

The Community Exchange

Operation Manual

INTRODUCTION: The following is a manual for the operation of the Community Exchange. The Community Exchange is a sales venue for small local producers of cottage industry goods. Food is our emphasis. The exchange originated in 2008. The exchange began as a program of Resources for Health a now defunct 501c3 nonprofit organization in cooperation with The Downtown Phoenix Public Market.

The exchange was briefly managed by The Watershed Management Group, another nonprofit based in Tucson. The Tucson based management was counter to our local philosophy. By mutual agreement The Watershed Management Group returned the exchange to local control.

Participants with The Community Exchange created The Community Exchange Garden Club to manage our operation. Currently we operate one table at The Downtown Phoenix Public Market. We are searching for additional venues. This August 2013, we celebrated five years of continuous service at The Downtown Phoenix Public Market.

MISSION STATEMENT: The Community Exchange is a sales venue for local and urban cottage industry. Our prime objective is to provide the venue at as low a cost as possible, while maintaining an effective, safe, and legal market. Currently the exchange operates on 20% of sales.

The exchange is operated as a project for The Community Exchange Garden Club. Neither its participants, the garden club, nor the exchange itself shall profit from our activities. Producers should gain as much value for their products as they wish. We hope to encourage local sourcing of basic commodities, improve access to healthy food in urban areas, and facilitate stable incomes.

DEFINITIONS: The following terms and their definitions appear throughout the text. In parenthesis will be the term most often used.

-Community Exchange Garden Club (the garden club)

Our official standing with the Arizona Corporation Commission

-Community Exchange (the exchange)

A project of the garden club to provide a sales venue for cottage industry.

-Table

Individual venues will be called tables. A table may be defined by location only or location and time.

-Table Manager

Over all boss of the table.

-Booth Clerk

Table Boss on Market days. This may or may not be the manager.

-The Community Exchange Central Office (the central office)

repository of information and money for all involved tables.

-Director/Bookkeeper (D/B)

Boss of the central office. The D/B also serves as the compliance officer, accountant, document control, the public face of our operation, and central communication.

-The Bank Account

An account with a local financial institution to secure funds.

-Operations Fund

Financed by ten percent of sales, this fund must cover all market day expenses including fees and insurance.

-Treasurer

A volunteer who is not involved in any other aspect of the exchange. The treasurer issues checks as directed by the D/B and balances the check book. As an uninvolved observer the treasurer has the authority to hold checks for further review.

-Producer

A person who produces items for sale at the exchange.

-Volunteer

A person who performs a function for the exchange.

-Greater Venue/Landlord (greater venue)

Entities which host tables through pre-negotiated terms.

-Public

A person not performing a function for the exchange.

-Participant

Any person who sells product or performs a function with the exchange.

-Community Exchange Oversight Committee (the oversight committee)

A committee composed of producers and the public. Producers should always be represented, the public should always be in the majority. The committee is the ultimate authority for the exchange. It does not initiate action. It responds to calls for action by participants or the public.

-Oversight Committee Member (committee member)

A person who sits on the committee.

-Oversight Committee Chairperson (chairperson)

A willing committee member voted in by the committee.

-Community Exchange Garden Club Executive Committee
(executive committee)

A committee composed of the D/B, treasurer, and chairperson. These positions are the signees on the bank account and principles with the club. Changes to the account and to our legal status require all three signatures.

ORGANIZATIONAL FLOW CHART

DOCUMENT LIST: The following documents are required for day to day operations of the exchange.

FILES: The following is a list of files required for the day to day operations of the exchange and their locations. The filing work for the exchange will be done by producer and public volunteers. Turnover will be high. It is important that files have consistent names and locations.

PHILOSOPHY: We are a producer orientated service. Our organization should always be bottom up, not top down. We are also a public institution, all are welcome to produce or volunteer. We must be transparent and responsive to the public. Foremost, we are cooperative. All producers must regularly volunteer at markets, in governance, or with the oversight committee.

We must be viable. Tables and offices must be well managed and funds must be well accounted. Every table shall have an independent and autonomous manager. The independent tables shall deliver money and information to the central office. The central office shall manage, account, and disperse funds in a fully transparent manner. This requires facilities. The table managers will receive six percent of their tables sales to maintain table management facilities. The D/B shall receive four percent of all sales to maintain the central office.

It is the responsibility of the people performing these duties to accomplish them within their budgets.

