

OCDC Cooperative Governance Manual: Board Development Stage Tool

PURPOSE: The Board Development Stage Tool contains 20 questions which, when answered, generates a score used to determine the board's development stage. It is necessary to identify the board's development stage in order to use the appropriate board questionnaire (from among the three development stages). It is best if this tool is completed by an individual who is familiar with the cooperative and can determine the cooperative's development stage objectively.

INSTRUCTIONS

This tool should be completed by an individual *not elected to the cooperative nor a paid staff member nor a cooperative member* to ensure neutrality and minimum of bias with assessing the governance development stage of the cooperative. Ideally, the assessment leader completes this classification. This is the first part of a cooperative governance assessment process. This is not a tool to be completed by Directors.

Part One (1 of 2)

Capture the following information about the Cooperative

Location,
Number of branches,
Primary products and services,
Total members,
Years in operation

For each question below, please check **only one box** that best describes the cooperative. More instructions are provided at the end of the set of questions.

<p>Question 1: The cooperative...</p> <p><input type="checkbox"/> A. recently submitted registration materials but does not have formal registration at this time</p> <p><input type="checkbox"/> B. Is already registered / incorporated</p> <p><input type="checkbox"/> C. regularly updates registration and maintains legal compliance.</p>
<p>Question 2: The cooperative...</p> <p><input type="checkbox"/> A. has no bylaws</p> <p><input type="checkbox"/> B. has bylaws, but seldom refers to them</p> <p><input type="checkbox"/> C. actively refers to its bylaws and updates them as needed</p>
<p>Question 3: The membership of the cooperative is best described as:</p> <p><input type="checkbox"/> A. a small group of closely associated individuals (e.g., family, tribe members, close friends).</p> <p><input type="checkbox"/> B. a larger group of individuals still closely associated.</p> <p><input type="checkbox"/> C. many members with greater geographical and cultural differences.</p>
<p>Question 4: The needs (e.g. for a product or market, technical assistance, capital) of the members are best described as:</p> <p><input type="checkbox"/> A. limited and very similar, may be focused on one product or one service</p> <p><input type="checkbox"/> B. providing a wider variety of products to the same members</p> <p><input type="checkbox"/> C. expanding the co-op by attracting new member groups</p>
<p>Question 5: The most accurate way to describe communications with members is:</p> <p><input type="checkbox"/> A. Primarily oral, personal, Director know members, informal meetings, annual meeting, initial market surveys</p> <p><input type="checkbox"/> B. Occasional member newsletters, less personal, members not as well known to board, occasional member surveys</p> <p><input type="checkbox"/> C. Based on media communications (print or web based), members not personally</p>

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known to board, annual member surveys, other systems to gain member input
Question 6: The composition of the board is most accurately represented as: <input type="checkbox"/> A. either appointed or elected, chosen from original founding members. If elected, voting at an organizing meeting. <input type="checkbox"/> B. elected by members, may include founders and others with functional experience. May be nominated from the floor. No formal nominations process. Voting in person at annual meeting. <input type="checkbox"/> C. primarily made up of functional experts, may include individuals with governance skills (strategic planning, policy development). Nomination process in place, overseen by Nominations Committee. Voting may be by mail ballot and at annual meeting.
Question 7: The board structure is best described as: <input type="checkbox"/> A. acting as a committee of the whole <input type="checkbox"/> B. functional committees established <input type="checkbox"/> C. has traditional governance committees (e.g. Audit, Finance, Nominations)
Question 8: The board's role with operations is most correctly described as: <input type="checkbox"/> A. deeply involved in operations, doing the work <input type="checkbox"/> B. work is delegated, board still maintains authority <input type="checkbox"/> C. authority delegated to manager, board monitors operations and is accountable for the vision and mission of the cooperative
Question 9: Board meetings are best described as: <input type="checkbox"/> A. informal, dealing primarily with operational decisions and organizational structure (incorporation, bylaws, banking relationships, relations with granting agency) <input type="checkbox"/> B. more formal, agendas provided for all meetings, reports may be in writing <input type="checkbox"/> C. scheduled with an annual calendar, agenda includes policies being monitored, major activities for each meeting (strategic planning, budget development/approval, member survey, audit)
Question 10: The board process is most accurately described as: <input type="checkbox"/> A. Consensus decision making <input type="checkbox"/> B. Decide by majority vote
Question 11: The focus of management is most accurately described as: <input type="checkbox"/> A. No manager, per se, at this stage <input type="checkbox"/> B. Operations management, basic systems development <input type="checkbox"/> C. Operational authority, accountability, strategic planning,
Question 12: The cooperative's employees are best described as: <input type="checkbox"/> A. Has no paid staff or very limited staff <input type="checkbox"/> B. Has hired a manager who has hired a limited number of staff <input type="checkbox"/> C. Staff organized into functional units
Question 13: The cooperative's accounting systems are best described as: <input type="checkbox"/> A. Financial records very basic, limited to cash flow (cash-basis accounting) <input type="checkbox"/> B. Basic accounting systems in place <input type="checkbox"/> C. Accounting systems in accord with generally accepted accounting principles (accrual-based accounting)
Question 14: The board's financial expertise is best described as: <input type="checkbox"/> A. Board has limited financial experience, not familiar with basic financial statements <input type="checkbox"/> B. Board may have member/s with financial expertise or has received financial training <input type="checkbox"/> C. Board has financial expertise or relies on competent financial advisor
Question 15: The cooperative's financial reporting is best described as: <input type="checkbox"/> A. Financial reporting limited to income statements, may be irregular (not on a monthly basis)

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<input type="checkbox"/> B. Regular financial reporting includes basic financial statements, performance expectations unwritten <input type="checkbox"/> C. Financial policies in place, performance expectations in writing, expectations formally monitored
Question 16: The cooperative's annual financial review is best described as: <input type="checkbox"/> A. May have annual financial review but no external financial audit <input type="checkbox"/> B. Financial audits annually, may have qualified opinions <input type="checkbox"/> C. Annual financial audits, unqualified opinions
Question 17: The board's planning is best described as: <input type="checkbox"/> A. Planning is short term (e.g., one season/six months) <input type="checkbox"/> B. Board and management plan together for longer term (eg 6 months – 3 years), may or may not have a written plan <input type="checkbox"/> C. Formal 3 – 5 year written business plan in place
Question 18: The cooperative's processes and systems (e.g. Accounting, Operations) are best described as: <input type="checkbox"/> A. Few systems in place <input type="checkbox"/> B. Process systems being developed <input type="checkbox"/> C. Process systems in place, governance systems and internal controls systems being developed
Question 19: Reporting to the Board is best described as: <input type="checkbox"/> A. Informal, based on process results <input type="checkbox"/> B. Informal management reports to board, primarily focused on financial results and internal processes <input type="checkbox"/> C. Formal written management reports on topics specified by board in policies
Question 20: The cooperative's policy development is most accurately represented as: <input type="checkbox"/> A. Few, if any, formal policies in place <input type="checkbox"/> B. Written management policies focus on operational systems <input type="checkbox"/> C. Written board policies being developed

Part Two (2 of 2)

After answering all of the questions above, count the number of boxes for each of the three categories (A,B,C) and enter below:

A. __ x 1 = X
 B. __ x 2 = Y
 C. __ x 3 = Z
 Total score = Sum (X+Y+Z)

Based on the total score above, calculated in Part 2 of the instructions, assign the cooperative into a development stage based on the following ranking:

Development Stage 1: Creativity/Startup	Development Stage 2: Direction/Establishment	Development Stage 3: Delegation/Institution
20-32	33-46	47-59