Creating a Co-operative - An Information Guide

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Guides and Resources

What is a Co-operative?

A co-operative is an enterprise that is jointly owned by the members who use its services. All members of a co-op are equal decision makers in the enterprise, using a democratic system of one-member, one-vote. In turn, all members share the benefits of co-operation, based on how much they use the co-operative's service.

Co-ops take different forms and they operate in all sectors of the economy, but a co-op is generally set up by a group of people who share a common need. By pooling their resources and working together, the members can satisfy that need through the co-operative. While they serve a wide variety of functions, co-ops generally fit one of the following four types:

- **A consumer co-op** provides products or services to its members (such as a retail co-op, housing, health-care or child-care co-op).
- **A producer co-op** processes and markets the goods or services produced by its members, and/or supplies products or services necessary to the members' professional activities (such as independent entrepreneurs, artisans, or farmers).
- **A worker co-op** provides employment for its members. In this type of co-op, the employees are the members and the owners of the enterprise.
- **A multi-stakeholder co-op** serves the needs of different stakeholder groups - such as employees, clients, and other interested individuals and organizations. This type of co-op is usually found in health, home care and other social enterprises.

Co-operatives serve both economic and social purposes. While a co-op exists to meet the common needs of its members, it also promotes the development of those members through their involvement in the democratic governance of the enterprise. At the same time, the co-operative is usually undertaking local social development or economic development activities, such as creating jobs or providing goods and services that would otherwise be unavailable to the community.

**Member Shares and Patronage Dividends:** A co-operative's start-up capital usually comes from member shares in the co-op, and a portion of any surplus generated by the co-op may be returned to members in the form of *patronage dividends*. This type of return is different from profits earned on invested capital since it is based on how much the member uses the co-operative's service, not on the number of shares the member holds in the co-operative. Some co-operatives are structured as non-profit entities, such as housing, health- and day-care co-ops. These co-ops do not issue patronage dividends.

**The Legal Status of a Co-operative:** A co-operative will need to be incorporated either provincially or federally before it is a legal entity. It may be formed in accordance with a provincial co-operative statute setting out its corporate form and mode of operation; or in accordance with the *Canada Co-operatives Act* when the co-operative has a place of business in at least two provinces.
The Various Kinds of Co-operatives

Financial Co-operatives

- These co-operatives offer financial, loan or investment services, and insurance services to their members.
- They are owned by user members or by subscribers to insurance.

Examples

- Caisses populaires
- Credit unions
- Insurance co-operatives
- Mutual companies

Retail Co-operatives

- They provide their members with goods for their personal use.
- They are owned by the consumers of the goods sold by the co-operative.
- They work in various sectors.
- They range from small purchasing groups to large supermarket-type organizations.

Examples of sectors

- Food
- Student supplies
- Hardware
- Clothing
- Outdoor recreational gear

Service Co-operatives

- They provide services to their members (individuals or corporations).
- They are owned by the users of the services.
- They can range in size from small day-care centers to large housing co-operatives.
- They can represent an interesting alternative to public services delivery.

Examples of services

- Water supply
- Cablevision
- Community recreation facilities
- Electricity, natural gas and wind energy
- Housing
- Day-care centres and nurseries
- Funeral services
- Health care
- Transportation and communication
- Tourism
- Municipal services
- Community and social services
Producer Co-operatives

- Some co-ops market, or process and market, their members' products and services.
- Others may also provide supplies or services necessary to their members' economic activities.
- They are owned by the members who purchase or sell products and services through the co-op.

Examples of sectors

- Agricultural processing and marketing
- Farm supply
- Feedlots, pastures, and pooling of equipment
- Seed cleaning
- Arts and crafts
- Taxi industry
- Government procurement
- Fisheries

Worker Co-operatives

- The purpose of these co-operatives is to provide their members with work through a jointly owned enterprise. They may be found in all economic sectors.
- These co-operatives are owned by their employee members, and they operate mainly in the small- or medium-sized enterprise sector.
- In a worker co-operative, the members obtain jobs and control the management and administration of their enterprise.
- Employees sometimes form a co-operative for the purpose of acquiring voting shares in the corporation that employs them. These are called worker shareholder co-operatives.

Examples of sectors

- Agri-food
- Natural food
- Arts and entertainment
- Manufacture and sale of clothing
- Communications and marketing
- Construction and renovation
- Education
- Forestry
- Printing and publishing
- Industrial production and manufacturing
- Ambulance services
- Business services
- Home care and nursing services

Multi-Stakeholder Co-operatives

- The membership of these co-operatives includes different categories of members who share a common interest in the organization, e.g. clients, employees, investors, and community organizations

Examples of sectors

- Home care services
- Health services
- Enterprises serving disabled workers
- Community services
### How is a Co-operative Different from other Businesses?

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<th>Ownership</th>
<th>Investor-owned business</th>
<th>Non-profit organization</th>
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<tr>
<td>The share is listed in the member's name.</td>
<td>Generally, a share carries no name. Unless registered, it belongs to the bearer.</td>
<td>There is no ownership. Members are taken on (or membership accepted) when they agree to pay annual dues conferring member status, or a one-time membership fee.</td>
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<td>In general, a membership share may not increase in value. It can usually only be redeemed by the co-op at its par value.</td>
<td>A common share may increase in value. A shareholder may sell his or her shares to another person at an agreed upon price.</td>
<td>Anyone may become a member, whether or not they use or benefit from the services provided by the organization, as long as they support the purpose of the organization.</td>
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<tr>
<td>Some legislation allows for investment shares (non-par value) to members and/or non-members.</td>
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<tr>
<td>Member's responsibility is limited to the amount of the shares he or she holds.</td>
<td>Shareholder's responsibility is limited to the value of the shares he or she holds.</td>
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<tr>
<td>Voting</td>
<td>A shareholder is entitled to a number of votes, equivalent to the number of shares he or she holds in the company.</td>
<td>Generally, one person, one vote. Delegates or proxies may be used depending on the governing legislation.</td>
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<tr>
<td>A member is entitled to only one vote at a general meeting, regardless of the number of shares he or she holds.</td>
<td>Some co-operatives with a large and dispersed membership have a delegate structure for representing members (e.g., one delegate represents multiple members from a geographic district).</td>
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<tr>
<td><strong>Co-operative business</strong></td>
<td><strong>Investor-owned business</strong></td>
<td><strong>Non-profit organization</strong></td>
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<tr>
<td>No proxy voting allowed.</td>
<td>A shareholder may obtain a proxy to vote for other shareholders.</td>
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<tr>
<td>Holders of investment shares have restricted voting rights.</td>
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**Sharing in the Surplus**

| Co-operative legislation may limit or prohibit the payment of interest on share capital. | There is no limit on share dividend. | |
| Surpluses may be paid into the reserve or to members in the form of patronage returns proportional to the business done by each member with the co-operative. | Profits may be distributed in the form of dividends according to the provisions for each class of shares, or reinvested in the company. The value of shares reflect the net value of the corporation. | Surpluses do not belong to individual members but to the organization. They must be returned in full to the indivisible general reserve of the organization. |

Some legislation allows co-operatives that issue investment shares to allocate part of their surpluses as dividends on those shares.

Some provincial legislation may stipulate that a co-operative's general reserve is indivisible, or divisible in whole or in part.

Shareholders may dispose of all of the assets of the business in accordance with certain legislative provisions.

Some co-operatives, such as housing, health and day-care co-operatives, are structured as non-profit entities. Surpluses are not distributed to members.
Definition and Principles of a Co-operative

The Statement on Co-operative Identity was adopted in 1995 by the General Assembly of the International Co-operative Alliance (ICA) held in Manchester to mark its centennial. The statement is the result of a long process of consultation involving thousands of co-operatives around the world.

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

1st Principle: Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2nd Principle: Democratic Member Control

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are organized in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. They usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing the co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in
proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle: Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6th Principle: Co-operation Among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.

7th Principle: Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.
Structure of a Co-operative

A co-operative is both an association of people and an enterprise. It therefore has two different structures:

- **the association of people** requires a democratic structure (general meeting, board of directors, other boards and committees) in which members or their representatives can participate directly or as delegates of groups of members;
- **the enterprise structure** may be simple or complex, depending on the scale and nature of the economic activities, but it will likely be similar to that of other private enterprises.


The association of people is directed by a voluntary board of directors. The co-operative is governed by the board of directors and managed by the person holding the position of chief executive officer, general manager, or executive director. An Executive Director usually heads up a non-profit co-operative or an association.
Articles of Incorporation

A co-operative's articles of incorporation may vary according to the particular provincial or federal legislation. For example, it may or may not be necessary for them to contain the objectives and purpose of the co-operative, as well as the share structure.

By-laws

A co-operative's by-laws are like a government's constitution. They define the rights and obligations of each member of the co-operative, and they constitute a legal document. In many cases, they may only be amended by a majority of two-thirds of the members at a general meeting.

Depending on the legislation, the by-laws must include provisions such as:

- the co-operative's mission and its fields of activity;
- requirements for becoming a member (including the number of co-op shares) and for terminating membership (withdrawal or expulsion);
- the procedure for calling the annual general meeting, special general meetings, and meetings of the board of directors;
- the powers and responsibilities of the board of directors, the executive committee, and other committees and boards;
- the powers and responsibilities of the chief executive officer/executive director.

The Democratic Structure

A co-operative operates according to the rules of parliamentary democracy.

Annual General Meeting

The board of directors must call and organize an annual general meeting. The by-laws may provide for a quorum (number of members or percentage of total members), without which a general meeting may not be held. One member may not vote on behalf of another member (no proxy voting).

In particular, the annual meeting has exclusive authority to:

- amend the by-laws;
- elect members of the board of directors and of other committees as required;
- set the amount of per diem fees for members of the board of directors;
- appoint the external auditor;
- decide to wind up the co-operative or amalgamate it with another co-operative;
- decide to apply for membership in a federation or another inter-co-operative organization.
Board of Directors

The board of directors governs the co-operative on behalf of members. It usually has exclusive authority to:

- hire and fire the person holding the position of chief executive officer;
- approve salary and human resource management policies;
- define the co-operative's strategic and operational objectives;
- approve production (type and quality) and sales (price) policies for the co-operative's products and services;
- dispose of the co-operative's assets;
- propose to the annual meeting the amount and method of payment for patronage dividends;
- prepare and submit the annual report of activities to the general meeting.

Chief Executive Officer/Executive Director

The chief executive officer (CEO) has the same responsibilities and powers as in a private company, i.e. planning, organizing, directing and controlling the enterprise on a day-to-day basis. The CEO reports directly to the board of directors and must keep it informed of all the enterprise's activities.

The CEO has the power to hire and fire employees of the enterprise in accordance with the provisions of the by-laws and with the directives and policies issued by the board of directors.

In the case of a worker co-operative, however, the power to fire an employee rests with the board of directors because the employee is also a member. The dismissal of an employee must be in accordance with the clauses and procedures set out in the by-laws. The CEO may, however, assign and transfer members to different responsibilities and positions.

In the case of both worker co-operatives and other types of co-operatives, the by-laws may give the board of directors (not the CEO) the power to hire and to dismiss managers of the enterprise.
Frequently Asked Questions about Co-operatives

Are there advantages to forming a co-operative rather than a traditional private enterprise?

Yes, particularly if you need the commitment and support of a group of people to achieve the goals of the enterprise. The co-operative option could then prove to be the best legal choice because it is an organizational tool designed to meet the needs, and facilitate the operations, of both small and large groups of people. It offers a proven legal framework for governing collective decision making and for protecting everyone’s interests.

If you are attempting to meet an economic or social need that cannot be met by individuals acting alone, a co-operative may be the best way to resolve the problem with others who share the same goals. For example, you might be looking for a way to obtain affordable quality housing, or access to high-speed internet, or any other product or service unavailable in your region. Or you might want to create a job corresponding to your abilities and your requirements, or to reduce your costs of production.

By forming a consumer or service co-operative, you will be able to obtain:

- products or services you need. As co-owner of an enterprise operating according to democratic rules, you will be able to define the characteristics of the products or services with the other members;
- products or services at a lower cost. The enterprise is not designed to maximize profits to shareholders, but to maximize members' co-operative advantage, i.e. quality products and services at the best price.

By forming a workers’ co-operative, you will be able to obtain:

- the job you do not have or the job you would like to have;
- the right to take part in defining your working conditions (salary, benefits, organization of work, health and safety in the workplace, etc);
- the right to share in surpluses in the form of returns in proportion to your salary or your hours of work.

How many people are needed to form a co-operative?

This varies according to provincial legislation on co-operatives. The federal legislation requires at least three founding members. Some provincial legislation can require up to twelve founding members to form consumer, service or producer co-operatives, and only three or five to form a worker co-operative.
What is a new generation co-operative?

A new generation co-operative (or NGC) is a producer-owned enterprise that adds value to primary products. This type of co-op typically operates in agriculture, where NGCs create products such as ethanol from corn, pasta from durum wheat, or gourmet cheese from goat's milk. The primary purpose of the NGC is to help member-producers gain a larger share of the consumer dollar by sharing in the processing revenue.

The NGC model has adapted some of the features of the traditional co-op model, in order to help meet the capital requirements of these co-ops. For example, NGCs retain core co-op principles such as one-member, one-vote, but membership in the co-op is linked to the processing capacity of the enterprise. The members purchase delivery rights shares, which serve as a two-way contract between the member and the co-op, helping ensure a stable supply of raw material to the co-op, and a guaranteed market for the producer's product. Members make a much higher equity investment in a NGC than in a typical co-op, but this investment is proportional to the member's use of the co-op. The member's share of surplus is also proportional to use.

