

# Module Four

## Organization and Management of Cooperatives



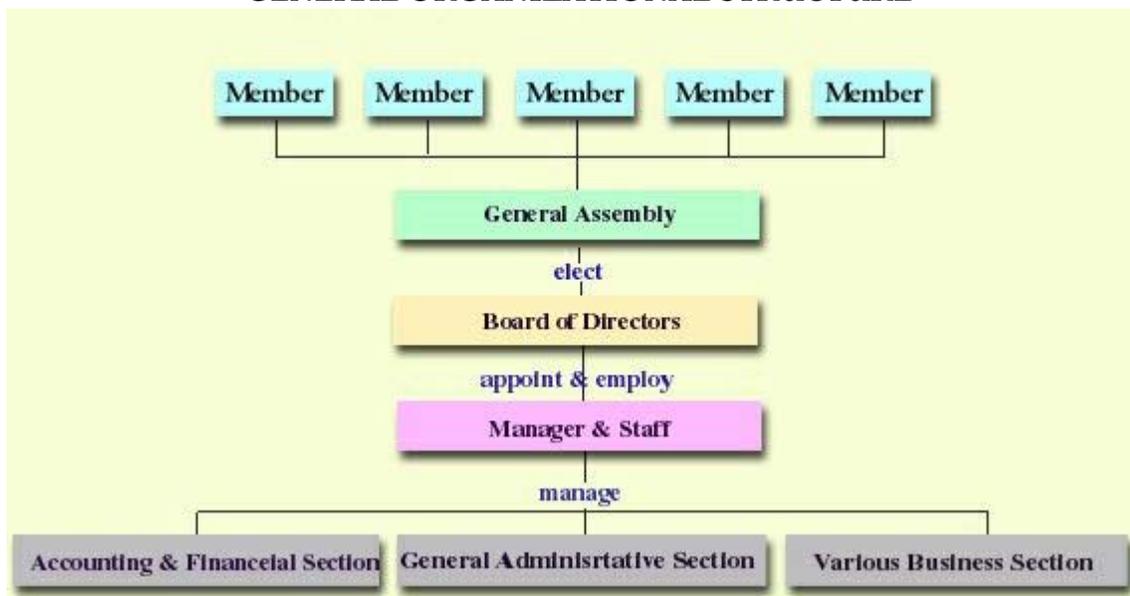
## Handout

Data Must Be Country Specific

### POWERS, DUTIES, AND RESPONSIBILITIES OF THE MEMBERS, OFFICERS, AND STAFF OF COOPERATIVES

*In this session, the trainer should draw the organizational structure of typical cooperative on the whiteboard. Add the components of the structure as you go along, discussing powers and responsibilities for each one.*

#### GENERAL ORGANIZATIONAL STRUCTURE



#### a. COOPERATIVE MEMBERS

Cooperative members are the legal owners of their business. It is not the Board of Directors or the manager who has the controlling authority over the cooperative, but

the members. Coop members are the key to the organization's success. This means that the members are likewise responsible for any failure.

**The duties of members are to:**

1. Adopt or amend the constitution, by-laws, and agreements.
2. Keep informed about rules and new developments of the cooperative.
3. Maintain the cooperative through continued support of activities and projects, recruiting new members, taking suggestions and criticisms to the board of directors, and, if elected to a leadership position, serving conscientiously as directors or committees.
4. Provide the necessary capital..
5. Assume business risks; all business enterprises face risks.

**The powers and rights of the members are to:**

1. Elect or be elected and to recall people from elected positions if necessary. Control the cooperative and withdraw any decision-making authority they have previously delegated to the board of directors
2. Vote upon budget, increase or decrease capitalization, and decide on collaborations and contractual arrangements between members and cooperatives.
3. Require the director, officers, and agents to run the business legally and according to the constitution, by-laws, and marketing contracts.
4. Elect a competent committee to examine the records and audit the books periodically.
5. Examine the annual reports.
6. Dissolve or merge the cooperative.
7. Take a share of the benefit in proportion to the business contribution made to the cooperative.
8. Enjoy the same advantages, benefits, and services from the cooperative.

