living and expansion of the cooperative movement), is to see to it that the MSU Student Housing Cooperative (SHC) (a) achieves what it should, and (b) avoids unacceptable actions and situations.

3.1 POLICY TITLE: GOVERNING STYLE

The board will apply the Cooperative Identity, Values and Principles and govern 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.

On any issue, the Board must ensure that all divergent views are considered in making decisions, yet must resolve into a single organizational position.

Accordingly:

1. **3.1.1** The board will cultivate a sense of group responsibility for integrity in governing.
2. **3.1.2** The board will direct, control and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives.
3. **3.1.3** 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, policy making 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 observe them scrupulously while in force.
 1. **3.1.3.1** In accordance with this discipline, the board will only allow itself to address a topic after it has answered these questions:
 1. A. Whose issue is this? Is it the Board's or the Executive Team's?
 2. B. Has the board dealt with this subject in a policy? If so, what has the board already said on this subject and how is this issue related? If the board has already addressed the matter, does the board wish to change what it has already said?
 3. C. If the matter is several levels below board level, what is the broadest way to address this issue so that it is still under existing board policy? Does that policy suffice to deal with our concern?
1. **3.1.4** Continual board development will include orientation of new board members in the board's governance process and periodic board discussion of process improvement.
 1. **3.1.4.1** Assure an effective and sustainable governing culture that provides leadership over time.
1. **3.1.5** The board will allow no officer, individual or committee of the board to hinder or be an excuse for not fulfilling its governing commitments.
2. **3.1.6** Board meetings are for the task of getting the Board's job done.
 1. **3.1.6.1** The Board will use its meeting time only for work that is the whole Board's

responsibility. The Board will avoid committee issues, operational matters and personal concerns, unless approved by a majority vote.

1. **3.1.6.1.1** The Board, at its discretion, shall discuss any issue related to the operational side of the organization.
2. **3.1.6.2** Meetings will be open to the member-residents except when executive session is officially called.
 1. **3.1.6.2.1** Executive sessions may be used to deal with confidential matters, generally dealing with personnel matters or legal or contractual issues. When possible, announcement of the executive session should be on the published agenda.
 2. **3.1.6.2.2** The Board may include or exclude anyone it chooses from executive session.
 1. **3.1.6.2.3** The Board will take no official minutes during the executive session.
 2. **3.1.6.2.4** The Board will come out of executive session and take official action in the public meeting.
1. **3.1.6.3** The Board will seek consensus through discussion. The Board will then finalize and document decisions through the use of motions, seconds and majority vote. Abstentions from voting may only be done if the board member has a conflict of interest.
2. **3.1.6.4** The Board may include or exclude anyone it chooses from executive session.
 1. **3.1.6.4.1** The Board will only discuss agenda items added at the meeting IF the Board agrees the item is a shared issue AND the Board has adequate background information to discuss the issue in an informed way.
 2. **3.1.6.4.2** The Board President will ensure that meeting agenda and supporting materials are delivered to the Board of Directors at least 48 hours prior to the next scheduled Board of Directors meeting. Supporting materials will contain, at minimum:
 - Minutes of the previous meeting, to be approved by the Board
 - Management & Monitoring Reports
 - Presentations of motions and discussion items to be addressed at the meeting with appropriate background material for an informed discussion
 - An agenda of all business to be conducted at the meeting including the date, time, and place.

3.2 POLICY TITLE: SHARED VALUES

The Board shall work toward establishing clarity in its values. Those values that have been explored, discerned and represented here shall influence the thinking of all other policies created by the board. These are the values that we believe:

1. **3.2.1 Diversity and Inclusion:** The MSUSHC environment shall be appealing to all segments of society who need or want to live in an inclusive cooperative system and by the values of Cooperatives. Inclusion means either no barriers or barriers minimized to all people who desire our services and are willing to accept the responsibilities of co-op living.
 1. Diversity involves inclusion, empowering the voice and participation of marginalized populations. Diversity includes race, ethnicity, national origin, sexual orientation, gender identity, religious preference, socioeconomic status, age, veteran status, family status, abilities, weight, political persuasion, fields of study, and first generation student status.

1. Intentional diversity and inclusion are important to co-op living. Cooperative living exposes its residents to a structured environment for learnings in self-sufficiency, democratic citizenship, collective interdependence and the struggle in how to live consciously with people who are not like us. Diversity and inclusion will not be achieved at the expense of physical or mental health safety of the residents.

