

THE COOPERATIVE DIRECTOR

USDA, RBS, CIR 11 Chapter 3 - The
Cooperative Director

Directors

- Hold a key position between members and hired management
- Set cooperative objectives and chart its course
- Make cooperative policy
- Must be well versed in many areas
- Have time and energy
- Listen, inform, advise
- Represent the cooperative

Selecting Directors

A good director should be able to

- Show leadership
- Think independently
- Place cooperative's interests first
- Make good business decisions
- Communicate well
- Express views
- Make the most of available resources
- Promote the cooperative

Furthermore, a Director

- Gets along with others
- Uses the cooperative fully
- Is interested in its performance
- Participates in decision-making
- Understands that he/she is representing owners in their business
- Understands his/her role in relation to management

Potential Directors

- Helpful to identify by nominating committee
- Should be studied by the membership - biographical sketch - prior to the election
- Considered for election at annual meeting

Elect Directors

Equitable representation

- At-large system
 - Geography
 - Business Volume
 - Commodity
 - Personal Expertise

Elected Directors

Have primary control

- Use strategic perspective to better serve members' needs
- Delegate daily operational control to the manager

Directors Recognize Division of Responsibility

Directors

Have primary control
Strategic perspective
Develop operational and organizational policies
Take counsel from manager
Big-view decisions
Provides direction
Hire/fire manager

Manager

Has operational control
Tactical perspective
Follows operational and organizational policies
Advises board
Day-to-day decisions
Acts in line with direction
Hires/fires staff

Director Responsibilities

- Preserve cooperative character
- Safeguard assets
- Hire the manager
- Set policies
- Distribute benefits
- Plan for the future
- Evaluate
- Elect board officers
- Appoint committees

Directors Preserve Character

Serve according to laws and regulations!

- Laws
- Bylaws
- Articles

And carry on the cooperative's spirit!

Directors Safeguard Assets

- Protect members' investment
- Make sound financial decisions
- Hire auditors

Directors Hire Manager

- Appraise applicant qualifications
 - Delegate day-to-day control
 - Appraise performance

Directors Set Policies

- Originate and approve
- Function and business related
- Reviewed and updated
- Policy manual

Directors Distribute Benefits

- Amount of patronage refund
- Proportion in cash
- Allocated equity
- Unallocated equity
- Equity revolvment and retirement

Directors Plan

- Assess business climate
- Evaluate challenges--internal and external growth, business volume, membership, territory, assets
- Develop objectives and strategies
- Monitor progress

Directors Self-Evaluate

Internal assessments

- Self - ability, performance
- Whole board performance
- Board meeting productivity

Directors Choose Leaders

Elect Board Officers

- President
- Vice president
- Secretary
- Treasurer

Directors Appoint Committees

- Temporary or permanent
- Field of study (finance, feasibility, marketing, purchasing, etc.)
- Recommendations to the board
- Power to decide