Is a co-operative non-profit?

Although the primary goal of a co-operative is not to maximize profits but to provide service to members, a co-operative must generate sufficient revenue to cover expenses and ensure its growth. After securing, in a general reserve, the capital needed to finance the expansion of the business, any surpluses remaining can be returned to members.

In accordance with federal and provincial legislation on co-operatives, a co-operative may decide not to distribute surpluses, and in some situations will meet the definition of a non-profit organization. This is often the case when co-ops aim to address social needs, such as housing, day care, and health care co-ops.

How do co-ops capitalize their operations?

Member shares are typically the first source of capital in a co-operative. Some provincial legislation may determine the dollar value of a co-op share (e.g. ten dollars), but the co-op's by-laws will then determine the minimum number of $10 shares each member must purchase, so as to meet the capital requirements for start-up. Member shares establish co-ownership of the enterprise and grant one vote per member. In general, the member share does not increase in value.

Preferred shares are sometimes issued by co-operatives - both to members and non-members - although this type of share does not offer title of co-ownership or voting privilege as does a member share. The preferred share is similar to a bond issue, which has a pre-determined rate of interest and a redemption date.

Investment shares are now allowed by most co-operative legislation, and they can be issued to members and non-members. The co-operative can then allocate a portion of its surplus as
dividends on those shares. Investment shares generally do not confer voting privilege, and the legislation may place a limit on the percentage of share capital that can be held by non-members.

**Does a co-op perform as well as a traditional private enterprise?**

Yes. Co-operatives have been competing successfully in the Canadian marketplace for almost a century, many of them leaders in their industries. As in all businesses, however, co-op performance depends on good management and the ability to adapt and innovate in a changing economy. Some co-ops do this better than others.

It's also important to note that rate of return and growth is not the key measure of success in a co-op. The most important measure is how well the co-op meets the needs of its members. For example, a marketing co-op may serve its members extremely well by getting the best price for its members' products in the marketplace. Yet it may not compare as well with private competitors in terms of return on investment.

Worker co-operatives provide another example of success. Studies comparing the performance of these co-operatives with private enterprises operating in the same economic sector have demonstrated their superiority in two ways:

- lower absenteeism;
- better quality of products and services.

This is the result of the high motivation of workers. They know that the business belongs to them. They know that the better their work, and the greater the surplus the enterprise generates at the end of the year, the more they can increase their income through returns.
Co-operatives in the Canadian Economy

Co-op Membership in Canada

Approximately half of all Canadians are members of at least co-operative with the largest percentage belonging in British Columbia (94%) and Quebec (87%). British Columbia has seen an increase in membership due largely to Mountain Equipment Co-op (MEC) with over 2.8 million members across Canada.

Employment in Co-ops

As of 2005, there were 7742 non-financial co-operatives and an estimated 1802 credit unions (excluding Quebec) across Canada. Non-financial co-operatives employed 87,716 people across the country with the largest concentration of employees working with consumer co-operatives (28,820) followed by marketing co-operatives with 24,981 employees. Across Canada, an additional 250,000 independent producers are especially significant in rural and remote regions of the country, where they meet the economic needs of producers in agriculture, the fisheries, arts and crafts production and manufacturing.

Financial Success and Local Asset Building

Combined, financial and non-financial co-operatives in Canada have approximately $200 billion, which is owned by the members and communities they serve. Non-financial co-operatives had approximately $27.7 billion of sales in 2005 with consumer co-operatives experiencing the largest share of sales with $11.8 billion followed by marketing co-operatives with $8.2 billion. At least 10 co-ops are listed in the top 500 companies in Canada and several financial co-operatives have been rated the best places to work in Canada.

Leadership and Management Training

At least 70,000 co-op members serve on co-op boards of directors. This volunteer role develops local leadership and management skills and is an important part of the success of co-operative enterprise.

Sustainability of Co-ops

Co-ops have demonstrated a higher survival rate than other forms of enterprise. A study published by the Quebec Ministry of Industry and Commerce in 2001 shows that the long-term survival rate of co-operative enterprises is almost twice that of investor-owned companies. Similar patterns exist across Canada.
Co-operatives and the Social Economy

Co-operatives are considered an integral part of Canada's social economy, since they are democratically controlled enterprises designed to meet the social and economic needs of their members. Co-operatives are a proven tool for mutual self-help, allowing people to work together towards common goals. This in turn helps build social cohesion by promoting inclusion, trust and equity among citizens. In their one-hundred-year history in Canada, co-operatives have helped thousands of disadvantaged people and communities to create effective solutions to social and economic challenges, while building local leadership skills, local autonomy and control. Canadians continue to use the co-op model in innovative ways to address a wide range of needs and challenges - including the needs of aboriginal and immigrant groups, youth, disabled persons, and low-income communities.

Co-operatives by Sector

Financial Co-operatives

The assets of Canada's financial co-operatives amount to 13% of all major financial institutions in Canada. Credit unions and caisses populaires serve 10 million members through over 3,400 locations, and approximately 900 communities have no other financial institution.

Producer Co-operatives

Canada's agricultural co-ops account for approximately 40% of total farm cash receipts, most significantly in the areas of grains and oilseeds, dairy, poultry, honey and maple products, livestock, and fruits and vegetables. Fishery co-ops process and market the products of approximately 6790 members on all of Canada’s coasts and in the lake districts of many provinces. Thousands of arts and crafts producers also market their products through co-ops, and many create their art through film-making and other co-ops that provide shared equipment and facilities. Producer co-operatives include supply co-ops that provide goods and services necessary to the members' professional activities.

Consumer Co-ops

Consumer co-ops provide either products or services to their members. They can range from small buying clubs to large retail and service organizations, with products ranging from groceries and dry goods, to hardware, petroleum, electricity, cable television and internet, student supplies, outdoor gear and more. Together, Canada’s consumer co-ops do more than $11.8 billion in annual business and returned over $155 million in patronage dividends in 2005.

Some consumer co-ops operate as non-profit entities, focused on meeting needs for housing, child care, and health care and community services. More than 128,000 Canadians live in housing co-ops. At least 34,000 families use the services of child-care and nursery co-ops. And health-care co-ops exist in many forms – from full-service health clinics to health prevention programs. In some provinces, groups of social agencies use co-ops to share services and reduce
costs. And hundreds of co-ops operate curling rinks, camp grounds, swimming pools, and other facilities for community members.

**Worker Co-ops**

These co-ops provide their members with employment and control over their workplaces. More than 13,310 Canadian employees own and control worker co-ops which operate in all sectors of the economy.

**Multi-stakeholder Co-ops**

Multi-stakeholder co-operatives typically operate in home care for seniors, or other forms of care and service for disadvantaged clients. They unite the efforts and interests of a variety of stakeholder groups – such as employees, service users, and other community organizations – to provide quality service and to meet a community need. This model is used extensively in Quebec, where it is known as solidarity co-operative.
Canada Co-operatives Act

Incorporation under the Federal Legislation

A co-operative association wishing to incorporate under the federal legislation must:

- be carrying on its business in two or more provinces;
- have a fixed place of business in more than one province.

This legislation governs non-financial co-operatives only. Under the Canada Co-operatives Act, a co-operative cannot carry on business as a bank, insurance company, trust and loan company, co-operative credit society or association, credit union or caisse populaire.

A minimum of three persons, or one or more co-operative entities, who intend to be members can apply for incorporation. If three persons applied for incorporation, the number of members cannot fall below three.

Capital Structure of Co-operatives

The Canada Co-operatives Act recognizes co-operatives with different capital share structures:

- With member share capital; that is in which people must have co-op shares to qualify as members.
- Without membership share capital; that is in which people are not required to have a certain number of co-operative shares in order to qualify as members.
- With or without the power to issue investment shares; that is the co-operative can access capital from investors who expect a return on their investments and not membership status. Of course, members can also be investors.

Non-Profit Housing Co-operatives and Worker Co-operatives

The Canada Co-operatives Act includes provisions for non-profit housing co-operatives and worker co-operatives:

- Non-profit housing co-operatives are co-operatives whose business is restricted to that of primarily providing housing to its members. The business must be carried on without the purpose of gain for its members.
- Worker co-operatives are co-operatives whose prime objective is to provide employment to its members and to operate an enterprise in which control rests with the members.

How to Incorporate

To apply for incorporation, at least three persons, or one or more federation, must send to the Director, appointed under the Canada Co-operatives Act, the following:
• Articles of Incorporation, Form 3001.
• Notice of Registered Office, Form 3003.
• Notice of Directors, Form 3006.
• A declaration signed by all the applicants that after incorporation the co-operative will be organized and operated and will carry on business on a co-operative basis and that the information contained in forms 3003 and 3006 filed with the articles of incorporation must meet the requirements of the Act.
• If the proposed co-operative is a non-profit housing co-operative or a worker co-operative, a declaration signed by all the applicants that the co-operative will be in compliance with either Part 20 or 21 of the Canada Co-operatives Act. Part 20 includes specific provisions applicable to non-profit housing co-operatives and Part 21 includes specific provisions applicable to worker co-operatives.
• A name search report, specifically a Canada-biased NUANS report. The name must not be confusing with other names, including corporate names, and it must include the word "co-operative," "cooperative," "co-op," "coop," "cooperative," "united," or "pool" or another grammatical form of any of those words.
• The required incorporation fee.

Under the Canada Co-operatives Act, by-laws are not required to be sent to the Director.

Articles of Incorporation, Form 3001

Articles must be set out in accordance with Form 3001, 3003 and 3006. Specifically, the articles must contain the following:

• The name of the co-operative (see below for requirements for non-profit housing co-operatives and worker co-operatives).
• The place in Canada where the registered office will be located.
• The name and residence address of each of the incorporators.
• The number of directors or the minimum and maximum number of directors.
• (Optional) Any restriction on the businesses that the co-operative may carry on (see below for restrictions for non-profit housing co-operatives).
• Any restriction on membership in the co-operative.
• A statement that the co-operative will be organized and operated and will carry on business on a co-operative basis.
• A statement that the co-operative will carry on its undertaking in two or more provinces and will have a fixed place of business in more than one province.
• Whether the co-operative is to be incorporated with or without membership share capital.
• If there is membership share capital:
  o Whether the number of membership shares to be issued is unlimited or limited. If limited, the maximum number of shares that may be issued must be stated.
  o If membership shares are to have a par value, their par value must be stated. If membership shares are not to have par value, an indication as to whether the membership shares are to be issued, purchased, redeemed or otherwise acquired at a fixed price or at a price determined in accordance with a formula. The formula
must be set out. Non-profit housing co-operatives can only issue shares on a par value basis. (See below for restrictions for worker co-operatives.)

- If there is no share capital:
  - A statement that each member has the same rights and responsibilities as each other member.

- (Optional) Any provision for the maximum rate of return that may be paid on member loans or membership shares.
- (Optional) Whether there is to be investment share capital and, if so, the particulars of it. Non-profit housing co-operatives cannot issue investment shares.
- (Optional) Any provisions for the distribution of the property of the co-operative on its dissolution. For non-profit housing co-operatives, any remaining property on dissolution must be transferred or distributed among one or more non-profit housing co-operatives, co-operatives that have similar objectives and limitations, or charitable organizations.
- (Optional) Any provision by which members, other than by unanimous agreement, may restrict the powers of the directors to manage the business of the co-operative.
- (Optional) Any provision that the members consider necessary or desirable, including any provision that could be set out in the by-laws.

### Additional Articles for Non-profit Housing Co-operatives

- The name of the co-operative must include the words "non-profit", "not-for-profit", "not for profit" and "housing cooperative", "housing co-operative" or "housing co-op" or the French equivalent.
- The business of the co-operative is restricted to that of primarily providing housing to its members.

### Additional Articles for Worker Co-operatives

- The articles of a worker co-operative must provide that the name of the worker co-operative include the words "worker cooperative", "worker co-operative", "worker co-op", "coopérative de travailleurs", "coop de travailleurs", "co-op de travailleurs", "coopérative de travail", "coop de travail" or "co-op de travail."
- No person may be admitted as a member unless the person is an individual and an employee of the co-operative.
- The maximum membership investment payable by a member may not be more than 50% of their expected annual salary during the first year of their membership, unless a higher amount is paid by all members.

### Main Features of By-laws

As noted above, by-laws are not to be filed with the Director. However, by-laws are generally required for a co-operative to operate. The by-laws address:

- The qualifications and procedures for acceptance of members.
• The rights and obligations of members and auxiliary members and conditions for their acceptance.
• Transfer or assignment of member's interest.
• The selection, qualifications, term of office and removal of directors and members of committees of directors.
• The distribution of any surplus earnings.
• The definition of the agent relationship if the co-operative can act as an agent for its members.
• The conditions on which membership is terminated, whether voluntary or involuntary.
• The way in which votes must be held if the co-operative wishes to hold electronic meetings.
• (Optional) The representation of members by delegates, including classes of members, if any, who may be represented; the procedure for altering classes of members; and powers, duties, selection, voting rights and procedures for the removal of delegates.
• (Optional) The division of members into classes, including the qualification, conditions precedent, manner of withdrawing and the conditions on which membership in a class ends.
• (Optional) The referral of disputes between a member and the co-operative to a process of dispute resolution.
• Any other matter that the members consider necessary or desirable.