WHERE THE MONEY GOES: Money from sales is disbursed according to the following percentages. Cash Donations are deposited totally in the operations fund.

Producer	80%
Table management	6%
Central Office	4%
Operations Fund	10%

A note on central banking: Cottage industry producers do not get rich. We do handle money all the time. Money becomes like a material at the market no different than Ice or tables. Handling money is a time consuming and costly chore. The primary economy from a cooperative sales venue is the consolidation of these financial chores. What we offer is the service of handling money and financial services. This frees the producer to produce. The exchange will safely deliver the producers money once a month in a quantity large enough to do something with. We seek producers wishing freedom from money.

LEGAL, TAXES, INSURANCE: We are a direct to the consumer sales venue. We operate under the parameters set forth in ARS _____, and The Home baked Goods and Confectionary Program, ARS _____. All producers must volunteer regularly as sales staff to maintain this integrity and know their customers.

Tables may be established at existing Farmers Markets, flea markets, private homes, and appropriate civic or commercial spaces. The exchange will provide reasonable liability insurance for the physical sales venues. We will not insure the private vehicles or home offices that will be used. They are to be insured by the donor. Participants are not insured while performing functions away from the physical sales venues.

Most of our activities are untaxable direct to the consumer food sales. We are individual businesses cooperatively operating a sales venue. Each producer is responsible for knowing and fulfilling any obligations to state or local governments. Neither The Community Exchange Garden Club, The Community Exchange, nor the greater venues are responsible for taxes or fees generated by our sales activities. **THESE MUST BE REPORTED AND PAID BY THE INDIVIDUAL PRODUCER.**

TABLE/TABLE MANAGER GUIDELINES: The general idea for market days has the producer arriving early to find an already setup table staffed with other producers ready to sell their combined products. They simply check their stuff in, display it where instructed, let the clerk know if they will return for unsold items, and leave. At regular intervals all producers must volunteer as sales staff.

This activity is managed by a table manager. The table manager is the heart and soul of our operation. Every table has an independent manager who is preferably a producer also. This manager is responsible for every aspect of operating their venue. From initiating a space to sell in to depositing the sales receipts.

The manager may train staff from public volunteers or producers wishing for greater sales responsibilities. There are two positions. The Booth Clerk is boss on market day and responsible for money, equipment and troubleshooting. Booth Clerks are subject to oversight approval within 90 days of being nominated by a table manager. The clerk designee may fill the position while awaiting approval. The other position is a Booth Volunteer which requires nothing but registration and appropriate behavior.

The manager shall assure tables are adequately staffed and should be available on market days as the volunteer of last resort.

-Market Day Physical Facilities

The table manager shall schedule time and location of Markets. The table manager shall assure availability of the following on market days.

- Tables and cloths
- Banner
- Cash handling tools
- Files and clerk supplies
- Shade

-Money control

The table manager must...

- Maintain functional change originally financed from the operations fund.
- Accept and account the correct payment for merchandise
- Pay and account market day expenses from proceeds.

- Complete producer invoice forms
- Complete Market Day Report
- Deposit Funds
(The D/B, if willing, may be the depositor)
- Bundle all forms and receipts to physically deliver to D/B.
- Producers should not expect cash on market days.
Our aim is to facilitate producers. Booth Clerks who also are producers may advance 20.00 that market if their sales are greater than 30.00. At the table managers discretion, other producers may infrequently access small cash advances. Advance/petty cash draw forms should be completed and forwarded.

-Field office functions

The table manager must assure the following.

- Post contact information for the D/B and themselves.
- Have public feedback forms available.
- Maintain the field file (see "Files" section for contents)

-Document flow

The table manager must collect information from the public, participants, and the greater venues and deliver it to the D/B. This includes but is not limited to...

- Participant registrations
- Public and Participant feedback forms
- Physical facilities quarterly reports
- Greater venue communiqués

The table manager must receive information and checks from the D/B and distribute them to participants and the greater venues. This includes but is not limited to...

- Blank Forms
- Updated participants list
- Disbursement checks
- account statements

-Table manager office facilities

The table manager must maintain the following:

- A contact Phone
- Climate controlled file storage
- Secure equipment storage
- Quarterly inventories on our Physical Facilities Report
- knowledge of institutions or individuals to properly disperse surplus products to those who need it.

-Markets

The table manager does business with the greater venues. This includes but is not limited to...

