



## POLICY NO. 114

SUBJECT: BOARD OF TRUSTEES-GENERAL MANAGER INTERRELATIONSHIPS

### I. PURPOSE

To establish the policy governing the basic relationship between the Board of Trustees and the General Manager, including the principles involving the delegation of authority.

### II. POLICY CONTENT

It is recognized that good management is the most important factor to the success of the Cooperative. In exercising such management, the Board of Trustees shall establish policy, approve plans and programs, and delegate authority to the General Manager to carry out such plans, programs, and policies and to manage the day to day activities of the Cooperative.

### III. PROVISIONS

- A. The Board of Trustees recognizes its responsibility to establish policies, approve plans, and delegate authority to the General Manager to execute and carry out its plans, programs, and policies. The General Manager shall, among other things, have authority to hire capable personnel within the approved wage and salary plan, establish schedules, train and supervise employees, and when necessary, replace them.
- B. All policies of the Board of Trustees shall be promulgated at regular and special meetings with the Board of Trustees acting collectively.
- C. The Board of Trustees recognizes that, should any Trustee undertake in private conversation with others to make commitments for the Board of Trustees, the Trustee becomes involved in a serious breach of policy which might disrupt the entire organization. A Board member may be subject to rebuke from his/her fellow Board members should he/she attempt to make commitments unofficially for the Board of Trustees. Therefore, the Cooperative's President, or in his/her absence the Vice President, shall be spokesperson for the Board of Trustees, except when otherwise authorized by the Board of Trustees.
- D. Trustees shall refrain, as individuals, from discussing management problems with the personnel of the Cooperative, except in cases where the Board of Trustees may deem it necessary to confer with personnel at regular or special meetings of the Board of Trustees.

- E. It shall be distinctly understood that the "flow" of authority for the management of the Cooperative shall pass through the General Manager and the General Manager shall be the connecting link between the Board of Trustees and the employees. The Board of Trustees shall require full and complete information from the General Manager concerning all matters in connection with the management of the Cooperative as set forth in Board policies.
- F. The Board of Trustees recognizes that efficient management of the Cooperative can exist only through mutual understanding and complete cooperation between the Board of Trustees and the General Manager. The General Manager is expected to produce results and give an account to the Board of Trustees for his/her stewardship. His/her performance cannot be optimized unless he/she is given latitude to exercise independent judgment in executing policies of the Board of Trustees. The Board of Trustees acknowledges that obligation and gives the General Manager the latitude of judgment and discretion and expects faithful performance in carrying out all of the policies of the Board of Trustees.
- G. The Board of Trustees recognizes its responsibility for the employment of a General Manager and further recognizes the additional responsibility for a systematic appraisal of his/her performance in order that growth, development, and effective improvements are encouraged. The Board of Trustees may, at its discretion, enter into a contract for the services of a General Manager.
- H. The General Manager shall report to the Board as a whole, and not to the individual Trustees. For day-to-day communications, the General Manager shall report to the President and receive direction from the President. If any Trustee has concerns involving the performance of the General Manager, such Trustee shall address the concerns to the President or to the entire Board during Executive Session, rather than to the General Manager. It shall be the responsibility of the President to counsel the General Manager, as needed.
- I. Discussions concerning the General Manager's performance or aptitude for the position shall be conducted in Executive Session.

#### IV. RESPONSIBILITY

- A. The President of the Board of Trustees is responsible for inviting the attention of Board members to non-adherence to this policy.
- B. The Board of Trustees is responsible for the systematic appraisal of the General Manager's performance.
- C. The Board of Trustees will be guided by the results of the most recent performance appraisal when evaluating the General Manager's salary.

APPROVED BY THE BOARD OF TRUSTEES

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PRESIDENT

EFFECTIVE DATE: \_\_\_\_\_

REVISED DATE: \_\_\_\_\_