1. To support this value:

- The co-op may intentionally design a diverse or special interest environment with living/learning-related conditions.
- Diversity will likely be achieved through intentional actions that go beyond word of mouth referrals.
- Education toward diversity and safety for all residents is encouraged.
- The co-op encourages each house to define house norms that value and create diversity and increase retention of house member diversity.

1. **3.2.2 House Autonomy:** We value empowerment:

- Of members to run their own households,
- To make all decisions related to quality of life in the house,
- To fail and to resolve consequences of poor decision-making.
- We also value the role of MSUSHC to assure the long-term sustainability of the co-op.

2. To assure sustainability, we acknowledge the responsibility of the SHC to:

- Oversee the business of the buildings, including the purchase of insurance, payment of taxes and mortgages
- Assure appropriate capital improvements
- Assure good financial management
- Budget for the office entity and capital improvements
- Assure reserves for future growth,
- Assure quality administrative systems, and
- Assure ongoing education of the members to optimize the experience of living in a cooperative.

1. Our common culture among the houses is bound by existing laws, municipal regulations, MSUSHC bylaws, Board-approved policies, and the Code of Operations. While each house defines its own unique identify, each house will contribute to the achievement of the Ends Policies of MSUSHC.

3.3 POLICY TITLE: SHARED VALUES

Specific job outputs of the board, as an informed agent of the ownership, are those that ensure appropriate organizational performance.

Accordingly, the board has direct responsibility to create:

1. **3.3.1** The link between the ownership and the operational organization.
2. **3.3.2** Written governing policies that address the broadest levels of all organizational decisions and situations.
 1. **3.3.2.1** Ends: Organizational results expressed in terms of what good for which, recipients at what cost to the Cooperative.
 2. **3.3.2.2** Executive Limitations: Limits on the unilateral authority of the Executive Team that establish the prudence and ethics boundaries within which, all operational activity and decisions must take place.
 3. **3.3.2.3** Governance Process: Rules of engagement of the Board, among Board members,

and with the member-residents as the “ownership”.

4. **3.3.2.4** Board- Cooperative Management Delegation: How power is delegated and its proper use monitored; the Cooperative Management role, authority and accountability.
1. **3.3.3** Assurance of successful Cooperative Management performance.
2. **3.3.4** Fair, responsive and expedient processes for:
 1. **3.3.4.1** Appellate grievances promulgated by a resident or MSU SHC staff who have exhausted the internal grievance procedures. (See Appendix F)
 2. **3.3.4.2** Awarding Community Grants from the Board Restricted Reserves for special projects outside the reach of their normal community involvement.
 3. **3.3.4.3** Addressing concerns that fall under Article X of the Code.

3.4 POLICY TITLE: BOARD MEMBERS' CODE OF CONDUCT

The board commits itself and its members to ethical, cooperative, and lawful conduct, including proper use of authority and appropriate decorum.

1. **3.4.1** Board members must have loyalty to the ownership interests, unconflicted by loyalties to staff, other organizations, and any personal interest as a resident. Focus must be on the best interests of the Cooperative and the common good of member-residents.
2. **3.4.2** Board members must avoid conflict of interest with respect to their fiduciary responsibility.
 1. **3.4.2.1** There will be no self-dealing or business by a member with the organization. Board members will annually disclose potential or perceived conflicts of interest.
 2. **3.4.2.2** When the board is to decide upon an issue about which, a member has an unavoidable conflict of interest, that member shall declare the conflict of interest and absent herself or himself without comment from not only the vote, but also from the deliberation.
 3. **3.4.2.3** Board members who wish to apply for full-time employment with the cooperative must first resign from the Board.
1. **3.4.3** Board members may not attempt to exercise individual authority over the organization.
 1. **3.4.3.1** Members' interaction with the Executive Team or with staff must recognize the lack of individual authority except when explicitly board authorized.
 2. **3.4.3.2** Member interaction with the SHC houses, the public, press or other entities must recognize the same limitation and the inability of any board member to speak for the board except to repeat explicitly stated board decisions or the officially approved minutes of the SHC.
 3. **3.4.3.3** Board members will not express individual judgments of performance of employees.
1. **3.4.4** Members will respect the confidentiality appropriate to issues of a sensitive nature.
2. **3.4.5** Members will be properly prepared for board deliberation.
3. **3.4.6** Members will serve on at least one committee for the SHC or be a liaison to an external entity during their board service.
4. **3.4.7** Members will pay board-established fines levied for inappropriate performance as a board member.