- Establishing a location or take over an existing one
- negotiating and maintaining agreements.
Market fees should not exceed 5%
- Disperse communication to all participants
- Assure compliance with the greater venues rules.
- address concerns

PRODUCERS GUIDELINES: We seek locally sourced products only. Our producers are primarily urban agriculturists; gardeners, beekeepers, and egg suppliers. We also accommodate home baked goods. Home bakers should be moving towards 100% locally sourced products. Prepared foods and artisans are welcome as long as they are in good standing with authorities and are also moving towards local sourcing.

-Registration

Producers must fill out a registration form available at the markets on market day, from a table manager, or at the central office. In the interest of public safety, the exchange must verify individual vendors physical location(s) of production. This may be done two ways.

Prior to or on the first day a vendor sells they shall present a picture ID and a current Arizona utility bill having the same address as the location of production. The information must match. If they are family members, only the last name must match.

If matching documents cannot be presented, the exchange must verify the

location in person prior to the producer selling. The exchange will be given two weeks after receiving a registration to verify the location. The following persons may verify location: Booth Clerks, Table Managers, D/B, the treasurer, or any oversight committee member.

For wild and gleaned foods the location provided is where the product is stored. At the location listed on the registration the producer must keep detailed records of where the food was gathered.

By appointment only, producers must remain willing to have their operations viewed by:

- their customers
- table managers
- D/B
- oversight committee members or designate.
- Public officials

-Market day procedures

On market days a producer must...

- Arrive before the opening of the market with sufficient time to check in.
- Have the producers invoice filled out.
- Have the producers public information form completed.
A producer supplied placard of similar info is fine.
- Have product ready to display, clean, protected, priced.
- Signs ready, if ok with the table manager.
- Carefully check in with the staff
- Display your goods where instructed.
- Instruct the staff on restock procedures.
- Vacate the table area before the market opens,
please do not hang out at a crowded table.
- If returning for unsold items, verify your sales.

-Pricing

Producers set their own prices. All unit pricing, NO SCALES. If an item or package cannot be individually marked, price signs must be provided by the producer.

The prices are also on the producer invoice. If there is a discrepancy between the marked price and the invoice, the invoice rules.

Keep pricing as uniform as possible to assist the sales staff.

If you want advice on pricing, please arrive extra early and the table manager will give you their opinions.

-Trading products

It is not called The Community Exchange for nothing. Producers are encouraged to trade amongst themselves and with vendors selling for the greater venue. Cashless trades need not be accounted. Limit trading activities to before and after the markets.

-Package pick up

Producers may leave packages to be picked up by others. This is a service reserved for producers who regularly provide products for sale. If the transaction is cashless, the service is free. If cash is collected, the standard 20% fee is charged.

-PayDay

The money from your sales will be kept by the exchange and disbursed on the second Saturday of the month. The payment will reflect your earnings from the previous calendar month. Remember the exchange keeps 20% for operational costs. The check stub will be well detailed.

-Feedback/Complaints

If a producer should become unhappy with our service or wish to express an idea, they may contact either the D/B or the oversight committee with our feedback form available at the tables on market day. They may either send the form through the table to its destination, or mail the form to the addresses there on.

CENTRAL OFFICE GUIDELINES: The central office provides the financial and record keeping services we offer our producers. It is managed by the Director/Bookkeeper (D/B). The D/B would ideally be a producer who manages a handful of tables as their contribution to the sales venue. Doing this job would release them from having to sell. A well run venue for selling their own product is their motivation. Alternately a financially secure person who is motivated by bringing cottage industry to their community would be a good D/B. Still, possibly, a very efficient bookkeeper could manage enough tables to create an income. The D/B must be motivated and reliable. The D/B more than any other position can facilitate success for all involved.

The D/B has an operating budget of four percent from total sales of all the tables they service. The service includes:

- Maintain the central office
- banking
- Accounting and check issuing
- Monitor the Operations Fund
- Central communication and filing
- Public face of the exchange
- Sit on the executive committee
- Organizational compliance officer

Guidelines for how we provide these services follow.

-Maintain the central office

The D/B shall maintain the following:

- Contact phone
- Mailing address
- An e-mail account
- A climate controlled active file location
- An operations fund financed records repository.

