

September 25, 2023

Policy B4 – Membership Rights & Responsibilities, last revised: January 6, 2020, last monitored by the Board in October 2022.

I report compliance with all parts of this policy unless otherwise noted below.

Unless indicated otherwise, this data is accurate as of September 25, 2023.

I certify that the information contained in this report and any attachments is true.



General Manager

Attachments:

- I. New Owner Form



Policy Language

The GM must not:

B4.1 Create or implement an owner equity system without the following qualities:

- a. The required owner equity and options for payment by installments are as voted upon by the Board from time to time.*
- b. Owners are informed that equity investments are at risk.*

Interpretation & Operational Definition:

The Board retains the authority to set the equity amount, as well as installment options available to owners. The Board grants authority to operationalize the collection of equity investments to the General Manager.

Data:

- All shares are currently set at \$150 dollars, payable in \$10 increments (this is the minimum)
- New owner forms clearly state that equity investments are at risk.
- See the attached New Owner Form.

Data supports compliance.

Policy Language

The GM must not:

B4.2 Implement a patronage dividend system that does not

- a. *Comply with state and federal laws and regulations.*
- b. *Allow the Board to make an informed determination by November of each year concerning the declaration and amount of patronage dividends.*

Interpretation & Operational Definition:

It is the General Manager's responsibility to create and implement a patronage dividend system, but the Board of Directors retains the authority to decide how much, if any, of the Co-op's net income should be allocated as dividend and how much of that dividend to refund to members.

Data:

- The Co-op works with our CPA and Wegner CPAs annually to ensure we comply with state and federal regulations concerning patronage dividends.
- At the suggestion of Wegner CPAs (the CPA firm who conducts the Co-op's annual financial reviews), the Board votes each November on patronage dividends
- Based on year-end financials for FY2022, the Board declared patronage dividends and then amended that decision because of the impact of the IRS changes in how long-term leases are accounted for.

Data supports compliance.

Policy Language

The GM must not:

B4.3 Allow owners to be uninformed or misinformed of their rights and responsibilities in any other way.

Interpretation & Operational Definition:

Owners of the Co-operative have certain rights and responsibilities that are clearly stated in the Co-op's bylaws and in Board policy. Policies and bylaws are available on the Co-op's website. These rights and responsibilities include:

- Investing equity
- Receiving patronage dividends
- Attending the Annual Meeting, Board Meetings, and any Special Meetings
- Voting in Co-op elections
- Running for the Board.

The Board itself is primarily responsible for ensuring that candidates run for the Board.

The Co-op communicates with its owners across a broad platform of channels: our e-newsletter, our website, the Community News, social media channels, email, press releases, radio advertisements, and in-store signage.

Data:

- The Co-op's bylaws and Board policies are posted online at www.moscowfood.coop/board-purpose
- When applicable, patronage dividend announcements are made in Board packets, the e-newsletter, on the Co-op's website, and on social media. Vouchers are distributed via email
- Meeting notices are made using announcements on the Co-op's website, in the e-newsletter, on Facebook, and by in-store signage.
- Elections announcements are made across all of the Co-op's publications and social media channels, as well as by in-store signage
- Marketing supports the Nominations & Elections Committee in candidate recruitment using all of the Co-op's publications and social media channels

Data supports compliance.