**For Further Information**

Enforcement of the federal co-operative legislation is the responsibility of Industry Canada. You may obtain additional information to assist you in applying for incorporation and drawing up by-laws by contacting the Co-operatives Secretariat. Applications for incorporation are to be forwarded to Industry Canada, Corporations Directorate, 9th floor, Jean Edmonds Towers South, 365 Laurier West, Ottawa, Ontario, K1A 0C8, Tel. (613) 941-9042, Fax (613) 941-5781.

The 7 Steps in Forming a Co-operative

Phase I - Develop the Co-operative Business Idea

Step 1: Assemble a group of interested people

- Identify the needs to be met:
  - availability or stability of employment
  - availability of certain products or services
  - quality of certain products or services
  - products or services at a better price
  - market development

- Identify professional assistance needed to launch the business:
  - legal consultant
  - co-operative development consultant
  - feasibility study, business plan and financial consultant
  - accounting consultant
  - other ________________

Step 2: Conduct a pre-feasibility study

- Conduct a preliminary market review.
- Identify available technical and financial assistance.
- Assess receptiveness to the co-operative business idea in the local community.
- Evaluate if the co-operative is the best legal framework to use or if the kind of co-operative selected is the most suitable.
- Define the intended benefits of the co-operative for members (e.g., quality, price) and characteristics:
  - products and services offered (consumer co-op)
  - or products and services marketed (producer co-op)
  - or jobs and working conditions (worker co-op)

- Evaluate the project's potential to attract the minimum number of members required.

If this preliminary study is not conclusive, the group should re-evaluate its business idea.
If this study shows that the planned co-operative is feasible, the group can proceed to the second phase.
Phase II - Co-ordinate the Pre-Co-operative’s Activities

Step 3: Hold an organizing meeting

- Choose the corporate name of the co-operative and location of its head office.
- Define the co-operative's mission (objectives, purpose).
- Elect a temporary board of directors and secretary to the board.
- Officially submit an application for incorporation as a co-operative to the provincial ministry responsible for co-operatives or to Industry Canada, if you are incorporating federally.

Step 4: Conduct a viability study

- Obtain financing for the viability study from such sources as:
  - internal financing by the members
  - special grant
  - and/or negotiate a technical assistance or business start-up agreement with a specialized organization.
- Define the strategic objectives.
- Evaluate the various strategic scenarios, production costs, and human, material and financial resources necessary.
- Evaluate the various start-up financing scenarios.
- Do a preliminary projection of budgeted statements and of a cash budget (revenues and expenditures, investments by members in share capital, partners, credit union or bank loans, grants).

If this study concludes that the co-operative’s business idea is not financially viable, the group should consider terminating the project. If the study shows that the new co-operative will be financially viable, the group can proceed to the third phase.

Phase III - Organize and Start up the Co-operative

- Set up ad hoc committees to distribute the workload among the members of the temporary board of directors. For example:
  - planning committee
  - training committee
  - committee to draft by-laws

Step 5: Organize the association

- Decide on the association's structure and define the various categories of members, if necessary (e.g., consumers, suppliers, workers).
- Determine the roles and responsibilities of the various democratic bodies (general meeting, board of directors, committees).
- Establish the articles and by-laws.
• Recruit members.
• Organize and offer a program to train members in the administration and management of a co-operative, the chairing and running of annual meetings (e.g., parliamentary procedure), and the operation of a committee or board.

**Step 6: Organize the enterprise**

**Step 6.A: Plan the operation of the enterprise**
• Draw up an organization chart of the enterprise.
• Do the operational planning for the first year of activities.
• Negotiate contracts for the supply of necessary products and services (inputs) and, as required, sales or marketing contracts (depending on the kind of co-operative and the nature of the enterprise).
• Devise and implement an accounting system.
• Define the duties and responsibilities of each position.
• Develop a salary policy.
• Select and/or recruit the person who will occupy the position of chief executive officer/general manager.

**Step 6.B: Plan and organize the enterprise's start-up financing**
• Determine the value of the membership share to become a member (e.g., $5 or $500?)
• Determine the value of the share capital on start-up and during the first three years of operation (in terms of the expected growth in the number of members).
• Prepare the preferred share by-laws (if applicable).
• Prepare the loan by-laws (if applicable).
• Draw up the overall financing plan for the first three years of operation.
• Draw up the business plan.
• Negotiate the capital contribution of external financial partners (if necessary); e.g., venture capital corporations, private funds, caisse populaire or credit union investment programs.
• Apply for a government start-up grant (if available and if necessary).
• Negotiate medium-term credit union or bank loans and a line of credit.

**Step 6.C: Recruit and train the enterprise's staff**
• Select and recruit employees (responsibility of chief executive officer, except in the case of a worker co-operative where recruitment decisions are usually made collectively).
• Organize and offer a staff training program.
• Organize and offer a co-operative training program.

**Step 6.D: Ensure the legality of the enterprise's operations**
• Take care of the legal formalities and obtain the legal authorization necessary to start up the enterprise's activities:
  o *federal*: employer numbers for government discounts, for GST/HST, for Revenue Canada
  o *provincial*: numbers for the provincial revenue department, for provincial tax
o co-operatives may also have to register with, or be licenced by, other legislation or federal or provincial departments
o municipal: municipal permits, employer number, etc.

Step 7: Hold the initial general meeting

- Adopt the by-laws.
- Adopt the business plan.
- Approve the co-operative's membership in a sectoral federation or an inter-sectoral co-operative organization.
- Appoint an external auditor.
- Elect the members of the board of directors, and of any other committees (if the general meeting has the power to do this).
Developing the Business Plan of a New Co-operative

A Working Tool

A business plan is a document that provides a complete description of the co-operative enterprise you wish to form. It describes in detail the products or services that will be produced or sold; the organization of work and management approach; results of the market study and marketing plan; characteristics of the paid and unpaid human resources (the members); equipment and material needed; financing requirements and plan.

The business plan is a working tool that serves two purposes:

- To facilitate the acquisition of external capital, credit union/bank loans or grants. *It must convey to the person or organization from whom you seek financial support why they should invest in the enterprise you are proposing, the seriousness of that enterprise, and your team's ability to launch and develop it successfully.*
- To facilitate control of the process of launching and developing the new co-operative. *This plan will be the means by which you monitor the new co-operative's results and follow-up on its activities.*

The business plan must be written in clear and straightforward language, and be relatively brief (no more than thirty pages, plus appendices), since the people who will consult it before deciding whether or not to invest in your co-operative, loan it money, or give it a grant often have no time to waste. They have to be able to understand your plan and the exact nature of what you are requesting very quickly.

Content of a Business Plan

1. Summary of the business plan (2 pages maximum)

2. Brief description of the co-operative (1 page)
   - Name, address of the head office, date formed.
   - Type of co-operative, objectives, number of members.

3. Analysis of the co-operative's market
   - Brief description of the characteristics of the products or services offered with respect to comparable products and services available on the market.
   - Characteristics of the market: size, parts of the market held by competing enterprises, market segments, market trends.
   - Characteristics of your sales strategy (direct, through third party, shipping costs, etc.).
   - Characteristics of the clientele (members or non-members), age groups, gender, occupation, family income, location, buying habits, etc.
   - The price of your products or services.
4. **Description of products and services**
   - Originality of the products and services compared to what is available from the competition, their distinguishing characteristics (include photographs or sketches if necessary).
   - Description of any research and development activities required before these products or services can be marketed (with associated costs and timetable).
   - Description of new products and services development plan.
   - List of legislation that must be complied with and legal authorizations that must be obtained before they can be introduced on the market.

5. **Marketing plan**
   - Estimate of sales for the first three years and the market share sought (refer to your detailed market study on which you based your sales objectives; include it as an appendix).
   - List of buyer-members or potential buyers who have already expressed an interest in buying.
   - Description of market segments targeted (size, location, and other characteristics).
   - Description of your strategic market penetration plan and its cost (how you will advertise your products and services, promotion campaign, media publicity, discounted membership prices, etc.).

6. **Operations**
   - Advantages of the location of your place of business.
   - Characteristics and costs of the building and equipment already owned, or to be bought or leased (attach a plan if necessary and refer to detailed descriptions in an attachment).
   - Description of the process and methods of producing the products and services.
   - Description of the characteristics of the manpower required (professional qualifications, number, salary costs, etc.).

7. **Management and organization**
   - Characteristics of the association's structure and method of operation (division of powers and responsibilities of the various bodies, names of the directors and a brief description of their expertise).
   - Characteristics of the structure (organization chart) and of the enterprise's method of operation (management philosophy, methods of participatory management that will be introduced, names of managers, their qualifications, a description of their duties, their responsibilities and reporting relationships, etc.).
   - Identification of external professional resources with whom you plan to deal (organization specializing in start-up assistance, accounting firm, marketing consultant, trainer, etc.).
8. **Timetable of activities**
   - A graph of the timetable for the first three years, with monthly or semi-monthly columns and thick horizontal lines to indicate the beginning, duration and end of the enterprise's major series of operations. Each activity should be coded and a brief description given in a column to the left.

9. **Projected financial statements to include**
   - Statement of assets and liabilities for the first three years.
   - Statement of earnings for the first three years.
   - Projected cash budget for the first year, estimate of working capital for the following two years.
   - Break-even point (level of revenue beyond which the co-operative will generate a surplus, after fixed and variable costs are subtracted).

10. **Financing plan**
    - Total investment needed for start-up.
    - Short and medium-term investment plan.
    - Source of funds (share capital, external investors, medium-term loans, etc.).
    - Amounts by source, conditions of acquisition (interest, share of surplus, etc.), repayment schedule, security given.

11. **Attachments**
    - Articles of Incorporation of the co-operative.
    - By-laws.
    - Data from the market study.
    - Summary of expertise of the main people in charge and a list of members.
    - Letters of support, intention to buy or sell, etc.
    - Any other relevant information that may shed more light on the nature of your operations, equipment needed, manufacturing methods and procedures, etc.
Provincial Information

Co-op Legislation in the Yukon

Co-operative Associations Act

Summary of Main Characteristics

The Co-operative Associations Act (the Act) governs all types of co-operatives in Yukon. The Act sets out the terms and conditions for the incorporation, operation and dissolution of any co-operative. The main characteristics of co-operatives are:

- A member is a person who has subscribed to the memorandum of the association and, in the case of a co-operative with share capital, to the number of shares prescribed by the by-laws.
- The co-operative governance structure is based on the one-member, one-vote rule.
- The co-operative must conduct its affairs in accordance with co-operative principles.
- Members cannot vote by proxy, although representation by a delegate structure is permitted where the by-laws provide for it.
- Extra-territorial co-operatives must register under this Act.
- A minimum of 5 subscribers is required to form a co-operative. If the co-operative has fewer than 10 members, there must be at least 3 directors (board members). If more than 10 members, there must be at least 5 directors.

Capital Structure

A co-operative can be incorporated with share capital or without share capital.

In the case of a co-operative with share capital, an application for shares is to be considered an application for membership. The par value and the number of shares has to be set in the memorandum of association. Dividends are set in the by-laws. Non-members cannot acquire shares in the co-operative.

For the co-operative incorporated without share capital, the terms of membership and the basis on which the interest of each member is determined shall be set forth in the memorandum of association. In this type of co-operative no surplus or any portion of the reserve can be distributed to members.

Distribution of Surpluses

In co-operatives with share capital, surplus is allocated within six months from the close of the fiscal year after the allocation in a reserve for contingencies: 20% of the surplus is available for distribution to members until reserve equals 30% of total assets up to $25,000; 20% of assets from $25,000 to 50,000; and 10% of assets over $50,000. Co-operatives without share capital must allocate all surplus to the reserve.
Forming a Co-operative in the Yukon

Requirements for Incorporation

Five (5) or more individuals are required to form a co-operative. The following documents are required:

Memorandum of Association, which should include:

- Name of the association;
- Location of the registered office;
- The objects for which the association is formed;
- Share type and value;
- List and signatures of subscribers.
- By-laws (may use Standard By-laws).
- Notice of Registered Office. This is simply a formal notice of the Registered Office location signed by a representative of the co-operative.
- Directors and/or incorporators. This document includes the list of Directors, with name, address, date of appointment and duration.
- Restrictions or conditions, if any.

Two copies of each of the incorporation documents - one original set and one duplicate set - are to be submitted to the Registrar, along with required fees (approximately $50).

Co-op Development Support in the Yukon

Registrar of Co-operative Associations
Government of Yukon - Community Services
P.O. Box 2703
Whitehorse, Yukon
Y1A 2C6
Phone: 867-667-5225
Fax: 867-393-6251
bette.boyd@gov.yk.ca
Co-op Legislation in the Northwest Territories

Co-operative Associations Act

Incorporation

To incorporate, a minimum of 5 individuals are required. Membership in a co-operative is voluntary and new members must be approved by the co-operative's board of directors. Members must be at least 16 years of age unless otherwise stated in the by-laws. Withdrawals of membership are subject to the conditions stated in the co-operative's by-laws subject to conditions set out in the Co-operative Associations Act (the "Act"). The co-operative must maintain a registry of members.

Board of Directors

The board of directors in a co-operative of less than 10 members will have 3 directors. Co-operatives with more than 10 members will have a minimum of 5 directors. Directors must be members of the co-operative (after the first AGM, an elected director has 2 months in which to become a member) and they must be at least 19 years of age.

If the co-operative has preferred shares, up to 25% of the directors may be elected by the preferred share-holders.

The board of directors must meet at least once every three months.

By-laws

The co-operative's by-laws shall be the Standard By-laws as drafted in the regulations to the Act unless the co-operative passes Supplemental By-laws. A co-operative may make by-laws on any matters the members consider advisable for the governance of the co-operative.

