

MEMBERS MAKE COOPERATIVES WORK

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

Exercising Member Responsibilities

- Commitment and Use
- Ownership and Control
- Finance

Member-Owner Commitment and Use

Commit to

- Use Products and Services
- Maintain Control
- Provide Financing

Member-Owner Commitment and Use

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

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

Member-Owners Have Legal Responsibilities

- 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

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

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

- 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