

**Bylaws of Crow Wing Food Cooperative**  
Revised and Restated  
September 20, 2010



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## **ARTICLE I. MEETINGS**

### **Section 1, Annual Meetings**

The annual meeting of the membership shall be held in the territory served by this cooperative annually at such time as may be determined by the Board of Directors.

### **Section 2, Special Meetings**

The president shall cause a special meeting of the membership to be called upon a written request of at least twenty percent of the members, or upon a majority vote of the directors. The notice of the time, place and purpose of such special meeting shall be issued within ten days from and after the presentation of such petition, and such special meeting shall be held within thirty days from and after the date of presenting such petition. No business shall be considered at such meeting except as may be mentioned in the call and included in the notice of the meeting.

### **Section 3, Notice of Meeting**

Notice shall be given by the secretary of all meetings of the membership by publishing a notice thereof in a local legal newspaper of the county at least two weeks preceding the date of such meetings, or by mailing a notice thereof to each member at his or her last known address not less than fifteen days preceding the date of the proposed meeting. The secretary shall execute a certificate setting forth a correct copy of such notice and showing the date of the mailing thereof. The failure of any member to receive any such notice of the annual or special meeting of the membership shall not invalidate any action that may be taken by the members at any such annual or special meeting.

### **Section 4, Voting**

No member shall be allowed to vote by proxy, and no member shall have more than one vote, regardless of the number of shares owned.

### **Section 5, Presiding Officer**

The president shall preside at all meetings of the members and of the directors. The president is allowed to vote on all issues and shall cast the deciding vote in all cases of a tie.

### **Section 6, Quorum, Membership**

At any regular or special meeting of the membership, a quorum necessary for the transaction of business shall be at least ten percent (10%) of the total number of members, except when the number of members shall exceed five hundred, then fifty members present shall constitute a quorum. In determining a quorum at any meeting on a question submitted to a vote by mail, members present in person as well as those represented by mail ballots shall be counted. In the



event all necessary bylaws for membership meeting notification have been followed and a true quorum cannot be reached, a majority vote by members present will suffice in lieu of a quorum.

### **Section 7, Regular Directors' Meetings**

Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors, by proper resolution duly adopted and recorded in the minutes, shall from time to time determine. The board of directors shall meet no less than ten (10) times per calendar year.

### **Section 8, Special Directors' Meetings and Quorum**

Special meetings of the Board of Directors may be called by the president or by a majority of the Board. Each member of the Board of Directors shall be duly notified of all such meetings. No business except that mentioned in the call for special meeting of the board shall receive final action at said meeting. A majority of the directors shall constitute a quorum at all meetings of the Board, and a majority of the directors present shall decide all questions. Presence at a meeting shall constitute a waiver of notice of such meetings.

### **Section 9, Subcommittees**

The need for special subcommittees will be determined as needed by the Board. Subcommittees must be comprised of at least one board member, but general cooperative members may serve on subcommittees. Any findings by subcommittees will be shared with the board at the following regular board meeting. Should a decision need to be made prior to the following board meeting, Action Without a Meeting may occur, following the guidelines set forth in Article I, Section 10.

### **Section 10, Action Without a Meeting**

Decisions of the Board of Directors may be made without a meeting if consent in writing, stating the action to be taken, is signed by all directors or transmitted electronically by each director and filed with the minutes of the following meeting. Rules of quorum apply for any vote requested by action without a meeting. If a vote is requested using electronic means and a response is not generated within the requested timeline, the recipient will be considered abstaining from the vote. If two consecutive votes are missed, either via action without a meeting or a regular board meeting, without cause, that board member will be removed from the board.

### **Section 11, Attendance at the Board of Directors Meetings**

1. Member-owners may attend regularly scheduled meetings as observers.
2. Board meeting dates will be posted in the association premises and on the co-op website.
3. Member-owners are welcome to attend all parts of the meeting with the exception of "Executive Committee" sessions or agenda items.