The co-operative has all powers specified in the Act unless they are specifically limited in its Memorandum of Association.

A co-operative cannot make financial or in-kind contributions to a political party.

If a co-operative desires to issue credit to its members it must be authorized to do so by its by-laws. The co-operative's by-laws may authorize borrowing from its members. The co-operative shall create a reserve for contingencies by allocating a minimum of 20% of the surplus available for distribution to members until the reserve equals a percentage of the co-operative's assets as set out in the Act. A co-operative without share capital cannot distribute its net surplus to members but must set it aside as a contingency reserve.
Auditors

A co-operative shall appoint an auditor in conformance with its by-laws. All members of the co-operative are entitled, at no cost, to a copy of the latest annual statements provided by the auditor.

Forming a Co-operative in the Northwest Territories

The following information, as well as a copy of the Memorandum of Association, Standard By-laws and Co-operative Associations Act can be obtained from the Government of the Northwest Territories. Contact the Canada - NWT Business Services Centre for the most current information as to where to obtain the documents.

Instructions for Incorporation

General

Documents must be typewritten or printed legibly, and submitted in duplicate, together with the incorporation fee, payable to the Government of the Northwest Territories. Submit documents to:

Supervisor of Co-operative Associations
Department of Industry, Tourism and Investment
Government of the Northwest Territories
P.O. Box 1320
Yellowknife, NT
X1A 2L9

Name

The name must include "Co-operative" in it and have "Limited" as the last word in the name.

The name must not be identical to that of another co-operative or so similar as to be likely to deceive anyone.

The name must not include any of the following words or words having similar meaning: Imperial, Crown, King's, Queen's, Royal, Dominion or the name of any province or territory.

Registered Office

This must include the physical address and postal address. The address must be within the Northwest Territories.

Powers

The Co-operative Associations Act provides that a co-operative has all of the powers listed in Schedule A of the Act except those which are excluded in the Memorandum of Association.
If a co-operative wishes to limit its power, a provision to that effect must be added to the Memorandum of Association. Note that having the power does not mean that it has to be exercised, so it is rare that powers are excluded.

**Share Structure or Terms of Membership**

If the co-operative is to have share capital, the Memorandum of Association must specify the number of shares authorized to be issued, which may be a fixed number or "unlimited". The amount of each share must be specified. If the co-operative is to have preferred shares as well as common shares, the nature of the preference must be specified, in addition to the above information.

If there is to be no share capital, the Memorandum of Association must specify the terms of membership and the basis upon which the interest of each member is to be determined. The Memorandum of Association must be amended to delete the provision relating to shares and to add provisions relating to membership.

**Execution**

There must be at least five subscribers, each of whom signs two copies of the Memorandum of Association in front of a witness who must also sign their name to the Memorandum of Association.

The names, addresses and occupations of the subscribers and the witness(es) must appear below their signature.

An affidavit of execution is not required.

If the co-operative does not submit its own by-laws, the Standard By-laws are deemed to apply to the co-operative. Please note that the Standard By-laws do not have to be submitted with the Memorandum of Association.

A Memorandum of Association must be completed which includes:

- the name of the association;
- the objects of the association;
- the location of the registered office;
- if there is share capital, including preferred shares, the par value and number of shares which may be issued; and
- if there is no share capital, the terms of membership.
Co-op Development Support in the Northwest Territories

Arctic Co-operatives Ltd.
1645 Inkster Boulevard
Winnipeg, MB R2X 2W7
Tel: 204-697-1625
Fax: 204-697-1880
info@ArcticCo-op.com

Arctic Co-operative Development Fund
321c Old Airport Rd.
Yellowknife, NT X1A 3T3
Tel: 867-873-3481
Fax: 867-920-4052
nwtcbdf@ssimicro.com

Canada - Northwest Territories Business Service Centre
P.O. Box 1320
8th Floor, Scotia Centre
Yellowknife, NT X1A 2L9
Tel.: 867-873-7958
Toll-free: 1-800-661-0599
Fax: 867-873-0573
yel@cbsc.ic.gc.ca

Industry Canada
Aboriginal Business Canada
6th floor, YK Centre
4910-50th Avenue
Yellowknife, NT X1A 3S5
Tel.: 867-920-6624
Fax: 867-920-6625
Co-op Legislation in Nunavut

Co-operative Associations Act

Purpose

The purpose of this Act is to allow the establishment of co-operative associations to carry on co-operative undertakings, businesses or industries and to regulate such associations.

Where the Act Applies

This Act applies to all co-operative associations established in Nunavut Territory.

How the Act Works

The Act provides for the appointment of a Registrar of Co-operative Associations (Registrar) and a Supervisor of Co-operative Associations (Supervisor) to carry out the duties set out in the Act.

The Act provides for the incorporation of associations by five or more individuals (subscribers) who wish to associate as a co-operative association with or without share capital. The subscribers must file with the Supervisor a signed memorandum of association, by-laws and the applicable fee. If approved, the Supervisor will forward to the Registrar the memorandum, the by-laws, the fee and a certificate of approval.

Incorporation

On receipt of the documents and the fee from the Supervisor, the Registrar registers the memorandum and by-laws if they appear to comply with the Act and issues a certificate of incorporation. A co-operative association registered under the laws of a jurisdiction outside of Nunavut may apply to the Supervisor for registration under the Act.

Membership

Membership in an association is governed by its by-laws. If the association has shares, its shareholders are members.

The affairs and business of an association are supervised by its board of directors. The directors are elected by the members. Directors must be members.

Members may, by resolution at an annual general meeting or a meeting called for that purpose, make, amend or rescind by-laws. Such a resolution must be filed with the Supervisor who will approve or reject it. If approved, the Supervisor will issue a certificate of approval and forward the resolution, certificate, and fee to the Registrar who shall register any resolution that appears to comply with the Act.
Dissolution

Members of an association may, subject to the approval of the Supervisor, dissolve the association by extraordinary resolution. An extraordinary resolution is a resolution passed by at least 3/4 of the members present at a meeting. The Supervisor may require that those voting to dissolve represent at least 25% of the equity in the association.

The Act provides for inquiries into the affairs of an association by the Supervisor and, in certain circumstances, dissolution of the association by the Minister.

Amalgamation and Association

Two or more associations, may, with approval of the membership at an annual general meeting, form a federation for the purposes of working together or may amalgamate as one association.

Regulations

The Commissioner, on the recommendation of the Minister, may make regulations for carrying out the provisions of the Act and prescribing fees for services, standard by-laws and forms.

Forming a Co-operative in Nunavut

The following information, a copy of the Memorandum of Association, the Standard By-laws and the Co-operative Associations Act can be obtained from the Government of Nunavut. Contact the Canada-Nunavut Business Service Centre for the most current information as to where to obtain the documents.

Instructions for Incorporation

General

Documents must be typewritten or printed legibly, and submitted in duplicate, together with the incorporation fee, payable to the Government of Nunavut. Submit documents to:

Supervisor of Co-operative Associations
Department of Economic Development and Transportation
Government of Nunavut
POB 1000, Station 1500
Iqaluit, NU X0A 0H0

Name

The name must include "Co-operative" in it and have "Limited" as the last word in the name.

The name must not be identical to that of another co-operative or so similar as to be confused with another.
The name must not include any of the following words or words having similar meaning: Imperial, Crown, King's, Queen's, Royal, Dominion or the name of any province or territory.

**Registered Office**

This must include the physical address and postal address, and the address must be within Nunavut.

**Powers**

The Co-operative Associations Act provides that a co-operative has all of the powers listed in Schedule A of the Act except those which are excluded in the Memorandum of Association.

If a co-operative wishes to limit its power, a provision to that effect must be added to the attached Memorandum of Association. Note that having the power does not mean that it has to be exercised, so it is rare that powers are excluded.

**Share Structure or Terms of Membership**

If the co-operative is to have share capital, the Memorandum of Association must specify the number of shares authorized to be issued which may be a fixed number or "unlimited". The amount of each share must be specified. If the co-operative is to have preferred shares as well as common shares, the nature of the preference must be specified, in addition to the above information.

If there is to be no share capital, the Memorandum of Association must specify the terms of the membership and the basis upon which the interest of each member is to be determined. The attached Memorandum of Association must be amended to delete the provision relating to shares and to add provisions relating to membership.

**Incorporation**

There must be at least five subscribers, each of whom signs two copies of the Memorandum of Association in front of a witness who must also sign their name to the Memorandum of Association.

The names, addresses and occupations of the subscribers and the witness(es) must appear below their signature.

An affidavit of execution is not required.

If the co-operative does not submit its own by-laws, the Standard By-laws are deemed to apply to the co-operative. Please note that the Standard By-laws do not have to be submitted with the Memorandum of Association.
A Memorandum of Association must be completed which includes:

- the name of the association;
- the objects of the association;
- the location of the registered office;
- if there is share capital, including preferred shares, the par value and number of shares which may be issued; and
- if there is no share capital, the terms of membership.

Co-op Development Support in Nunavut

Arctic Co-operatives Ltd.
1645 Inkster Boulevard
Winnipeg, MB R2X 2W7
Tel: 204-697-1625
Fax: 204-697-1880
info@ArcticCo-op.com

Arctic Co-operative Development Fund
321c Old Airport Rd.
Yellowknife, NT X1A 3T3
Tel: 867-873-3481
Fax: 867-920-4052
E-mail: Arctic Co-operative Development Fund

Canada-Nunavut Business Service Centre
cnbsc@gov.nu.ca

Iqaluit Office
Tel: 867-979-6813
Toll free: 1-877-499-5199

Rankin Inlet Office
Tel: 867-645-5067
Toll free: 1-877-499-5199

Cambridge Bay Office
Tel: 867-983-2337
Toll Free: 1-877-499-5199

Supervisor of Co-operative Associations
Department of Economic Development and Transportation
Government of Nunavut
P.O. Box 1000, Station 1500
Iqaluit, NU X0A 0H0
Tel: 867-975-7817
Fax: 867-975-7880
emckenna@gov.nu.ca
Co-op Legislation in British Columbia

Co-operative Association Act

The Cooperative Association Act governs all types of co-operatives except credit unions. All businesses that use the word "cooperative" or "co-op" in their name must be incorporated or registered under the British Columbia Cooperative Association Act.

A new Cooperative Association Act was passed in 1999, and enacted in 2000. The following is a summary of some of the more important requirements of the Act; however, this information should not be used in place of the Act. You can find a copy of the Act on the Government of British Columbia website or you can order a copy of Bill 98 from the Queen's Printer at:

563 Superior Street
Victoria, B.C.
V8V 1T7.

The Cooperative Association Act:

- accommodates new understandings and definitions of membership, meeting and voting rules;
- modernizes reporting and governance provisions;
- increases co-operative self-regulation;
- enables co-operatives to expand their access to capital; and
- complements and reflects some of the key provisions of the new Company Act in British Columbia.

Features of the Act that significantly affect incorporation of a co-operative:

**Number of Members for Incorporation**

The minimum number of members required to form a co-operative is now three persons.

**Class(es) of Membership Shares and Membership**

The Act provides for only one class of membership share and multiple classes of membership. Existing co-operatives with multiple classes of membership shares were required to structure under the new Act.

**Investment Shares and Securities Act Requirements**

The Act now provides for non-member investment shares to give co-ops greater access to capital. Investment shares offered to members may be exempt from Securities Act disclosure. Membership shares under a certain value (to be determined) will be exempt.
Features of the Act that affect the operation of co-operatives also enable co-ops to be more self-regulating.

Meeting Participation

The old Act required members and directors to be present at meetings, while the Act now allows participation through other means provided all persons present can communicate.

Requisitioned Meetings

Originally, it took 20 percent of members to requisition a special meeting. Based on the size of the membership the Act now provides for a lower percentage. The Act also gives the director some discretion not to call a requisitioned special meeting for a number of specified reasons.

Majority for Member Resolutions

A co-operative used to require the approval of three-quarters of its members present at the meeting to pass an extraordinary resolution. The new Act changed the majority required for such special resolutions. A three-quarters majority is still required for special resolutions to pass in housing cooperatives; however, they may reduce this to a two-thirds majority by specifying a two-thirds majority for special resolutions in their rules.

Filing of Special Resolutions

The old Act required all extraordinary resolutions to be filed with the Registrar. The Act now requires that only special resolutions that amend the memorandum or rules must be filed with the Registrar.

Auditor Qualification

The Act sets out qualifications for an auditor.

Waiving the Need for an Auditor

Originally, all members had to agree to waive the need for an auditor for one year. Now, members of a non-reporting co-operative may waive the need for an auditor by passing a special resolution.

Dissent

The old Act allowed a member to dissent to a continuation outside of BC. The Act now expands the right to dissent. (See Section 161 of the new Act in Bill 98.)
Reserve Account

Traditionally, a co-operative had to retain a minimum amount in a reserve account. The Act now enables co-operatives to determine their own requirements for reserves.

Optional Provisions

The Act contains a number of provisions that are not requirements for co-operatives, but that co-operatives may use. For example, investment shares may be issued to non-members to raise capital.

Forming a Co-operative in British Columbia

Note: A complete guide called Incorporating a Cooperative in British Columbia is available (PDF only). The following is an overview of information contained in the guide.

Overview

The Cooperative Association Act and Cooperative Association Regulation govern the formation, structure and operation of co-ops in British Columbia.

Before you can carry on a business, trade or enterprise, or deliver a community service as a co-op association, you must be incorporated or registered under the Cooperative Association Act.