-Accounting/check issue

All accounting for the Community Exchange must be:

- Transparent and open to all
- cross-trained and easily transferred
- resilient to electricity loss
- legal

The D/B shall control and secure the money generated by sales and account it correctly. A series of forms guides the process. This section deals primarily with disbursement checks to producers and managers. The biggest responsibility for the central office is to get the disbursement checks out correctly and on time. Expense accounting will be covered more thoroughly in the section titled "operations fund".

The Market Day Report (MDR) is the heart of our accounting. The table managers will deliver to the D/B a bundle (The Bundle) containing the MDR, producer invoices for that market, expense receipts for that market, and cash draws from that days proceeds. These items fully account the market day activities.

Disbursement occurs monthly. The treasurer will issue checks as directed by the D/B. The Directors Report to the Treasurer is a monthly report with the instructions for issuing checks. Two Forms, Monthly Table Tallies and Producer Disbursement Stubs, tally a months worth of MDRs. These tallies provide the information for the monthly report to the treasurer.

This is very basic financial tracking easily done without a computer. Most people will use a computer. Computer printouts must contain all the information found on our forms, similarly presented. Access information for computerized files must be registered at the central office and with the oversight committee.

The following is an overview of the process from when the D/B receives the market day bundle to a completed Directors Monthly Report to the Treasurer:

--Deposit cash if necessary

--Audit the MDR

---Is form complete including date

---Are totals correctly transcribed from invoice to form

---Are the invoices signed by both the producer and Clerk, is it dated.

---are the receipts correctly recorded

----market fee

----other market expenses

----electronic transfers

----Petty cash/Advances

---Is the form mathematically correct

---Does the Bank Deposit receipt match the MDR

Transcribe the receipt number from the receipt to the MDR.

--Transcribe MDR totals to the Monthly Table Tally Sheet (tally sheet).
One sheet per table.

--Transcribe MDR totals to the Producer Disbursement Stub (stub).
One Sheet per producer.

Note: This form is a half page form. There are two forms per sheet.

If no copier is available enter information twice.

One copy for us, one for them.

This is the only form we need copy.

--Place The Bundle, tally sheet, and stubs in the correct current month File.

--Monthly, total the tally sheet and stubs.

--Transcribe the information to the Directors Monthly Report to the Treasurer (disbursement report). This is a two page form.

The first page is for the producers information.

The second is for the tables information.

--Assemble the Treasurers Bundle.

- The two page disbursement form
- All producers' copies of their disbursement stubs
- Bank Deposit receipts grouped by table.

--Deliver the treasurers bundle the Wednesday prior to the second Saturday of the month.

The treasurer has until Friday close of business to prepare the checks and have them available. Checks need delivered to the tables or announced locations by noon of the Second Saturday.

Monthly the treasurer will prepare a Bank Account Report and attach a copy of the bank sent statement. The D/B must Audit the treasurers work.

- were checks written according to instructions
- were debits to the account not initiated by the D/B warranted.
- Is the balance correct and sufficient.

-Monitor the Operations Fund

The exchange keeps 20% of sales to fund operations. Six percent funds the Table Managers Office. Four percent funds the Central Office. Ten percent is for the Operations Fund. The D/B monitors this account and must be consulted prior to new or one time spending. Ultimate spending authority resides with the oversight committee.

The operations fund covers all costs it takes to operate on market day. Spending occurs two ways. The booth clerk debits cash and credit charges prior to the bank deposit, and the D/B issues checks from the remaining funds after they are deposited.

The market day debits include but may not be limited to:

- Market fees or percentage.
- Equipment rental/purchase
- Field office supplies and copies
- Credit costs

Checks issued by the D/B include but may not be limited to:

- Venue Insurance
- Registration fees
- Yearly accounting satinets
- Records depository rent
- Equipment
- Expansion

Most greater venues will want at least five percent. Credit costs and minor market costs push the market day debits to about 7%. That leaves only three percent of total sales for the remaining costs.

It is a challenge for All involved with the exchange to keep our Market Day expenses to 10%. It requires community support. Our success depends on this community spirit from local government, financial institutions, and the greater venues.

Shortages to this account are addressed with these measures in succession:

- cut table manager to 4%
- cut D/B to 3%
- a temporary increase in consignment fee

The first two cuts occur at the D/Bs' instructions. The size of any increase in consignment fee shall be determined by the oversight committee on alert from the D/B. At the D/Bs' determination, percentages should return to normal.