**Section 12, Presentations to the Board of Directors**

Member-owners who wish an opportunity to address the board will be provided a 5 minute scheduled segment on the agenda. A written outline of the presentation should be provided by the member owner to the board's Secretary/Treasurer at least 10 days prior to the board meeting, for inclusion in the upcoming board meeting packet. This outline can be sent or delivered to the Co-op. Up to two member-owner presentations per meeting will be scheduled on a first-come, first-serve basis. Member-owners may only address the board once per calendar quarter, in order to provide presentation opportunities to other member-owners. Return presentations should be on new topics and may be allowed more than once per quarter with board approval.

**Section 13, Order of Business**

The order of business at the annual and, so far as practicable, at all other meetings of the Members shall be:

1. Calling of roll or registering of Members
2. Proof of notice of meeting
3. Determination of a quorum and right to vote by Members
4. Reading and approval or waiver of Minutes of last meeting
5. Reports of officers and committees
6. Unfinished business
7. New business
8. Remarks for the good and welfare of the cooperative
9. Adjournment



## **ARTICLE II. MEMBERSHIP**

### **Section 1, Qualifications**

Any person who agrees with the purposes and aims of the cooperative, who resides in the territory served by this cooperative, and any cooperative association may become a member agreeing to comply with the provisions of the Articles of Cooperation and the Bylaws and by becoming the owner of at least four shares of Common Stock. Application for membership must be submitted to the Board of Directors. This association shall not discriminate on social or political grounds or on the basis of race, creed, age, gender, handicap, sexual orientation, marital status, or religious views.

An active member shall be defined as any member who is current with their membership due requirements, which may include an annual fee. Only active members are able to receive member benefits, including any applicable discounts and voting rights.

Membership in the cooperative covers the entire household of the person purchasing the membership. Each household in which a membership is held is entitled to one vote. If more than one adult in a household over the age of 18 wishes to be a voting member, a membership must be purchased and maintained for each additional vote.

### **Section 2, Voting**

Each member shall have one vote in resolutions brought before the general membership for vote.

### **Section 3, Termination**

Membership may be terminated voluntarily by a Member upon notice to the cooperative. The Board may elect to terminate a membership if a member dies or fails to comply with the requirements of these Bylaws and of the membership policies of the Board.

Upon termination of membership, the co-op may purchase the Common Stock of such member by tendering to him/her or their heir the par value thereof, or the book value thereof if lesser than the par value, together with any dividend or patronage refund due or unpaid, less any indebtedness due.

Upon termination, the Common Stock of said member shall be cancelled and said member shall thereafter have no voting rights in this cooperative.

### **Section 4, Restrictions on Stock Transfer**

Every member agrees that the stock of this association can only be transferred back to the association, and only with the approval of the Board of Directors. The stock of this association is not transferable in any other event.



## **ARTICLE III. DIRECTORS AND OFFICERS**

### **Section 1, Number of Directors and Term**

The number of directors shall be eight (8) who shall be members of this cooperative and shall be elected by ballot at the annual meeting for a term of two (2) years and shall hold office until their successors shall be elected and qualified. If any director shall cease to be a member, the office of such director shall thereupon be automatically vacated. Directors may be re-elected for one term and, after a second term, shall vacate one term before being eligible re-election. Exception may be made if there are an insufficient number of Board candidates.

### **Section 2, Vacancies**

Any vacancy in the Board of Directors shall be filled by the board by naming an alternate until the next annual meeting. In the event that an officer position should become vacant, the Board of Directors will elect an interim officer from the pool of current board members to fill the position until the next annual meeting.

### **Section 3, Election of Officers**

The Board of Directors shall meet within ten days after each annual election, and shall elect by ballot by and from their number a president, one or more vice presidents, a secretary and a treasurer. The offices of the secretary and treasurer may be combined and, when so combined, shall be termed “secretary-treasurer”. Directors and officers shall hold office until their successors shall have been elected and qualified.

### **Section 4, Compensation**

The compensation, if any, of the Board of Directors and officers, except the secretary, shall be determined by the members of the cooperative at any regular or special meeting called for the purpose. Such officers and directors shall, however, be entitled to reimbursement for actual expenses incurred in attending board meetings or any other business of the cooperative, when such expense accounts have been approved by at least a four-fifths vote of the directors. The Board of Directors shall set compensation of the secretary or secretary-treasurer.