Incorporation provides your co-op with an independent legal status separate from its members. An incorporated co-op is a legal entity and can enter into contracts or incur debt in its own name. As a separate legal entity, a cooperative possesses many of the legal rights and obligations of an individual.

The Cooperative Association Regulation contains additional requirements not contained in the Act and is equally binding legislation. Its schedules include the current fees at the Corporate Registry, offer a set of model Rules of Association and outline the forms required under the Cooperative Association Act.

The Cooperative Association Act refers to the persons who are applying for incorporation of the co-op as "subscribers" since, as founding members, they are subscribing both to purchase shares and to the values and provisions included in the Memorandum.

Incorporation Documents

It is advisable as a first step to reserve a name for your co-op through the Corporate Registry.

To incorporate your co-op, you must file the following four documents at the Corporate Registry.

1. Memorandum of Association
2. Rules of the Association
3. List of First Directors
4. Notice of Registered Office

Pre-printed forms for the List of First Directors and the Notice of Registered Office are available from the Corporate Registry. There are no pre-printed forms for the Memorandum of Association or the Rules of the Association, but "Schedule C, Form 1" of the Cooperative Association Regulation provides a model format and content for the Memorandum of Association.

Before incorporation, you should apply to the Corporate Registry to reserve a name of your co-op. You can submit up to three options for your name in case your first choice is not available. The Corporate Registry will maintain your name reservation for 56 days from the date of reservation; the current fee is $30.

Memorandum of Association

The Memorandum of Association sets out:

- The name of the association;
- Its purpose;
- Any restrictions on the business it may carry on;
- Any restrictions on the powers of the association;
- A detailed listing of the number and classes of shares the cooperative is authorized to issue (called the authorized share capital);
- A statement that the liability of the members or investment shareholders is limited in accordance with the Act;
- An optional statement regarding unalterable provisions on winding up of the co-op; and
- The number, class and par value, if applicable, of shares subscribed for by the founding members.

At least three subscribers are needed to form a co-op. They may be individuals or eligible organizations as set out in the Act. Eligible organizations are defined in the Act as the government, a First Nation or a corporation.

See Section 3 of the guide for more information on preparing the Memorandum of Association and Appendix A for a sample.

Rules of the Association

Every co-op is unique; so each needs its own set of rules to cover topics such as requirements for and obligations of membership, how meetings are conducted, the election of directors, as well as other matters and processes required for the co-op’s governance.

The Cooperative Association Act and Regulation specify matters that must be in every co-op's Rules of the Association. You may also include additional rules specific to your co-op's needs and objectives, as long as they do not conflict with the Act or Regulation.
See Section 4 of the guide for more information on Rules of the Association.

**Some important points**

Whether your Rules are written by the subscribers or by a professional advisor, it is important to make sure that members understand what they mean and what they allow.

You should also keep in mind that it can be time consuming, expensive, and difficult to amend your co-op's Memorandum of Association and Rules once they are in place so make sure they accurately reflect the intentions and values of the subscribers and are not overly restrictive.

If you want to make changes to your Memorandum or Rules after incorporation, you will have to propose a special resolution to the membership that must be approved by at least two-thirds (or in some cases three-quarters) of the voters at a general meeting or special meeting called for that purpose. (A housing co-op requires that three-quarters of voters support the changes unless its Rules have been amended to a two-thirds majority.)

**List of First Directors**

This list sets out the full names and street addresses of the directors and their complete physical addresses, including postal codes. There must be a minimum of three directors. You may also include, as part of the addresses, general delivery, post office box, rural route, site or compartment number.

The first directors of the co-op must be selected from among the subscribers to the Memorandum. If an eligible organization is a subscriber, it must select an individual to sign the Memorandum and Rules on its behalf.

A pre-printed form for the List of First Directors is available from the Corporate Registry and is included in the guide as Appendix B.

**Notice of Registered Office**

The registered office of the co-op is its legal address. This is the address where legal notices may be served, mail is received, and corporate records of the co-op must be kept. A complete physical address is required including postal code. You may also include, as part of the addresses, general delivery, post office box, rural route, site or compartment number.

A pre-printed form for the Notice of Registered Office is available from the Corporate Registry and is included in the guide as Appendix C.

**Filing Your Incorporation Documents**

Once you have identified the name of your co-op and completed the four incorporation documents, you will need to submit the following to the Corporate Registry:
• Two signed and witnessed original copies of the Memorandum;
• Two signed and witnessed original copies of the Rules;
• The List of First Directors;
• The Notice of Registered Office; and
• The required fee (currently $250), with cheque or money order made payable to the Minister of Finance.

Submit incorporation documents in person or by courier to:

Corporate Registry
2nd Floor, 940 Blanchard St.
Victoria, BC

Or mail them to:

Corporate Registry
P.O. Box 9431 Stn Prov Govt
Victoria, BC V8W 9V3

If your incorporation documents do not meet all the requirements when first submitted, you may be asked to work with the Registrar to make changes, taking care not to alter the intent and values of the subscribers.

When your documents meet the requirements of the Cooperative Association Act, the Registrar will register the Memorandum and Rules, issue a certificate of incorporation, and return a certified copy of the Memorandum and Rules to you. Once incorporated, your co-op will be a legal entity separate from its members.

Co-op Development Support in British Columbia

BC Cooperative Association
Suite 212 - 1737 West 3rd Ave.
Vancouver, B.C. V6J 1K7
Telephone: 604-662-3906
Fax: 604-662-3968
general@bcca.coop

Federated Cooperatives Ltd.
401 22nd Street East
P.O. Box 1050
Saskatoon, Saskatchewan S7K 0H2
Telephone: 306-244-3311
Fax: 306-244-3403
United Community Services Cooperative
#300 - 210 West Broadway
Vancouver, British Columbia
V5Y 3W2
Telephone: 604-875-9700
Fax: 604-875-9701
info@uccoop.com
Co-op Legislation in Alberta

Cooperatives Act

The Cooperatives Act (Act) governs all types of cooperatives except utility cooperatives and credit unions. A wide range of traditional cooperatives operate in Alberta and each offers a different service to its members. These include retail, transportation, breeder, feeder, seed cleaning, grazing and marketing cooperatives. There are also specialty cooperatives for housing and employment, and multi-stakeholder and new generation cooperatives, which have additional requirements.

The Cooperatives Regulation has been adopted on a general basis so it can be customized to suit the varying needs of all types of cooperatives. Some sections specify that articles or by-laws may make other provisions, keeping in mind good business practices and the cooperative principles.

The Act sets out specific guidelines and procedures that must be adhered to. However, it does allow for some variance by giving cooperatives the option of being more elaborate or restrictive, depending on the type of entity. The Act outlines details including the legal responsibilities of cooperatives, procedures for incorporation, roles and responsibilities of members, officers and directors, penalties for violation and procedures for dissolution.

The Director of Cooperatives is appointed under Part 15, Division 1 of the Act. The Director is responsible for administering Alberta's cooperative legislation.

The Director can be reached at:

Alberta Government Services
Consumer Services & Land Titles Division
3rd Floor, Commerce Place
10155 - 102 St.
Edmonton, Alberta T5J 4L4
Telephone: 780-427-5210
Fax: 780-427-3033

For a copy of the Cooperatives Act and Regulations, please contact the Queen's Printer Bookstore in Edmonton at 780-427-4952 or Calgary at 403-297-6251, or contact its e-mail address. A summary of the legislation can also be found on Alberta Government Services' website.

Forming a Co-operative in Alberta

In order to operate as a cooperative in Alberta, the organization must be incorporated. The words "cooperative," "co-operative" or "co-op" in the cooperative's name reflects a member-based business versus a profit-oriented company.
The incorporation requirements and procedures for all types of cooperatives, except utility cooperatives and credit unions, are detailed in the Cooperatives Act.

To incorporate an Alberta-based cooperative, the following is required:

- A set of Articles of Incorporation, which must be signed and verified by an Affidavit of Execution
- A completed Summary of Articles of Incorporation form and Statutary Declaration
- A Newly Upgraded Automated Name Search (NUANS) Report, no more than 91 days old, containing all 6 pages. In Alberta, private search houses prepare the NUANS reports.
- A completed Notice of Address/Change of Address form
- A completed Notice of Directors/Change of Directors/Change of Director's Address form
- An incorporation fee of $100.00

If a cooperative is already incorporated in another jurisdiction but wishes to do business in Alberta, it must register as an extra-provincial cooperative. The following requirements must be submitted:

- A completed Statement of Registration Extra-Provincial/Foreign Cooperative form
- Certified true copies of the charter documents from the cooperative's home jurisdiction
- A completed Notice of Attorney for Service/Change or Attorney/Alternative Attorney form
- A NUANS Report, not more than 91 days old, containing all 6 pages.
- A registration fee of $100.00

After the documents have been processed, the Director of Cooperatives will issue either a Certificate of Incorporation or Certificate of Registration, giving the cooperative permission to begin business. The Director will send a copy of the Certificate and a filed copy of the incorporation documents to the applicant.

Within 180 days of issuance of the Certificate of Incorporation for an Alberta-based cooperative, the directors must hold a members' meeting to create the by-laws. These by-laws come into force on the day they are made or on any later date specified in the by-laws or in the resolution adopting them. By-laws must be filed with the Director of Cooperatives within 60 days of the date they come into force.

By-laws are not required for extra-provincial cooperatives registering under the Cooperatives Act, as the by-laws in their own jurisdictions apply to their operations.

Completed incorporation documents must be sent to Alberta Government Services, Director of Cooperatives, 3C, Commerce Place, 10155 - 102 Street, Edmonton, Alberta T5J 4L4.

To obtain an information package on how to incorporate under the Cooperatives Act, contact:

Alberta Government Services
Director of Cooperatives
The Rural Utilities Act governs cooperatives supplying electricity, natural gas, water and sewage disposal. For incorporation information on utility cooperatives, contact:

Alberta Agriculture, Food and Rural Development
Rural Utilities Branch
5th flr. Petroleum Plaza
North Tower
9945 - 108 St.
Edmonton, AB T5K 2G8
Telephone: 780-427-0125
Fax: 780-415-4732

The Credit Union Act governs formation of all credit unions. Incorporation information can be obtained from:

Alberta Finance
Alberta Superintendent of Financial Institutions
402 Terrace Building
9515 - 107 St.
Edmonton, AB T5K 2C3
Telephone: 780-427-8322
Fax: 780-420-0752

**Co-op Development Support in Alberta**

Alberta Government Services

Consumer Programs
3rd fl. Commerce Place
10155 - 102 St.
Edmonton, AB T5J 4L4
Telephone: 780-427-5210
Fax: 780-427-3033

The Director of Cooperatives is located in this Department. This area is responsible for the administration of the cooperative legislation in Alberta and provides advice regarding incorporation of cooperatives, and general information and guidance in the interpretation of the legislation. Key information can also be accessed from the Alberta Government Services' website.
Will provide advice for seed cleaning plants in equipment selection and dust control methods.

The Feeder Association Program enables producers to acquire livestock for growing and finishing. The program operates under the Feeder Association Guarantee Act and its associated Regulations.

The Canada-Alberta Farm Business Management Program is a federal/provincial program providing management training, information and services to the agriculture industry.

**Rural Gas Program** provides grants to rural gas cooperatives to help offset the cost of installing natural gas services.

**Remote Area Heating Allowance Program** was established to reduce the cost of heating fuels for those Albertans who did not have access to natural gas services. The program is currently scheduled to expire March 31, 2006.

**Rural Electric Program** is a cost-sharing program that helps defray the cost of electrical services to farmers.

**Rural Water & Sewage Program** provides water cooperatives and their members the opportunity of preferred financing for individual new services and system rebuilding. Water cooperatives also work closely with the Federation of Water Cooperatives and the Prairie Farm
Rehabilitation Administration for advisory and technical assistance. Grant assistance for the
development of water systems may be available.

Alberta Community and Co-operative Association (ACCA)
220, 10403 - 172 St.
Edmonton, AB T5S 1K9
Telephone: 780-451-5959
Fax: 780-452-5385

ACCA (formerly known as REDA) serves community groups, cooperatives and credit unions in
Alberta - providing information, training and support for development.

The Communitas Group Ltd.
200, 12120 - 106 Ave.
Edmonton, AB T5N 0Z2
Telephone: 780-482-5467
Fax: 780-488-5102

Communitas is a private consulting group that provides co-op development assistance in Alberta.

Canadian Worker Co-op Federation (CWCF)
#104, 402 - 30th Ave. NE
Calgary, AB T2E 2E3
Telephone: 403-287-2069

CWCF helps coordinate national development resources for worker cooperatives, promotes
awareness, and provides support to their member worker cooperatives.

Federated Co-operatives Limited
12852 - 141 St.
Edmonton, AB T5L 4N8
Telephone: 780-454-2441
Fax: 780-452-3997

FCL provides development assistance, management services, and wholesale merchandise supply
to retail co-operatives in western Canada.
This association helps coordinate services for the seed plants, helps improve the quality of seed, and promotes up-to-date methods of applying seed treatment chemicals for control of disease and insects.

Northern Alberta Co-operative Housing Association (NACHA)
200, 12120 - 106 Ave.
Edmonton, AB T5N 0Z2
Telephone: 780-482-6128
Fax: 780-488-5102

NACHA serves housing cooperatives in northern Alberta, particularly Edmonton.

Southern Alberta Co-operative Housing Association (SACHA)
110, 2526 Battleford Ave. SW,
Calgary, AB T3E 7J4
Telephone: 403-233-0969
Fax: 403-237-9181

SACHA serves housing cooperatives in southern Alberta, particularly Calgary.