**b. GENERAL ASSEMBLY**

**The duties of the general assembly are:**

1. Being the highest authority of the ICA, shall consist of representatives appointed by affiliated organizations
2. Meet regularly and/or under request principally for decision making



## **The powers and rights of the general assembly are to:**

3. formulate and implement the policy on major issues affecting the future of the cooperative;
4. approve the work program, elect the President and the Board
5. amend the Rules, Policies and Procedures;
6. decide on the membership subscriptions and representation formula;
7. confirm all dispositions taken by the Board, which imposes liabilities or obligations, such as investments, borrowings, as well as other agreements;
8. approve the establishment or dissolution of the cooperative on the recommendation of the Board;

## **c. BOARD OF DIRECTORS**

The Board of Directors is the governing body of the cooperative. The directors employ the manager, establish specific operating policies, and supervise the management of the cooperative.



## **The duties of the Board of Directors are to:**

1. Manage the organization and activities of the cooperation.
2. Keep a list of the members, directors, and other officers.
3. Organize the general assembly of members.
4. Prepare financial and activity reports.
5. Prepare a work plan and create budgets.
6. Keep the membership informed and inspire a spirit of service to and respect for the membership.
7. Maintain moral, financial, and legal responsibilities of the cooperative.
8. Enter into contracts and, if necessary, lawsuits in the name of the cooperative
9. Furnish supplies and market products to members and partners
10. Maintain the cooperative as an efficient business institution worthy of the good will of the community and area it serves.

## **The rights of the Board of Directors are to:**

1. Represent the cooperative at all times and in all places.
2. Oversee the form and maintenance of membership records and approve memberships.
3. Take actions for the interests and benefits of the cooperative.

#### **d. ELECTION COMMITTEE**

**The powers, duties and responsibilities of the Election Committee are to:**

1. Plan, prepare, and supervise the election of the Board of Directors, elective committees, and their respective officers.
2. Explain rules and regulations of the election to the members.
3. Check qualifications of the candidates.
4. Prepare for the election.
5. Supervise the election.
6. Make decisions in the event of protests against election results.
7. Review existing election rules and regulations and propose amendments.
8. Supervise voting for the removal of elected officers, amendments, dissolution of the cooperative, and all matters brought before the general assembly that require Election Committee intervention.

#### **e. MANAGER AND STAFF**

##### **Treasurer**

1. Takes custody of all monies, securities, and papers acquired by the cooperative and maintains a complete record of all transactions.
2. Keeps a complete record of its transactions for the establishment of proof at any given time and date.
3. Pays all financial debts incurred by the cooperative as approved by the manager and or Board of Directors.
4. Writes financial reports and summarizes the finances for the Board of Directors, General Assembly, and DINAS KOPERASI KABUPATEN/KOTA OR PROPINSI.
5. Turns over to his successor all monies, securities, papers, books, and other properties belonging to the cooperative when he leaves his position as Treasurer.
6. Acts as Secretary when the Secretary is absent or unable to carry out his duties.
7. Performs such duties as the Board of Directors might prescribe.

## Secretary

1. Maintains and holds a complete registry of all members and records minutes of all meetings of the Board of Directors and General Assembly.
2. Gives notice of all meetings called.
3. Maintains and holds the Share and Transfer book and serves as the custodian of the corporate seal of the cooperative.
4. Turns over to her successor all books, records, and other properties belonging to the cooperative when she leaves her position.
5. Acts as Treasurer in the absence or inability of the elected Treasurer to perform his duties.
6. Performs other duties as Board of Directors might prescribe.

## Manager

1. Plans, organizes, directs, coordinates, conducts, and controls the administrative and financial operations of the cooperative.
2. Supervises, conducts, and directs all jobs and activities specifically delegated by the Board of Directors.
3. Supervises the detailed operations of the cooperative in accord with the policies agreed on by the Board of Directors and recommends policies to the Board.
4. Maintains a good bookkeeping and accounting system.
5. Is devoted full-time to the affairs of the cooperative.
6. Develops budgets of anticipated income and expected operating costs with the assistance of the Accounting Section.
7. Attends all Board of Director meetings and makes available a business report and a monthly financial statement.
8. Makes periodic reports and recommendations to the Board of Directors.
9. Confers with the Board of Directors on the development of new policies and appraises the effectiveness of policies being implemented.
10. Hires and fires subordinates according to the policies of the cooperative approved by the General Assembly.
11. Brings to the board's attention all matters requiring board consideration and action.
12. Trains cooperative members for greater efficiency.
13. Represents the cooperative to the public as directed by the Board of Directors. .