### **Section 5, Removal**

The membership shall have the power, at any regular or special meeting, to remove any director or officer for cause and to fill the vacancy caused by such removal. Should the removal occur at an annual meeting, the vacancy will be filled by election of a new director. Should the removal occur at a special meeting, provided there are at least two board meetings remaining before the annual meeting, the membership may appoint a new director to complete the term of the vacated director.

No director or officer shall be removed from office at either an annual or special meeting unless he or she is informed of the meeting at which the matter is to be considered at least 10 days before the meeting. Such notice shall be by certified mail addressed to him or her at his or her



last known address, and he or she shall be entitled to be heard at such meeting except for failure to attend. If he or she does not attend said meeting, it will result in automatic removal from the Board of Directors.

Failure of a director to attend two consecutive Board meetings or one-third of the Board meetings during a year, except for cause as determined by a majority vote of the remainder of the Board, shall result in automatic removal from office. Such notice shall be by certified mail addressed to him or her at his or her last known address.

#### **Section 6, Employees on the Board**

No current employees may sit on the Board of Directors. If an active board member should be hired as an employee of the cooperative, that director forfeits their Board position upon acceptance of employment.

#### **Section 7, Indemnification of Directors**

To the fullest extent of a director's right to indemnification under Minnesota law, the cooperative shall indemnify each person who is serving or who has served at the request of this cooperative as a director or officer, including his or her heirs, executors or administrators, against: expenses, including but not limited to reasonable attorneys' fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by such director or officer in connection with any suit, action or process arising out of, resulting from or connected to such office or directorship, and whether or not such suit, action or process arises out of the conduct of such director or officer.





## **ARTICLE IV. DUTIES AND POWERS OF DIRECTORS**

### **Section 1, Management of Business**

The Board shall govern the business and affairs of the cooperative and make all necessary rules and regulations not inconsistent with law or with these Bylaws. The Board shall have the power to employ and dismiss a general manager, and/or a managing agent and to determine their duties and fix their compensation.

### **Section 2, Bonds of Employees**

The Board of Directors shall require the manager and all other officers, agents, and employees charged with responsibility for the custody of any of funds or property be covered by a fidelity bond in such a sum as the board of Directors shall determine. Such bond shall be furnished by responsible bonding company or other surety satisfactory to the directors and the cost thereof shall be paid by the cooperative.

### **Section 3, Audits**

The board of directors shall install and maintain adequate system of accounts and records. At least once a year, the books and accounts of the association will be audited or reviewed in such a manner as the board deems advisable, and the report of such audit or review shall be made at the next annual meeting of the members.

### **Section 4, Declaration of Patronage Refund**

The Board of Directors shall declare the patronage refund and the manner and time of payment, which declaration shall be at least annually and before the close of the fiscal year, for which the declaration is made.



## ARTICLE V. DUTIES AND POWERS OF OFFICERS

### Section 1, President

The president shall:

1. Preside over all meetings of the cooperative and of the directors.
2. Sign as president, with the secretary, or secretary-treasurer, all notes, deeds, and conveyances of real estate, as well as all membership cards of the cooperative.
3. Assemble any notification for members or directors who have had their membership or directorship terminated in accordance with these bylaws. (Secretary delivers all correspondence per job description), and any notifications required by law.
4. The president shall have one vote in all decisions. Additionally, in the event of a tie vote, the president shall cast the deciding vote.

### Section 2, Vice President

In the absence or disability of the president, the vice president shall preside and perform the duties of the president.