Some services provided by the housing associations include: telephone advice; advocacy; bulk-buying of office supplies, paint and flooring; and a banking pool that allows cooperatives to earn a higher rate of interest on their funds.
Co-op Legislation in Saskatchewan

Co-operatives Act

The requirements and procedures for the incorporation and operation of co-operatives in Saskatchewan are laid out in *The Co-operatives Act, 1996* and *The Co-operatives Regulations, 1998* which are administered by the Corporations Branch, Department of Justice. The purpose of this legislation is to:

- Standardize Saskatchewan's co-operative legislation;
- Provide for specific needs of individual co-operatives;
- Give co-operatives greater flexibility;
- Set out provisions which must be included in the articles and by-laws of co-operatives; and
- Allow for additional by-laws unique to the needs and operation of individual co-operatives.

Note: Saskatchewan is the only province with separate legislation governing new generation co-operatives. An online version of the New Generation Co-operatives Act is available at the Queen's Printer website.

The requirements and procedures for the incorporation and operation of credit unions in Saskatchewan are detailed in *The Credit Union Act, 1985* and *The Credit Union Regulations*, also administered by the Corporations Branch, Department of Justice.

Corporations Branch, Registry Services Division
Saskatchewan Justice
2nd Floor, 1871 Smith Street
Regina, SK S4P 3V7
Telephone: 306-787-2962
Fax: 306-787-8999

The Office of the Queen's Printer, Saskatchewan Justice, is legislated to publish and distribute The Saskatchewan Gazette, the Statutes of Saskatchewan, the Regulations of Saskatchewan, the Tables of Saskatchewan, the Rules of Court, and other publications that the Lieutenant Governor in Council may order. All of the above documents are accessible at no charge through the FreeLaw website. Alternatively for a printed copy, send a written request or order form listing the requested publications by title and/or chapter number. Orders must be accompanied by a cheque or money order payable to the Queen's Printer Revolving Fund. A telephone number should be included on the order. The minimum order charge is $5.00.

Office of the Queen's Printer
Walter Scott Building
B19 - 3085 Albert Street
Regina, SK S4S 0B1
Telephone: 306-787-6894
Forming a Co-operative in Saskatchewan

An organization must be incorporated in order to be called a co-operative. The use of the word "co-operative" in the name or description of an organization is restricted only to incorporated co-operative organizations. The requirements and procedures of incorporation are detailed in The Co-operatives Act, 1996, which is administered by the Corporations Branch, Department of Justice, Government of Saskatchewan.

In order to incorporate a co-operative, the incorporation package (which includes the Articles of Incorporation, a Notice of Registered Office and a proposed set of by-laws) must be completed and submitted to the Department of Justice with the appropriate fees.

It is important to establish or confirm your basic purpose so that everyone shares the same understanding of the organization's goals and objectives. A formal written schedule should be developed to outline all steps and deadlines in the development process. The schedule also enables you to designate specific tasks to members, with realistic objectives and achievable assignments.

Membership Requirements

A minimum of six persons is required to apply for incorporation unless special permission has been granted by the Registrar of Co-operatives. To become a member, a person must be at least sixteen years of age (or an age specified in the by-laws), and must have purchased the required number of shares or have paid the required membership fee. The shares or fees are determined by the incorporators.

The Incorporation Package

An application must be submitted to Saskatchewan's Registrar of Co-operatives. The applicants are required to submit the forms of the incorporation package in duplicate (Articles of Incorporation in the prescribed form, a Notice of Registered Office, and a proposed set of by-laws) and the prescribed fee. The Articles of Incorporation and by-laws represent an agreement between members concerning the co-operative's aims, objectives and rules of operation, and they provide a sound legal basis of operation. The registrar may request additional information.

Articles of Incorporation

The Co-operatives Act, 1996 requires that the Articles of Incorporation (Appendix B, Form A of the Co-operatives Regulations, 1998) establish the following criteria:

1. Name of the co-operative;
2. Details of share capital, par value of the shares and limits, if any, on the number of shares that can be issued by the co-operative;
3. If there is no share capital, the interest of each member is the same as the interest of every other member;
4. Number of directors or minimum of 5 and the maximum indicated;
5. Full names and addresses of the directors;
6. Objective or purpose of the co-operative (it is important to set objectives for a new co-operative to ensure that all members have the same understanding of its purpose and the anticipated level of involvement of the board of directors);
7. Any restrictions on business activities;
8. Any other provisions (example: if the intention of the co-operative is to carry on business without the purpose of financial gain for its members, a statement must appear in this section); and
9. Full names and addresses, with signatures, of the incorporators.

**Directors**

The directors named in the Articles of Incorporation will serve as directors until the co-operative's first general meeting, when directors will be elected for a stated term of office. A director must be a member of the co-operative. The directors are responsible to:

- Direct the management of the co-operative's business and other affairs;
- Exercise the powers of the co-operative (directly or indirectly) through the employees and agents of the co-operative;
- Appoint committees as required;
- Comply with the by-laws set by the members and The Co-operatives Act, 1996; and
- Establish the policies of the co-operative.

**By-laws**

Section 8 of The Co-operatives Act, 1996 requires that specific information be provided in a co-operative's by-laws. Additional information may be included. A co-operative shall include by-laws relating to:

1. Conditions of membership, including:
   - The rights of joint members, if any;
   - The qualification and withdrawal of members and the transfer of shares;
   - The amount of the membership fee and the annual fee, if any, to be paid by members; and
   - The conditions on which membership ceases or may be terminated, the disposition that may be made on cessation or termination of a member's interest, and the determination of the value of the member's interest.

2. The election, term of office and removal of directors and members of directors' committees.

3. The municipality in Saskatchewan where the registered office is to be situated.
4. Where the co-operative proposes to divide the territory in which members are located into districts:
   - The establishment of district boundaries;
   - The procedure for altering district boundaries; and
   - Where there is to be a delegate structure, the defining of the powers, duties, election, voting rights and removal proceedings of district delegates.

5. Where the co-operative proposes to divide its members who are shareholders into classes:
   - The qualifications of members of each class;
   - The conditions precedent to membership in each class;
   - The method, time and manner, and conditions precedent to transferring membership in one class to membership in another class;
   - The conditions on which membership in a class ceases;
   - The method, time and manner of permitting members to withdraw from each class of members;
   - Whether the interest of a member in a class may be assigned or transferred; and
   - The automatic suspension of a member's rights when the member ceases to be qualified for membership in a class.

6. The distribution of the co-operative's property on dissolution of the co-operative.

7. Where the co-operative is to act as an agent for its members, a definition of the agency relationship between the co-operative and its members.

8. Any matters, in addition to those described in clauses (a) to (g), that the members consider necessary or desirable.

Registration

The registrar will review the Articles of Incorporation, the Notice of Registered Office and the proposed set of by-laws for compliance with The Co-operatives Act, 1996. When all legislative requirements have been met and it is appropriate to approve the incorporation, the registrar may:

   - Register the Articles of Incorporation and by-laws;
   - Enter the name of the co-operative in the register;
   - Issue a Certificate of Incorporation in accordance with section 271, stating that the co-operative is incorporated pursuant to this Act and showing the incorporation date; and
   - Send to the co-operative at its registered office one copy of its articles and by-laws certified as registered.
Annual General Meeting

The co-operative must hold an annual general meeting each year and no later than six months after the end of its fiscal year. The board of directors should have its first meeting after the annual general meeting, and should elect a president, vice-president and a secretary-treasurer (or a secretary and a treasurer) at that time. The names of the directors and officers must be included in the annual return filed with Saskatchewan Justice.

Financial Statement

A co-operative must appoint an auditor at its first annual general meeting and each subsequent annual general meeting. A co-operative with fewer than 20 members may resolve, at each annual general meeting, not to appoint an auditor if the members present give their unanimous consent.

Co-op Development Support in Saskatchewan

Saskatchewan Business and Co-operative Development

The co-operative mandate of the Department is to promote and support the use of co-operative structures, principles and business practices to strengthen and enhance the province's economy and society. Assorted information and education material, including an ongoing fact sheet series, are available from the home office.

Saskatchewan Regional Economic and Co-operative Development
Wayne Thrasher, Manager
Regional Programs and Services
200-3085 rue Albert
Regina, Saskatchewan S4S 0B1
Telephone: 306-787-0190
Fax: 306-798-0796
wthrasher@rd.gov.sk.ca

Guidance and ongoing support for co-operative development are available from the Co-operative Development Specialists who serve the province from the regional offices. Their responsibilities are to promote co-operation, co-operative ownership and governance, and to support the development of new commercial and community service co-operatives.

Estevan
303 Wicklow Centre
1133 - 4th Street, Box 5000
Estevan, SK S4A 0W6
Phone: 306-637-4505
Fax: 306-637-4510
Regina
1925 Rose Street
Regina, Saskatchewan
S4P 3P1
Phone: 306-787-1605
Fax: 306-787-1620

Moose Jaw
88 Saskatchewan Street East
Moose Jaw, Saskatchewan
S6H 0V4
Phone: 306-694-3623
Fax: 306-694-3500

Saskatoon
345 - 3rd Avenue South
Saskatoon, Saskatchewan
S7K 2H6
Phone: 306-933-5753
Fax: 306-933-7692

North Battleford
1202 - 101st Street
North Battleford, Saskatchewan
S9A 1E9
Phone: 306-446-7446
Fax: 306-446-7442

Swift Current
885-6th Avenue North East
Swift Current, Saskatchewan
S9H 4Z1
Phone: 306-778-8415
Fax: 306-778-8526

Prince Albert
P.O. Box 3003
3rd Floor, City Hall
1084 Central Avenue
Prince Albert, SK S6V 6G1
Phone: 306-953-2275
Fax: 306-922-6499
Yorkton
23 Smith Street West
Yorkton, Saskatchewan
S3N 0H9
Phone: 306-786-1415
Fax: 306-786-1417

Co-operative Sector Organizations

Conseil de la Coopération de la Saskatchewan
230 - 850 Hillsdale Street
Regina, SK S4P 1Y5
Phone: 306-757-4452
Fax: 306-757-4322

Saskatchewan Co-operative Association
301 - 201 21st Avenue East
Saskatoon, SK S7K 0B8
Phone: 306-244-3702
Fax: 306-244-2165
sca@sask.coop

Federated Co-operatives Limited
401 - 22nd Street East
P.O. Box 1050
Saskatoon, SK S7K 3M9
Phone: 306-244-3311
Fax: 306-244-3403

Centre for the Study of Co-operatives
Diefenbaker Centre
University of Saskatchewan
Saskatoon, SK S7N 0W0
Phone: 306-966-8509
Fax: 306-966-8517

Community Health Co-operative Federation
1610 Grosvenor Avenue
Saskatoon, SK S7H 2T2
Phone: 306-664-4325
Fax: 306-653-1417

Credit Union Central of Saskatchewan
2055 Albert Street
P.O. Box 3030
Regina, SK S4P 3G8
Co-op Legislation in Manitoba

Cooperatives Act

Name Reservation

A cooperative has to get approval to use a name before incorporation. A name search and Request for Name Reservation must be carried out at the Companies Office under the Business Names Registration Act. Once approved, the name is reserved for 90 days and with the approval of the Registrar of Cooperatives, becomes the name of the cooperative upon incorporation. If the incorporation process takes longer than 90 days, an extension of the reservation may be obtained.

Articles of Incorporation

Current legislation requires at least three individuals or at least two corporations or one cooperative to form a cooperative. The incorporators must file articles of incorporation with the Registrar.

The articles of incorporation must include the following information:

- name of the cooperative, with proof that the name has been reserved;
- place in Manitoba where the registered office of the cooperative is to be situated;
- type of cooperative that the cooperative will be;
- restrictions, if any, on the business the cooperative may carry on;
- restrictions, if any, or qualifications for membership in the cooperative;
- the particulars of the investment share capital;
- restrictions on the issue, transfer or ownership of shares;
- maximum rate of return on membership shares, member loans and/or patronage loans, which shall not exceed the prescribed maximum rate;
- distribution of the property of the cooperative on dissolution;
- a statement that the cooperative will be organized and operate on a cooperative basis; and
- names and residence address, giving the street and number if any, of each incorporator.

The articles of incorporation of a cooperative must be in the form approved by the Registrar and must be signed by all of the incorporators. They must have attached to them the consent of each first director who is not an incorporator of the cooperative, if any.

By-laws

The by-laws of a cooperative shall provide for:

- qualifications and procedures for acceptance of members;
- rights of persons, if any, who hold memberships in the cooperative jointly;
- membership obligations, including any obligation to use the services of the cooperative and any fees to be paid by members;
• whether the interest of a member may be transferred or assigned, and any conditions or restrictions that apply to such a transfer or assignment;
• conditions on which membership in the cooperative is terminated, whether by withdrawal or by involuntary termination;
• mode of holding meetings of its members, the quorum for the meetings, the rights of voting of its members, the procedures for making, repealing and amending its by-laws or regulations, the right of its members to vote by ballot or mail or both, and the manner, form and effect of votes at the meetings;
• election, qualifications, term of office, removal and replacing of its directors, committee members and officers, and their powers, duties and remuneration, and the procedure and quorum at meetings of its board of directors;
• terms of any contract between the cooperative and its members that all its members may be required to sign, and of any renewals of such contracts;
• the appointment of auditors;
• refunds and the interim and final payments to be made to its members; and
• distribution of the surplus earnings arising from the operations of the cooperative.

