

# MEMBERS MAKE COOPERATIVES WORK

USDA, RBS, CIR 11 Chapter 2 -  
Members Make Cooperatives Work

# Exercising Member Responsibilities

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- Commitment and Use
- Ownership and Control
- Finance

# Member-Owner Commitment and Use

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## *Commit to*

- Use Products and Services
- Maintain Control
- Provide Financing

# Member-Owner Commitment and Use

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*Using the cooperative is members' easiest responsibility to carry out, and by using it as much as they can, members help the cooperative succeed*

# Member Ownership and Control

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- Know legal responsibilities
- Understand the Cooperative
- Make decisions
- Vote
- Express opinions
- Serve (board/committees)

# Member-Owners Have Legal Responsibilities

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- Incorporate
- Approve legal documents
- Elect directors according to mandated State law and cooperative policy
- Ensure that general business and cooperative-specific laws are followed
- Make major decisions that alter legal status

# Owners Must Understand Their Cooperative

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*Know and understand its*

- Definition and history
- Mission or purpose
- Articles and Bylaws
- Organizational structure and staffing
- Products and services
- Policies

# Member-Owner Financial Responsibilities

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## *Control follows finance*

- Finance in Proportion to Use
- Most capital from members
- Distribute earnings according to use (patronage)
- Return equity to inactive members
- Revolve equity

# Ways Member-Owners Finance Cooperatives

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- Direct Investment
- Retained margins
- Per-unit retains
- Start-up capital

# Using the Cooperative Is Essential for

- Maintaining control
- Achieving business success
- Fulfilling member needs
- Producing continuing benefits