### Section 3, Secretary

The secretary shall:

1. Keep a complete record of the meetings of the cooperative and of the Board of Directors. Sign as secretary, with the president, all notes, deeds, and other conveyances, as well as all certificates of stock of the cooperative.
2. Shall cause to be prepared and submitted to the annual meeting of the members a complete and detailed report of the current year's business, which report shall contain a statement of assets and liabilities, a statement of income and expenses, and such other statements and statistical memoranda as the Board of Directors shall require. Such statements shall be in printed form and in sufficient quantities so that each member attending such meeting may have a copy.
3. She or he shall submit such monthly reports as may be required by the Board of Directors.
4. The Board of Directors may delegate the duties to some employees or agents of the cooperative and may substitute the report of a disinterested accountant who has made the audit of the cooperative's records and accounts.
5. Serve all notices, assembled by the president, required by law and these bylaws.
6. Perform such other duties as may be required of him or her by the cooperative or the Board of Directors.



7. Ensure member database is maintained and updated on a quarterly basis.

#### **Section 4, Treasurer**

The treasurer shall:

1. Oversee the receipt and disbursement of all funds of the cooperative.
2. Ensure that complete records of all financial transactions of the cooperative are kept and perform such other duties pertaining to this office as may be required by the Board.
3. The Board may delegate the duties enumerated in this section to an agent or employee of the cooperative provided, however, that the treasurer shall retain the responsibility to review and supervise the execution of such duties by such agent or employee on a regular basis.
4. Co-sign all checks with General Manager for amounts over \$5,000.
5. Ensure Capital Reserve account is being properly maintained.
6. Meet with General Manager on a monthly basis to review the financial status of the cooperative.

#### **Section 5, Secretary-Treasurer**

In the event that the offices of secretary and treasurer are combined, then the duties of the secretary-treasurer shall be a combination of the duties of the secretary and the treasurer and is or her office shall be known as secretary-treasurer.

#### **Section 6, General Manager**

The Board shall employ and supervise the general manager of the cooperative. The general manager shall have general charge of the ordinary and usual business operations of the cooperative subject to the direction and approval of the Board. The general manager shall be required to maintain all business records and accounts in such a manner that the accurate condition of the business may be determined whenever practical. He or she shall provide annual and periodic reports in a form and manner prescribed by the Board. The general manager shall employ and discharge employees subject to direction and guidelines approved by the Board. The general manager shall, in the manner and form prescribed by the Board, handle and account for all monies belonging to the cooperative that come into his or her possession. The general manager shall, with approval from the Board, determine the store's hours of operation.



## **ARTICLE VI. CAPITAL AND STOCK SURPLUS**

### **Section 1, Stock Issued**

Membership cards shall be issued in lieu of certificates of stock when such stock is fully paid for. The membership application will then be received by the Board of Directors. Each membership card shall state the par value of such stock, the number of shares represented, the name of the holder, and shall bear the signature of the president and secretary or secretary-treasurer, and be numbered and issued in numerical order. A record of each membership shall be kept on file at the cooperative. Each membership card shall have printed upon it words to the effect that it shall be transferable only back to the cooperative.

### **Section 2, Classes and Issue**

Whenever the cooperative determines that all of its funds are not necessary for the proper financing of the operations of the cooperative, the Board may choose to retire liquidate equity or capital reserves or any other media previously issued.

### **Section 3, Books and Records**

The books and records of the cooperative shall be kept on a fiscal year basis, and in such a manner that the interests of Members and ex-Members may be determined at any time.



## **ARTICLE VII. PATRONAGE DIVIDENDS RESERVE FUNDS**

### **Section 1, Annual Net Income**

1. Gross Receipts. Gross receipts shall be all proceeds from the sale of goods and services to Members and non-Members and all other sums received (including patronage dividends and all non-patronage income).
2. Deductions from Gross Receipts. The cooperative shall deduct from “gross receipts” all expenses incurred in generating the “gross receipts” including, but not limited to, marketing expense, costs of goods or services sold, taxes, depreciation, reserves for doubtful accounts, and all other necessary expenses.
3. Total Annual Net Income. The amount remaining after reducing the “gross receipts” by the deductions contained in Section 1(b) of this Article VII shall constitute the total annual net income (net earnings) of the cooperative.