Model by-laws are available from the Office of the Registrar of Cooperatives or from Cooperative Development Services.

Organizational Meeting

As soon as practicable after the issue of the certificate of incorporation, the following matters should be dealt with at a meeting of its directors:

• adoption of forms of security certificates and corporate records;
• authorization of the issue of securities;
• admission of persons to membership;
• appointment of officers;
• appointment of an auditor to hold office until the first meeting of the members;
• banking or other like financial arrangements for the cooperative; and
• transaction of any other business necessary to organize the cooperative.

Address

As soon as possible after a site is acquired for the first registered office of a cooperative the incorporators or the cooperative shall send to the Registrar a notice indicating the address of the site giving the street and number, if any.

Forming a Co-operative in Manitoba

Requirements

• Three (3) or more individuals or two (2) or more corporations or one (1) or more cooperatives.
• A common need must exist.
• Must be organized and operate on a cooperative basis.
• Complete articles of incorporation in the form approved by the Registrar.
• Prepare by-laws.
• Prepare a prospectus or offering statement, if required.
• Submit the incorporation documents and fees ($70 for Community Cooperative and $250 for all other cooperatives) to the Registrar of Cooperatives at:

Registrar of Cooperatives
Manitoba Consumer and Corporate Affairs
1115-405 Broadway Ave
Winnipeg, MB R3C 3L6
Telephone: 204-945-4466
Fax: 204-948-2268
coop-cu@gov.mb.ca

For more information on The Co-operative Loans and Loans Guarantee Board, the Cooperative Promotion Board or assistance in incorporation contact:

Cooperative Development Services
905G Norquay Building
401 York Avenue
Winnipeg (Manitoba) R3C 0P8
Telephone: 204-945-3748

or

1129, avenue Queens
Brandon (Manitoba) R7A 1L0
Telephone: 204-726-6207
Toll-Free: 1-866-Manitoba (204-567-7334)

Contact your local GO Team Office or
co-ops@gov.mb.ca

Co-op Development Support in Manitoba

Cooperative Development Services
Agriculture, Food and Rural Initiatives
Government of Manitoba
605 - 800 Portage Avenue
Winnipeg, MB R3C 3H8
Telephone: 204-945-3748
Toll-free MB only: 1-800-567-7334
Fax: 204-948-2362
co-ops@gov.mb.ca

Cooperative Development Services provides the following support at no charge to clients:
**Promotion:** Consultants, through their contacts and involvement with cooperative programs, assist to identify needs and opportunities for cooperative development. Encouragement is provided to individuals, groups and organizations to develop cooperatives for community improvement and economic diversification.

**Incorporation:** Assistance is provided to groups to incorporate new cooperatives. This includes information on different corporate structures, Articles of Incorporation, Charter By-laws, registration of a corporate name and all other necessary work until incorporation status has been achieved.

**Path-finding:** For technical assistance and financing.

**Regulatory Advice:** Assistance may be provided to help cooperatives comply with the requirements of the Cooperatives Act and Regulations.

**Government of Manitoba Financial Programs**

**The Co-operative Loans and Loans Guarantee Board:** It is not the purpose of the Board to replace financing that is available from banks, credit unions and other financial institutions. A cooperative may apply to the Board if they are unable to obtain financing on reasonable terms from other sources, and the application must demonstrate that:

- The funds will not be used for refinancing or for payment of an existing debt.
- An effort has been made to secure alternative financing at reasonable terms.
- The loan or guarantee is for productive purposes, and cooperative principles are being adhered to by the organization.
- There is reasonable evidence of an ability to repay the loan, and reasonable security is available.

**The Cooperative Promotion Board:** The Board was established to assist and encourage the development of cooperative enterprise in Manitoba. Grants may be made to support the following activities:

- Promote the general welfare of residents of Manitoba through cooperative enterprise.
- Promote cooperative education.
- Undertake cooperative research by qualified educational institutions.

**Co-operative Organizations**

Conseil de la coopération du Manitoba
605, des Meurons St., Suite 200
St-Boniface, Manitoba R2H 2R1
Telephone: 204-235-4338
Fax: 204-235-6450
federation@caissepop.mb.ca
Co-op Legislation in Ontario

Co-operative Corporations Act

A co-operative corporation is a member-owned corporation incorporated under Ontario's Co-operative Corporations Act, and which operates on co-operative democratic and financial principles, such as:

- One member, one vote, regardless of the amount invested;
- Distribution of surplus to members, based on their use of the co-operative; and
- Limited appreciation of capital (interest on loan capital and dividends on share capital are limited to a percentage fixed by the Co-operative Corporations Act or the articles of incorporation of the co-operative).

The following documents are available from FSCO's Licensing and Market Conduct Division and on FSCO's website. (You can locate the documents using the website's Search feature.):

- Guide to Setting up a Co-operative covers the basic steps to start a co-operative.
- Filing Requirements and Record-Keeping outlines the routine information that co-operatives should send to FSCO, such as annual financial statements. This guide also describes the records that the Co-operative Corporations Act requires co-operatives to keep.
- Legal Requirements describes how co-operatives can ensure they comply with the Co-operative Corporations Act. It describes such things as how to pass by-laws, and directors' legal responsibilities.
- Incorporating a Co-operative contains brief step-by-step instructions on how to incorporate a co-operative, as well as forms.
- Offering Statements and Material Change Statements can help a co-operative determine whether it is required to file an offering statement or material change statement before issuing shares, member loans or other securities. It also contains information on preparing these documents.

Further information can be obtained from:

Financial Services Commission of Ontario (FSCO)
Licensing and Market Conduct Division
P.O. Box 85, 5160 Yonge Street, 4th floor
North York, ON M2N 6L9
Telephone: 416-226-7776
Fax: 416-226-7838

Forming a Co-operative in Ontario

To facilitate the process of incorporating a co-operative corporation in Ontario under the Co-operative Corporations Act, the following documents are available from the Financial Services Commission of Ontario (FSCO) Licensing and Market Conduct Division.
• Guide to Setting up a Co-operative covers the basic steps to start a co-operative.
• Filing Requirements and Record-Keeping outlines the routine information that co-operatives should send to FSCO, such as annual financial statements. This guide also describes the records that the Co-operative Corporations Act requires co-operatives to keep.
• Legal Requirements describes how co-operatives can ensure they comply with the Co-operative Corporations Act. It describes such things as how to pass by-laws, and directors' legal responsibilities.
• Incorporating a Co-operative contains brief step-by-step instructions on how to incorporate a co-operative, as well as forms.
• Offering Statements and Material Change Statements can help a co-operative determine whether it is required to file an offering statement or material change statement before issuing shares, member loans or other securities. It also contains information on preparing these documents.

Further information can be obtained from:

Financial Services Commission of Ontario (FSCO)
Licensing and Market Conduct Division
P.O. Box 85, 5160 Yonge Street, 4th floor
North York, ON M2N 6L9
Telephone: 416-226-7776
Fax: 416-226-7838

Co-op Development Support in Ontario

Ontario Co-operative Association
450 Speedvale Avenue
Guelph, Ontario N1H 7Y6
Telephone: 519-763-8271
Fax: 519-763-7239
info@ontario.coop

The Ontario Co-operative Association is available for basic consultations on co-operative development, financing, and co-operative legislation by phone, e-mail, or by appointment. They will also refer you to more specific resources, if needed. A small library of resources, including video resources, is available for review in the office by appointment only.

The Ontario Co-operative Association produces a series of materials on co-operative economic development. Cultivating Co-ops, a resource guide on co-operative development, includes a mini directory of co-operative organizations and resources. Materials can be ordered through the association's website or by telephone.

Conseil de la Coopération de l'Ontario
531 Notre Dame Avenue
5L1
The Conseil de la Coopération de l’Ontario employees assist the Francophone and ethno-cultural communities to control their economic and social development by using the co-operative model. CCO provides technical support, research and information, training and workshops to groups interested in co-operatives. It is also the lobby organization for its members, representing all sectors of co-op activity - including financial, agricultural, housing, daycare, worker co-ops, etc.

CCO produces French materials on co-operative economic development. Topics range from the history of francophone co-operatives in Ontario to a resource guide on business plans, financing, start-up, board of directors training and much more. Materials can be ordered through the association’s website or by telephone.

The Ontario Worker Co-op Federation provides information and assistance to groups interested in developing worker co-ops.

FSCO produces a series of resources on co-operative incorporation, filing and legal requirements, and reporting procedures. These are available free of charge.

Co-op Housing Bookstore
c/o Co-operative Housing Federation of Toronto
658 Danforth Avenue, Suite 201
Toronto, Ontario M4J 5B9
Telephone: 416-465-8688
Fax: 416-465-8337

The Co-op Housing Bookstore provides a range of co-operative training materials.
Co-op Legislation in Quebec

Co-operatives Act

Main Characteristics

Quebec's Co-operatives Act (RSQ, c.C-67.2) defines a co-operative as follows (unofficial translation):

A co-operative is a corporation in which persons or partnerships having common economic, social and cultural needs unite to benefit from an enterprise according to the rules of co-operative action in order to meet those needs.

The co-operative is characterized by the following distinctive aspects:

- Members are users of the co-operative's services.
- Each member subscribes for the minimum number of shares provided for in the by-laws.
- The co-operative operates according to the democratic rule of 'one member, one vote.'
- The obligation to create a reserve.

Capital Stock

The capital stock of the co-operative consists of:

- membership shares having a nominal value of $10, without interest;
- preferred shares whose characteristics are determined by the board of directors and that may include limited interest;
- participating preferred shares, issued to non-members, whose characteristics are determined by the general meeting and that may include the right to be called to meetings and to take part in them without the right to speak, as well as the right to receive a maximum interest income of 25% of the amount spent on these shares, which may include participation in the surplus to a maximum of 25% of surpluses.

Allocation of Surpluses

The annual meeting determines the allocation of surplus earnings or surpluses:

- to the reserve;
- to the allotment of patronage dividends to members and to auxiliary members, if appropriate;
- to the payment of interest on participating preferred shares.

The members must allocate to the reserve at least 10% of the surplus earnings or surpluses and also allocate to the reserve or allot as patronage dividends in the form of shares an additional percentage of at least 10% of the surplus earnings or surpluses until the equity is equal to or greater than 40% of the debts of the co-operative.
The patronage dividends are allotted to the members and auxiliary members, if applicable, in proportion to the business done by each member with the co-operative over the course of a fiscal year.

Under its articles, a co-operative may decide not to allot any patronage dividend or to pay interest on any class of preferred shares as it sees fit.

The portion of surpluses from business done with non-members must be allocated to the reserve.

**Types of Co-operatives**

There are five types of co-operatives in Quebec, each with its own characteristics:

**Consumer co-operative**
- A co-operative whose chief purpose is to provide goods and services to its members for their personal use.

**Producer co-operative**
- A co-operative whose chief purpose is to provide its members with the goods and services they need to carry out their profession or operate their business.

**Worker co-operative**
- A co-operative made up exclusively of natural persons who, as workers, join together to operate a company to provide employment to its members and auxiliary members.

**Worker shareholders co-operative**
- A co-operative formed exclusively by natural persons with the aim of acquiring and holding shares in the company that employs them and whose purpose is to provide its members and auxiliary members with work through the company's operations.

**Solidarity co-operative**

A co-operative that includes at least two categories of members from among the following:

- user members, i.e. persons or legal entities using the co-operative's services;
- worker members, i.e. natural persons working in the co-operative; and
- support members, i.e. any other person or legal entities interested (from either an economic, social or cultural standpoint) in achieving the co-operative's objectives.
Forming a Co-operative in Quebec

The first official act instituting the legal process of incorporating a co-operative in Quebec is the holding of a meeting consisting of at least five persons during which:

- two founding members are designated to sign the application for the incorporation of the co-operative (in accordance with the form supplied by the Co-operatives Directorate of the MDEIE);
- all founding members sign the articles of the co-operative;
- a provisional secretary is appointed to act as the spokesperson of the founding members vis-à-vis the Ministry until the organization meeting is held. The provisional secretary is also empowered to call the organization meeting.

The statutes of the future co-operative must indicate:

- its name;
- the object of its incorporation;
- the names and addresses of the founding members.

They may also contain any other provisions permitted by the Co-operatives Act to be set out in the by-laws.

The statutes along with the application, prescribed fees and the business project description of the co-operative are forwarded to the Minister, who notifies the Conseil de la coopération du Québec of the application for incorporation. No later than 15 days after the sending of this notice or as soon as the Conseil responds to it, the Minister may, if deemed advisable, incorporate the co-operative.

The organization meeting marks the real launching of the new co-operative. It must be held no later than six months after the co-operative's date of incorporation.

The organization meeting of the founding members is called by the provisional secretary. Its agenda includes a number of items determined by the Act:

- study and adoption of by-laws of the co-operative;
- election of members of the board of directors;
- appointment of an auditor;
- affiliation to a federation, where applicable.

Once the organization meeting has been held, the newly elected board of directors is in a position to organize the start-up of the co-operative's activities.