3.5 POLICY TITLE: AGENDA PLANNING

The board will follow an annual agenda which, (a) explores and advances development of Ends policies and (b) enhances board performance through board education and enriched input and deliberation.

1. **3.5.1** The cycle will conclude each year on the last day of May so that administrative planning and budgeting can be based on accomplishing a one year segment of the board's most recent statement of Ends.
2. **3.5.2** The cycle will start at the July Board meeting with the board's development of its annual agenda, including its calendar and the issue/theme it agrees to explore that will lead to policy development.
 1. **3.5.2.1** Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and arranged to be held in the third quarter of the calendar year.
 2. **3.5.2.2** Governance education and education related to the annual issue/theme will be determined and arranged in the third quarter, to be held during the balance of the year.
1. **3.5.3** Individual meeting agendas will generally follow the format below, structured around the Board's job description:
 1. I. Approve agenda
 2. II. Consent Agenda
 1. A. Operational (Management construct)
 2. B. Board
 3. III. Board Education
 4. IV. Ownership Linkage
 1. A. Communication with the Ownership related to Board's Annual Agenda
 2. B. Ownership Communication
 5. V. Policy Discussion
 1. A. Based on Annual Plan of Board Work
 6. VI. Assurance of Management Performance
 1. A. Receipt of Monitoring Reports; Challenges if any to Monitoring; Vote on compliance
 2. B. New Operational Worries (place holder)
 3. C. Next monitoring assignment (announcement)
 4. D. Board self assessment against Board means policies (according to the monitoring schedule)
 7. VI. Announcements
 8. VII. Items for the next agenda
 9. VIII. Review of assignments, if any
 10. IX. Establish talking points toward house transparency
 11. X. Approve minutes (in real time)
 12. XI. Adjournment
1. **3.5.3.1** Throughout the year, the board will attend to consent agenda items as expeditiously as possible.
2. **3.5.3.2** Additional agenda items must be submitted to the President at least 72 hours preceding the Board meeting.
3. **3.5.3.3** Operational monitoring will be included on the agenda for Board evaluation. This agenda item should be handled efficiently, however, if monitoring reports show policy violations or if policy criteria are to be debated, sufficient time will be allocated.

3.6 POLICY TITLE: OFFICER ROLES

Officers are annually elected to facilitate the work of the Board in its governing role. Officers may delegate their authority, but remain accountable for its use.

Accordingly:

1. **3.6.1** The President serves in a dual capacity for the Cooperative: As the chief governing officer, the President assures the integrity of the board's process and, secondarily, acts as spokesperson for the board to the internal organization and to outside parties. As chief executive officer, the President is engaged in the fulfillment of Executive Team performance.
 1. **3.6.1.1** The job result of the President, as chief governing officer, is that the board works as an effective team and is consistent with its own policies and those legitimately imposed upon it from outside the organization.
 1. **3.6.1.1.1** Meeting discussion content will be only those issues which, clearly belong to the board to decide, not the Executive Team.
 2. **3.6.1.1.2** Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.
 1. **3.6.1.2** The individual authority of the President consists in making decisions that fall within topics covered by board means policies. The President is authorized to use any reasonable interpretation of the provisions in these policies.
 1. **3.6.1.2.1** The President is empowered to chair board meetings and co-chair the General Membership Meeting with the Vice-President.
 2. **3.6.1.2.2** The President may represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
 3. **3.6.1.2.3** As the leader of the Executive Team, the President shall work collaboratively and cooperatively with the Executive Director.
1. **3.6.2** The job result of the Vice-President is leadership as co-chair of the General Membership Meeting, in performance of Presidential duties in the case of any temporary absence and championing the orientation of new board members.
2. **3.6.3** The job result of the Secretary is access to accurate, up to date, and appropriately-archived governing documents, including minutes, Bylaws and the Board policy manual and successful election administration.
3. **3.6.4** The job product of the Treasurer is the development and monitoring of the board's governing budget, assurance of astute financial insight during Board monitoring of financial policies of the Board, and orientation of the Board on cooperative finances in the service of fulfilling its high level duties on financial matters.

3.7 POLICY TITLE: BOARD COMMITTEE PRINCIPLES

Board committees are formed to help the board do its job, not to help or advise the staff.