### **Section 2, Member Patronage Income**

1. Member Patronage. Total annual net income shall be separated into:
  - a. Annual net income from Member and non-Member patronage and patronage dividends and,
  - b. Annual net income from non-patronage sources.
2. Annual net income from Member patronage shall be determined by:
  - a. Taking the percentage of gross receipts attributable to business done with or for Members (including patronage dividends, etc.) and,
  - b. Multiplying that percentage by total annual net income. The amount resulting shall be annual net income from Member patronage, which shall be distributed to the Members of this cooperative in proportion to the amount of business done by them with the cooperative over the last year, subject only to the deductions and exceptions provided in Section 4 of this article.
3. Non-Member Patronage and Non-Patronage Income. The difference between total annual net income and net income from Member patronage shall be annual net income from non-Member patronage and non-patronage sources.

### **Section 3, Capital Reserve**

The Board shall set aside 5% of monthly net income from non-Member and Member patronage, not to exceed \$10,000 annually. These funds shall be set aside in a separate Capital Reserve account.



1. These amounts so set aside shall not be allocated to the Members of the cooperative and shall be kept in the general reserve fund.
2. The Board may, by resolution duly adopted prior to the beginning of the fiscal year, set aside up to fifty percent (50%) of the total annual net income or other reasonable amount as a capital reserve.
3. Use of Capital Reserve funds is subject to Board approval.

#### **Section 4, Building Reserve Fund**

The Board shall set aside proceeds from non-patronage income for building expenses. Funds may be placed in the Capital Reserve account, yet accounted for as separate funds. Funds will be used for such purposes as painting, signage, shelving, or any other use deemed necessary by the Board for the improvement and/or expansion of building. The monthly net income less capital reserve shall be designated as building reserve funds.

#### **Section 5, Patronage Dividend Distribution**

1. The annual net income from Member patronage, less any deductions or exceptions as determined by Sections 3 and 4 of this Article, shall be distributed annually to the Member-patrons of the cooperative and said Member-patrons shall be notified thereof.
2. Patronage dividends shall be distributed in the form of cash or revolving fund certificates, to be determined by the Board.

#### **Section 6, Allocation of Losses**

If this cooperative has sustained an annual net loss in net income from Member-patron business, the Board shall have the power and authority to allocate such losses in the following manner:

1. To the Member-patrons in such year on a patronage basis and apply such losses against the retained patronage equity of said Member-patrons, or
2. To carry forward or to carry back such loss.



## **ARTICLE VIII. TAX CONSENT BY MEMBERS**

Each Member of this cooperative shall, by becoming a Member, consent that the amount of any distribution with respect to his or her patronage occurring in any fiscal year which are made by qualified written notices of allocation (as defined in 26 U.S.C. 1388) received by him or her from the cooperative shall be included in his or her income in the manner provided in 26 U.S.C. 1385 during the taxable year in which the qualified written notices of allocation are received. It is the intent of this provision to provide a consent binding on all Members who retain or obtain membership in this cooperative and who receive a written notification and copy of this Bylaw, for the purpose of making such distributions “qualified” within the meaning of the Internal Revenue Code.



## **ARTICLE IX. MISCELLANEOUS PROVISIONS**

### **Section 1, Fiscal Year**

The fiscal year of this cooperative shall begin on the first day of July and close on the last day of June of each year.

### **Section 2, Amendments**

These Bylaws may be amended, repealed or altered, in whole or in part, by a majority vote of a quorum (Article I, Section 6) of the Members, provided that an effort has been made to notify all members. Notice shall be posted on the premises of the cooperative and will be submitted electronically to all members on a current mailing list.

### **Section 3, Severability**

In the event that any provision of these Bylaws is determined to be invalid or unenforceable under any statute or rule of law, then such provision shall be deemed inoperative to such extent and shall be deemed modified to conform with such statute or rule of law without affecting the validity or enforceability of any other provision of these Bylaws.





## ADDENDUM

### **Addendum to the Crow Wing Food Co-op Bylaws adopted at the 2012 Annual Owner/Membership Meeting on November 18, 2012:**

**Board Members:** When a board member misses three (3) meetings, they may be removed after consideration.

Board members may do contract work on a case by case basis to be approved by the Board of Directors by consensus, at the pleasure of the Board.

