
Module: Cooperative Formation

Building the Bylaws

A co-op's bylaws detail how the business will operate and address the co-op's purpose, membership, meeting procedures, governance procedures, patronage systems, equity redemption systems, processes for dissolving the co-op, and more. The bylaws should be consistent with statutes in the state where the co-op is incorporated. A co-op steering committee can use the following questions to guide the initial development of bylaws; it may be useful to consult an attorney familiar with co-ops before finalizing the bylaws.

What is the purpose of the co-op?	Who can be a member of the co-op? Are there different levels or types of membership?	What is the process for becoming a member?
What are the rights and responsibilities of members in the co-op?	What is the process for suspending or terminating membership in the co-op?	Will the co-op have stock options or a membership fee?
When and where are annual membership meetings held? How and when are meeting notices provided?	What is the process for calling a special membership meeting? How and when are special meeting notices provided?	How is voting conducted at membership meetings? (e.g., in person, by proxy, do entities have designated representatives?)

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<p>How many directors will serve on the board? What are their duties and how long is their term?</p>	<p>How are director elections conducted?</p>	<p>What constitutes a quorum for conducting board business?</p>
<p>What are the board officer positions, duties, and length of terms? What is the process for electing board officers?</p>	<p>What is the process for filling a vacancy on the board of directors?</p>	<p>How or when will the co-op redeem members' equity?</p>
<p>When is the co-op's fiscal year?</p>	<p>Will the co-op conduct non-member business?</p>	<p>How are bylaws amended?</p>
<p>Briefly describe the process for developing and adopting the co-op's bylaws. Who will be involved? How will members be informed?</p> <hr/> <hr/>		