

## Letter of Intent

When hiring an Executive Director (or any other position within the co-op), it is important to discuss and agree upon the following items during the second interview. We have learned the hard way that it is in everyone's best interests to have the following terms in writing, signed, and on permanent file. Many businesses include these items in a letter of intent. You could also create a one page summary, to be signed by the employee and board president.

**Start date** – State the location of the office. If your co-op doesn't have an office yet, state the terms of where the person will work (i.e. from a home office until the co-op's office is set up). You could also list key people with whom the new person should meet shortly after starting (i.e. key advisors, service contract representatives).

**Salary** - You could set the initial wage at the lower end of your intended range and offer to increase wages based on performance (as measured by a certain revenue level or a target number of client hours served).

**To whom you report** – Most executive directors report directly to the co-op board, represented by the Board President.

**Performance review date** - It is perfectly fine to state that the employee is in probationary status for the initial 6-12 months. The employee could be considered a permanent member of the team upon a successful performance review.

**Health insurance**

**Vacation time, sick leave, or personal days**

**Paid holidays** – All holidays observed by the co-op. (These dates should be listed in the employee manual.)

**Retirement benefits** – (if any)

I agree to the following terms of employment.

---

Candidate's signature and date

---

Board President's signature and date