The Community Exchange Oversight Committee is convened primarily to watch the money and assure our viability. Changes to our fee and disbursements may occur. The oversight committee will make these decisions.

-Central communications and filing

The D/B must bring in information from many sources. The information must be filed (see File section for detailed files). The information must be available to all, and directed to our participants. Information which needs regular dispersal to our participants includes, but is not limited to:

- Up dated participant list
- Public and Participant feedback forms

- Quarterly facilities report
- Directives and meeting minutes from the central office
- Directives and meeting minutes from the oversight committee
- Financial Statements
- Official announcements (meetings etc.).

A functional participants list is essential to our operation. Interchangeability and universality are our goal. A clerk and a producer do not need to know each other for the system to work. They do need to be able to verify each others status on an official participants list.

As registrations are received and positions approved, the D/B shall compile the information, and regularly update the list.

Second in importance is the feedback form. We are a bottom up organization. The oversight committee responds to issues raised by the public or participants. Feedback forms must be dutifully handled, recorded and forwarded to the oversight committee.

The remaining information assures our participants are aware, and that our operation is transparent.

The D/B shall keep master copies of all forms and lists at the central office. The D/B shall deliver sub-master copies and updated lists to the table managers at the same time they receive the bundles.

Finally the central office should keep good transparent records of their own activities.

-Public face of the exchange

As the initial contact person of last resort, The D/B must correspond and meet with the following people outside of our normal operations.

- new table manager applicants
- greater venue directors
- public
- participants
- promotion
- media
- public officials

-Member of the Executive Committee

The D/B must sit on the Community Exchange Garden Club Executive Committee.

-Compliance Officer

The D/B must respond to noncompliance within the organization. If addressing the issue with the individual is unsuccessful, the D/B should enlist the aid of the following in succession:

- other participants
- table managers
- the oversight committee
- police and courts

BANK ACCOUNT: We need to secure and disburse the funds from our producers sales. The D/B is responsible for the maintenance of an account in a local financial institution for this purpose. This account should be named The Community Exchange Garden Club d.b.a. The community exchange. The three members of the executive committee are its' signees.

TREASURER: The Treasurer is our greatest philanthropist. The treasurer should be a financially secure member of the community, motivated only by community health. The treasurer will be asked to maintain a phone, e-mail, and a small file. For this legitimate expense, we wish to gift a basket of our finest surplus product on a weekly basis. The treasurer, beyond their duties and receiving this basket, should be uninvolved with the exchange.

The treasurer shall:

- Maintain a contact phone
- Maintain a mailing address
- Maintain an e-mail account
- Maintain a bank account file
- Issue checks as directed by the D/B
- Be a watch dog. Check requests may be held for oversight committee review
- Issue a financial report monthly including a copy of the bank account statement.
- Follow directives from the oversight committee
- Assist in a once a year financial statement
- Transfer files to the central office once a year
- Be a member of the executive committee

The final duty gives the treasurer the power to block important activities. If a treasurer becomes belligerent they may be removed by the oversight committee.

THE OVERSIGHT COMMITTEE: The oversight committee is self-governed with in these parameters:

- The public and our producers are represented
- One person one vote
- The public retains a majority of members
- Poses no resource drain on the exchange.
This requires volunteerism or self-funding

Regular customers would be the ideal member. As with the D/B, the producer members would be excused from volunteering at the tables. Members are motivated by facilitating a healthy venue and community.

The oversight committee should perform these duties:

- Maintain a mailing address
- Elect a chairperson who shall:
 - Maintain a contact phone
 - Maintain an e-mail account
 - Schedule, announce, and chair meetings
 - Issue directives
 - Measure Compliance
 - Be an executive committee member
 - Be available to all oversight and executive committee members.
- Meet regularly to address issues raised by the public, the greater venues, or participants.
- Approve new tables and managers
- Approve booth clerks
- Block participation
- Meet when requested with the D/B or the Treasurer

VOLUNTEER GUIDELINES: Food is life. Be a part of life, by being a part of the food chain. Anyone can volunteer at the exchange. Anybody performing a function for the community exchange is a volunteer.

A volunteer for The Community Exchange shall:

- Be registered at the central office
- Know and adhere to our guidelines
- commit to duties
- inform the organization if you cannot perform the duties
- perform your willingly accepted duties
- Dress and behave appropriately
- Openly and honestly communicate with the public, the greater venues personnel, and public officials.