



## The Co-operative Structure

The main purpose of a co-operative is *to provide goods and/or services to its members*. However, there are many other benefits to forming a co-operative.

These benefits include the following:

- Through their democratic structure, co-operatives enable their members to have direct input into the policies and direction of their organization.
- Profits generated by co-operatives usually stay in their community.
- Incorporation as a co-operative gives permanence to the organization. Unlike a sole proprietorship or partnership, operation does not cease with the retirement or death of an owner or partner.
- The democratic structure encourages people to work together.
- Control is kept in the hands of users, partners or owners.
- Co-operatives help to develop the knowledge and skills of their members.
- Co-operatives provide communities and groups with tested and proven organizational approaches to managing and coping with changing socio-economic conditions.

### How a Co-operative Works

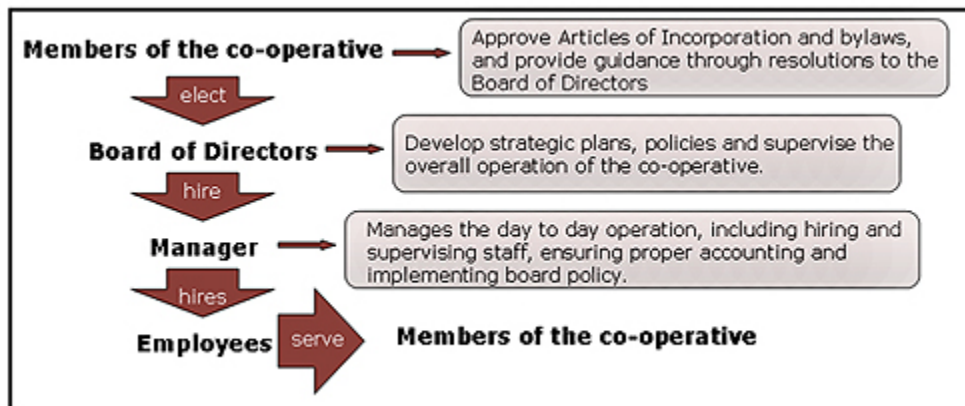
Co-operatives provide an opportunity for members to have direct input into the policies and direction of their organization through the election of the board of directors.

In some cases, all members could be on the board but, usually, the complete membership is too large to meet to consider all decisions. Therefore, the membership delegates authority for decision-making between general meetings to a board of directors.

The board may delegate some responsibility, particularly operational/management issues, to an executive committee. The executive committee is usually comprised of a president, vice-president, secretary, and treasurer. Responsibility for operational and management issues can also be delegated by the board to management and staff, when appropriate.

Other committees of the board, or a combination of board and membership representation, can be formed to handle specific duties, such as member relations and audits. The board may also hire a manager to handle daily affairs, and to hire staff as needed.

### Standard Flow of Activities for the Operation of a Co-operative



## **Roles and Responsibilities of Members**

Members are the most important part of a co-operative. The co-operative exists to meet their needs. Just as the board has specific duties and responsibilities, members have responsibilities to themselves and to their organization.

Members have a duty to:

- Attend meetings and other co-operative activities;
- Assist in amending bylaws as required;
- Help to finance the co-operative by purchasing shares;
- Communicate complaints and suggestions to management and the board of directors;
- Support the development of other co-operatives;
- Elect directors;
- Participate on committees and in other activities of the organization; and
- Use the services provided by the co-operative.

### **For more information contact:**

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