The number of Board members serving shall be changed from “up to seven (7)” to up to nine (9).



## **Crow Wing Food Co-op Harassment Policy**

The Crow Wing Food Co-op is committed in all areas to providing a work environment that is free from harassment. Harassment based upon an individual's sex, race, ethnicity, national origin, age, religion or any other legally protected characteristics will not be tolerated. All employees, including supervisors and other management personnel, are expected and required to abide by this policy. No person will be adversely affected in employment with the employer as a result of bringing complaints of unlawful harassment.

Sexual harassment is behavior of a sexual nature that is unwelcome and offensive to the person or persons it is targeted toward. Such conduct may have either the purpose or effect of creating an intimidating, hostile, or offensive work environment.

Examples of harassing behavior may include unwanted physical contact, foul language of an offensive sexual nature, sexual propositions, sexual jokes or remarks, obscene gestures, and displays of pornographic or sexually explicit pictures, drawings or caricatures. Use of the employer's computer system for the purpose of viewing, displaying or disseminating material that is sexual in nature may also constitute harassing behavior.

**This policy was added to the Bylaws November 18, 2012 at Annual Owner/Membership Meeting**



## **Crow Wing Food Co-op Grievance Policy**

If any member or staff or board suspects a co-worker, manager or board member of behavior that is illegal, harassing, abusive, discriminatory, could put the Crow Wing Food Co-op at liability, or would endanger others or themselves, they may choose either to report this to their immediate supervisor, or they may also choose to go directly to the Board of Directors with their concerns.

All persons are responsible for reporting any such potential problems immediately.

For all grievances of a less dire nature:

Step 1: Request an in person private meeting with the person to whom the grievance applies.

Step 2: If the grievance is not resolved by Step 1, the person with the grievance will select a board member of their choosing to mediate a meeting between the two parties.

Step 3: If the grievance is not resolved by Steps 1 or 2, the grievance is to be submitted in writing to the entire Board for consideration of what, if any, action should be taken. Board action will be the final decider.

Airing grievances in ways other than the above procedure are strongly discouraged, and could result in vacating your employment position or Board position. Specifically, below are ways you may NOT address a grievance as a staff or board member:

1. Share your grievances and concerns with customers of the store as they shop.
2. Send out group emails airing your concerns or insulting the other party.
3. Use the Board email list-serv to air your concerns or insult a Board member or staff.

### **Board member grievance with General Manager or other staff position:**

If any board member or board members have concerns about the performance of the General Manager, they are to be reported at the in-person board meeting. The General Manager is to be given an opportunity to respond to any or all concerns following board discussion. As direct manager oversight of the General Manager is the duty of the Board, discussion of the performance is a necessary part of this; however, email is typically not an appropriate venue for this because of known deficits in email as a communication venue. Email should be used for factual statements or descriptions of occurrences only. If concerns arise that should not wait until the next board meeting, email can be used to request a special meeting, as outlined in the Bylaws.

**This policy was added to the Bylaws November 18, 2012 at Annual Owner/Membership Meeting**



## **Conflict of Interest Policy**

The Crow Wing Food Co-op is committed to integrity and transparency in its decision making. We require those with a conflict (or who think they may have a conflict) to disclose the conflict/potential conflict, and additionally, we prohibit interested Board members from voting on any matter that gives rise to a conflict between their personal interests and the Cooperative's interests.

Conflicts include:

- Any Board decision that could potentially affect the employment, assets or finances , or other affiliations of a Board member, an immediate family member of the Board member, or close associate of a Board member
- Employees may not serve on the Board of Directors because most all decisions made by the Board will result in a potential conflict of interest.

**This policy was added to the Bylaws November 18, 2012 at Annual Owner/Membership Meeting**



**Addendum to the Crow Wing Food Co-op Bylaws adopted October 29,  
2016 at the Annual Owner/Membership Meeting**

Motion to Amend Article II. Directors and Officers, Section 1, Number of Directors and Term from eight (9) to eleven (11).