Accordingly:

1. **3.7.1** Board committees reinforce and support the wholeness of the Board. In this role, Board committees are generally intelligence gatherers, framing issues, researching alternatives and bringing options and information for the Board's consideration.
2. **3.7.2** Board committee expectations, authority and available resources will be carefully stated

and may never conflict with authority delegated to the Executive Team.

3. **3.7.3** Board committees may not speak for the board and cannot exercise authority over operational workers.
4. **3.7.4** Committees will be used sparingly and ordinarily in an ad hoc capacity.
5. **3.7.5** This policy applies to any group which, is formed by board action, whether or not it is called a committee and regardless whether the group includes board members. It does not apply to committees formed under the authority of the Executive Team.

3.8 POLICY TITLE: BOARD COMMITTEE STRUCTURE

A committee is a board committee only if its existence and charge come from the board, regardless whether board members sit on the committee. The only board committees are those which, are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete.

1. **3.8.1** The Visionary Committee is established as a standing Board Committee for the purpose of ownership linkage. It is responsible for researching significant cultural trends in the SHC and broader society. The Committee will:
 1. **3.8.1.1** Comprise of the President, Executive Director, and no fewer than 3 Board Representatives
 2. **3.8.1.2** Research and propose topics for the Board's Annual Plan based on analysis of the Member Census, the Member Satisfaction Survey, and the concerns/values of the general membership
 3. **3.8.1.3** Hold SHC Town Halls to record concerns of the general Membership, as necessary.
1. **3.8.2** The Governance Revision Committee is established as a standing Board Committee for the purpose of reviewing SHC governance processes and structures. The Committee will:
 1. **3.8.2.1** Comprise of no fewer than 3 Board Representatives with one representative chosen as the Chairperson.
 2. **3.8.2.2** Inform the Board when the SHC's Bylaws are not in alignment with the Board's Policy Manual.
 3. **3.8.2.3** Propose referenda for Bylaws changes to be approved by the Board and voted on by the general membership.
 4. **3.8.2.4** Make suggestions to the Board relating to Board representation and apportionment.
 5. **3.8.2.5** Engage with cooperatives or alumni seeking representation on the SHC Board of Directors.
 6. **3.8.2.6** Recommend modifications to the SHC's governance structure in light of any potential expansion of the SHC's general membership.
1. **3.8.3** The Corporate Audit Committee is established as an ad hoc Board Committee for the purpose of financial transparency. The Committee will:
 1. **3.8.3.1** Comprise of no fewer than 2 Board Representatives free of financial conflict of interest and the Corporate Treasurer of SHC.
 2. **3.8.3.2** Work directly with a third party of Certified Public Accountants who have conducted a fiscal audit to review their work for adequacy.
 3. **3.8.3.3** Review budget to actuals as presented by the Executive Director on a monthly basis.
 4. **3.8.3.4** Report back to the Board of Directors on their findings concerning the financial position of the SHC.

5. **3.8.3.5** Use Policy Sections 2.4, 2.5, 2.6, & 2.7 as a guide for determining the level of fiscal stability and transparency in the SHC.
1. **3.8.4** The General Membership Meeting Committee is established as a standing Board Committee for the purpose of planning the semesterly General Membership Meeting. The Committee will:
 1. **3.8.4.1** Comprise of the President, the Vice President, and no fewer than 2 Board Representatives.
 2. **3.8.4.2** Set the agenda for the General Membership Meeting, which would include only those things which must be communicated to or involve all members of the cooperative.

3.9 POLICY TITLE: GOVERNANCE INVESTMENT

Because poor governance costs more than learning to govern well, the board will invest in its governance capacity.

Accordingly:

1. **3.9.1** Board skills, methods, and supports will be sufficient to assure governing with excellence.
 1. **3.9.1.1** Training and retraining will be used liberally to orient new members and candidates for Board service, as well as to maintain and increase existing board member skills and understandings.
 2. **3.9.1.2** Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes, but is not limited to, fiscal audit.
 3. **3.9.1.3** Outreach mechanisms will be used as needed to ensure the board's ability to listen to owner viewpoints and values.
1. **3.9.2** Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
 1. **3.9.2.1** Each year, the Board, in the month of February will develop its budget for attendance at conferences and workshops, for third-party monitoring and organizational assessments, and ownership linkage activities including surveys, focus groups and other input mechanisms.

[bpdsec]

From: <https://wiki.spartan.coop/> - SHC Policy Wiki

Permanent link: https://wiki.spartan.coop/policy_documents/board_policy_manual/section_3?rev=1583771717

Last update: 2020/03/09 09:35

