

## GOVERNANCE & POLICY BEST PRACTICES

Vermont Farmers' Market Association

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Establishing solid governance and policies promotes the continued health and operation of the market.

Many VTFMA markets have their policies posted on their websites.

- Take the time to review other markets' operational and governance models. Reach out to market contacts and ask about their bylaws as well as market day policies. Optimize your learning by reaching out to a market that has a similar mission, management structure, and size. Click [here](#) for a list of VTFMA markets and contacts.
- When starting out, research different legal structures (ie. LLC, sole proprietorship, nonprofit, cooperative) and choose a structure that best suits your market's purpose, mission, and/or needs. It may be necessary to review the market's legal structure if it expands or changes management structure. Check the [VT Secretary of State](#) and the [FM Legal Toolkit](#) websites for more information on different legal incorporation structures.
- It is strongly recommended the governance structure includes checks and balances on financial oversight. For example, one board member - or an accountant - could manage the market's accounts and ledgers while another board member (or the Market Manager) could be responsible for writing checks.
- Market bylaws should incorporate a call for an independent auditor when a treasurer or party involved in market finances departs; ensuring the organization is financially sound.
- Your market should have a mission or purpose statement and by-laws which should include the following:

A process for decision-making that is transparent and inclusive.

If your market has a governing body such as a steering committee, the following are important topics to consider:

- Create set meeting and voting structures. (Consider following Robert's Rules of Order).
- Define a quorum for regular and annual meetings.
- The governing body should have staggered terms to provide continuity and delegate roles to the different members of the governing body.
- Consider setting term limits for board members. Some markets have rules that members have to cycle off the board after a defined number of terms before running for another term.
- Encourage participation of all members/vendors. This may take the form of an added ad hoc market advisory committee so that vendors (and shoppers) can be part of the seasonal planning, even if they are not on the formal board. Some markets hold this added vendor/shopper advisory committee 1-2 times during the

season/year, inviting either all vendors or a small representative number along with a few shoppers to discuss events and programs.

- o Consider having community members who are not market vendors on the board. It's important to consider the customer perspective, and this person may have more time to devote to the health of the market—especially on market days—than board members who are vendors.

### **Manager**

Many markets now have a paid market manager as part of their governance and budget.

No market should ask the manager to volunteer over and above their paid hours.

Regularly review manager pay structure and make sure to consider any Cost-of-Living Adjustment (COLA).

A written job description for the market manager should be updated regularly and used to assess the manager's performance annually.

A plan should be made for the initial and ongoing training and support of the market manager, including board support when incidents arise at the market.

### **Board**

- Markets boards should regularly review the idea of [Directors and Operators insurance](#) for board members

### **Rules**

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- Markets should have clear and transparent policies about what type of vendors/products are allowed at the market and how vendors will be chosen. Revisit these policies every few years to ensure a fair and open process is being maintained.
- Markets should have clear and transparent policies about who can sell vendor products (producer, family, interns, employees), including who is required to be present on market days. These rules should recognize the demanding schedule farmer vendors keep during the summer season.
- Markets should have a clear and transparent procedure to deal with rule violations and grievances and must manage that process fairly.
- Have a reasonable vendor/membership fee structure.
- Have a membership structure and a framework for member privileges.
- Markets should create an organized record ([Legacy Folder](#)) of useful information for future Market Managers and board members.
- The development and upkeep of a Market Manager's manual can be very helpful, to ensure continuity when turnover occurs.
- Markets should have written policies for volunteers with clearly defined roles and expectations.