

B1 – Financial Condition and Activities (Formerly B-4)

With respect to the actual, ongoing financial conditions and activities, the General Manager must not cause or allow the Cooperative to be unprepared for future opportunities, the development of fiscal jeopardy, or key operational indicators to be below average for our industry.

The GM must not:

1. Allow sales growth to be inadequate.
2. Allow operations to generate an inadequate net income.
3. Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
4. Make capital expenditures or enter into non-trade contracts or leases that exceed \$5000 without board approval.
5. Allow solvency (the relationship of debt to equity) to be insufficient.
6. Allow growth in ownership and owner paid-in equity to be insufficient.
7. Default on any terms that are part of the Cooperative's financial obligations.
8. Allow late payment of contracts, payroll, loans or other financial obligations.
9. Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
10. Acquire, encumber or dispose of real estate or enter into long-term real estate leases.
11. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
12. Use restricted funds for any purpose other than that required by the restriction.
13. Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).
14. Fail to submit all supporting documents, including but not limited to Budget to Actual, Income Statement, and Cash Balance Sheet.