1 In the case of the establishment of a worker co-operative or a worker shareholder co-operative, the number of founding members may be reduced to 3.
Co-op Development Support in Quebec

The mission of regional development co-operatives is to encourage co-operative development and promote the organization of co-operatives. They also offer technical services for start-up, expansion or follow-up:

Coopérative de développement régional du Bas Saint-Laurent / Côte Nord
143 Saint-Germain Street West
Suite 105
Rimouski, QC G5L 4B6
Telephone: 418-725-2667 or
Toll-free: 1-877-725-2667
Fax: 418-724-9448
cdrbsl@cgocable.ca

Coopérative de développement régional Gaspésie/Les Îles
143 Perron Blvd. East
New Richmond, QC G0C 2B0
Telephone: 418-392-6741 or Toll-free: 1-866-392-COOP (2667)
Fax: 418-392-6839
cdrgim@globetrotter.qc.ca

Coopérative de développement régional de l'Abitibi/Témiscamingue
162, Principale Avenue South,
P.O. Box 96,
Amos, QC J9T 3A5
Telephone: 819-727-1055
Fax: 819-727-1062
info@cdrat.fcdrq.coop

Coopérative de développement régional du Qué/Maurice
2000 des Récollets Blvd.
P.O. Box 564
Trois-Rivières, QC G9A 5H5
Telephone: 819-370-6630
Fax: 819-370-6632
info@cdcqm.coop

Coopérative de développement régional de L'Estrie
550 Dufferin Street
Sherbrooke, QC J1H 4N1
Telephone: 819-566-0234
Fax: 819-566-2406
coopcde@cdrestric.com
Coopérative de développement régional Outaouais-Laurentides

Bureau de l'Outaouais
400 Maloney Boulevard, Suite 101
Gatineau (Québec) J8P 1E6
Telephone: 819-643-2884
Toll-Free: 1-866-643-2884
Fax: 819-643-2887
info@cdrol.coop

Bureau des Laurentides
316 Labelle Street
St-Jérôme (Québec) J7Z 5L3
Telephone: 450-431-2117
Toll-Free: 1-866-643-2884
Fax: 450-431-2219
btrudel@cdrol.coop

Coopérative de développement régional de Montréal-Laval

**Bureau de Montréal**
6879 rue Marseille
Montreal (Québec) H1N 1M8
Téléphone : 514-340-6056
Télécopieur : 514-340-6023
info@cdr.coop

**Bureau de Laval**
2084 boulevard Laurentides, suite 210
Laval (Québec) H7M 2Y6
Téléphone : 450-629-4488
Télécopieur : 450-972-1755
cdrl@videotron.ca

Coopérative de développement régional de Lanaudière
457 Laval Street
Joliette, QC J6E 5G9
Telephone: 450-759-8423
Fax: 450-759-2100
info@cdr.coop

Coopérative de développement régional de Montréal-Laval

Bureau de Montréal
6879 Marseille Street
Montreal, QC H1N 1M8
Telephone: 514-340-6056
Fax: 514-340-6023
info@cdr.coop

Coopérative de développement régional Québec-Appalaches
2095 Jean-Talon South Street
Suite 226
Sainte-Foy, QC G1N 4L8
Telephone: 418-687-1354
Fax: 418-687-0878
info@cdrqa.coop

Coopérative de développement régional Saguenay-Lac St-Jean / Nord du Québec
3885 Harvey Blvd.
Place Saint-Michel, Suite 407
Jonquière, QC G7X 9B1
Telephone: 418-542-7222
Fax: 418-542-7366
coopdr@videotron.ca

Coopérative de développement régional de la Montérégie
L'intercoopérative
49 St-Charles Street
Saint-Jean-sur-Richelieu, QC
J3B 2B7
Telephone: 450-346-4426
Toll-free: 1-866-433-COOP
Fax: 450-346-2350
info@cdrm.fcdrq.coop

The objective of the Co-operatives Directorate of the Québec Department of Economic Development, Innovation and Export Trade, (EDIET) is to promote the emergence of new co-operatives and the growth of existing enterprises in Québec. The Directorate also provides information on its products and services and those of the EDIET.

Québec, Chaudière-Appalaches, Côte-nord, Nord-du-Québec, Saguenay/Lac-St-Jean, Abitibi-Témiscamingue
710 Place d’Youville, 7th Floor
Quebec City, QC G1R 4Y4
Telephone: 418-691-5978
Fax: 418-646-6145

Estrie, Mauricie, Centre du Québec, Montréal, Lanaudière, Laval, Montérégie, Outaouais
200, rue Belvédère N, bur. 4.03
Sherbrooke, QC J1H 4A9
Telephone: 819-820-3205
Fax: 819-820-3929
Co-operative federations and associations look after the interests of their members and promote co-operative development.

Conseil québécois de la coopération et de la mutualité
5159 Rive Sud Blvd.
Suite 204
Lévis, QC G6V 4Z5
Telephone: 418-835-3710 or Toll-Free: 1-800-975-COOP (2667)
Fax: 418-835-6322
info@coopquebec.coop

Fédération des coopératives de services à domicile du Québec
5159 Rive Sud Blvd.
Suite 201
Lévis, QC G6V 4Z5
Telephone: 418-835-8882
Fax: 418-835-7855
info@coopquebec.coop

Confédération québécoise des coopératives d'habitation
840, Sainte-Thérèse Street
Room 202
Québec City, QC G1N 1S7
Telephone: 418-648-6758
Toll-free: 1-800-667-9386
Fax: 418-648-880
info@cqch.qc.ca

La Fédération québécoise des coopératives de travail
3188, Sainte-Foy Blvd, Suite 200
Québec, Québec
G1X 1R4
Telephone: 418-651-0388, ext. 31
Fax: 418-651-3860
info@fqct.coop

Fédération des coopératives de câblodistribution du Québec
50 St-Patrick Street
Shannon, QC G0A 4N0
Telephone: 418-844-3849
Fédération des coopératives du Québec en milieu scolaire
7333, Place des Roseraies
Suite 501
Anjou, QC H1M 2X6
Telephone: 514-352-1121
Fax: 514-352-1764
information@coopsco.com

Groupe de consultation pour le maintien et la création d'emploi du Québec
32 Saint-Charles Street West
Suite 400, Longueuil(Québec) J4H 1C6
Telephone: 514-646-7946
Fax: 514-646-3403
mceconseils@videotron.ca

Regroupement québécois de la coopération du travail (RQCT)
6955, Christophe-Colombe Street
Montreal, QC H2S 2H4
Telephone: 514-526-6267
Fax: 514-52629110
info@rqct.coop

Fédération des coopératives de développement régional du Québec
3188, Sainte-Foy Blvd,
Suite 200
Quebec, QC G1X 1R4
Telephone: 418-656-1335
Fax: 418-651-3860
info@fcdrq.coop

Investissement Québec, which administers the Co-operative Development Program, offers financing adapted to the needs of small and medium-sized co-operatives. It has offices throughout Quebec. Contact its advisers by calling 1-800-461-2433.
Co-op Legislation in New Brunswick

Co-operative Associations Act

(R.S.N.B. 1973) and Co-operative Associations Regulation - Co-operative Associations Act

The Act states the definition of a co-operative and includes provisions on incorporation, democratic process, financial structure, membership conditions and procedures for amalgamation, dissolution and liquidation.

The Act is administered by the Inspector of Co-operatives who has vast powers including the power to approve the incorporation of a co-operative. The members have to adopt by-laws subject to the approval of the Inspector.

A co-operative can be incorporated with or without capital shares. In co-operatives without share capital, also termed "co-operatives limited by membership", members have to pay membership fees.

Shares in a co-operative are held by members as a condition to membership. Shares provide members equal rights including the right to receive interest or a dividend, if any, up to a maximum rate specified in the by-laws. Shares are refunded when a member resigns, subject to the by-laws. The board of directors can suspend refunds if refunds would impair the financial stability of the co-operative. The board of directors can only refund shares at a price not exceeding par value or book value, whichever is less. Par value is the fixed purchase price of each share.

Any surplus funds arising from the business of the co-operative, after providing for reasonable reserves, are

- used to maintain or improve services of the co-operative, or
- donated for community welfare or the propagation of co-operative principles, or
- distributed in whole or in part among the members in proportion to the volume of business they have done with or through the co-operative (patronage return).

The Act requires that at least five per cent of the annual savings be set aside in a "legal" reserve account until the reserve is equal to thirty percent of paid-up share capital. The legal reserve must only be used to offset extraordinary losses or expenditures with the approval of the Inspector.

A co-operative must hold an annual meeting of members to:

- receive management reports,
- consider financial questions, including reserve funds, interest on share capital and patronage returns,
- elect the board of directors,
- appoint an auditor, and
• discuss the activities of the co-operative.

A member shall have one vote only at all meetings of the co-operative. No member may vote by proxy. The directors, who must not be fewer than three, must also be members of the co-operative.

Financial co-operatives are regulated under their own statute: Credit Unions Act and General Regulation - Credit Unions Act. The Queen's Printer sells copies of statutes and regulations. To view the Co-operative Associations Act and regulations online, see item C-22.1.

Orders to the Queen's Printer must be prepaid. For more information, contact:

The Queen's Printer for New Brunswick
670 King Street, Room 115, P.O. Box 6000
Fredericton, NB E3B 5H1
Tel: 506-453-2520
Fax: 506-457-7899

Forming a Co-operative in New Brunswick

An organization cannot be called a co-operative unless it is incorporated under the Co-operative Associations Act. An application for letters of incorporation must be submitted to the Office of the Inspector of Co-operatives in the Department of Justice. Please contact the Office to receive the proper forms.

Three or more persons of the age of majority or three or more New Brunswick co-operatives can make an application for letters of incorporation. Form 1 is used for co-operatives with shares and form 2 is used for co-operatives limited by membership. You have to send to the Department two copies of the application with original signatures. The application includes the objects of the co-operative, information on the applicants and number of shares subscribed, if applicable, in addition to information on provisional directors (not fewer than three and not more than seven). The application determines the par value of a share, if applicable, and specifies the liability of a member. In a co-operative limited by shares, the liability of a member is limited to the amount unpaid on the shares subscribed by the member. In a co-operative limited by membership, the liability of a member is limited to the amount unpaid on the member's fee. The signature of the applicants must be witnessed. The witness or witnesses and one of the applicants must sign a declaration.

You must provide a NUANS report to ensure that the name under which the incorporation is sought is not the name, or similar to the name, of another business. Applicants are also advised to check with the Department to be sure that the proposed name for the co-operative is acceptable to the Department as well.

Applicants must also create by-laws, and they should include at least the following:

• the name of the association and the address of its registered office;
By-laws must also provide for the number of directors, the maximum number of shares a member may hold and the possibility of reinvesting the patronage return in the form of loan capital or shares. The Department will provide you with model by-laws.

Once the documents are ready, send them with the required fees. The Department will ensure that the documents conform to the Co-operative Associations Act and will deliver letters of incorporation to the effect that the co-operative is incorporated.

Within four months from the date of incorporation, a co-operative must hold a general meeting so members can elect the board of directors. Each year after their annual meeting, co-operatives must send an annual return to the Inspector. The return includes, among other things, the names of the officers. The annual return must be sent together with the audited financial statements. Co-operatives can be exempted from having an auditor if the members pass an extraordinary resolution approved by the Inspector. The Inspector can dissolve a co-operative that does not submit its annual return.

Amendments to by-laws and statutory extraordinary resolutions have to be approved by the Inspector. Various other approvals are required under the Act; for example, the disposal of more than ten percent of the assets and the refund of shares to reduce share capital of the co-operative.

For more information on the requirements of the Co-operative Associations Act, do not hesitate to contact the Credit Unions, Co-operatives and Trust Companies Branch at (506) 453-2315.
Co-op Development Support in New Brunswick

Conseil Acadien de la Coopération
P.O. Box 5554
295 Saint-Pierre Boul. West
Caraquet, NB E1W 1B7
Telephone: 506-726-4000
Fax: 506-726-4001
marc.duguay@acadie.com

Co-op Atlantic
P.O. Box 750
123 Halifax Street
Moncton, NB E1C 8N5
Telephone: 506-858-6000
Fax: 506-858-6446

Acadie Regional Co-operative Development
C.P. 3635
Tracadie-Sheila, NB E1X 1G5
Telephone: 506-395-2432
Fax: 506-394-3892
cdracadie@nb.aibn.com

Credit Unions, Co-operatives and Trust Companies Branch
Department of Justice
P.O. Box 6000
670 King Street
Fredericton, NB E3B 5H1
Telephone: 506-453-2315
Fax: 506-453-7474
claire.gagnon@gnb.ca
Co-op Legislation in Nova Scotia

Co-operatives Act

The requirements and procedures for the incorporation and operation of co-operatives in Nova Scotia are laid out in The Co-operative Association Act, Chapter 98 RSSN 1989 which governs all types of co-operatives in Nova Scotia except credit unions. The purpose of this Act is to provide for the incorporation, inspection, examination and supervision of co-operatives whose primary purpose is to provide services to its members and which belongs to the people who use the service, the control of which rests equally with all the members, and the gains from which are distributed among the members in proportion to their use of the co-operative services. Article 3 provisions are made in addition for by-laws, withdrawal, exclusion, meetings of members, contracts, borrowing, distribution of earnings, audits, amalgamation, dissolution, liquidation and offences.

Membership Requirements

A minimum of three persons, who are the age of majority, is required to apply for incorporation. To become a member, a person must have purchased the required number of shares or have paid the required membership fee. The cost of shares or membership fees is determined by the applicants.

The Act also makes provision for two or more co-operatives to form a co-operative.

Annual Meeting

A co-operative is required to hold an annual general meeting not later than 4 months after the end of the fiscal year.

Auditor

At each annual meeting, the members (or shareholders) appoint an auditor or auditors to hold office until the next annual meeting. The board of directors may appoint the first auditor. The auditor shall make a report to the members at the annual meeting. A co-operative has the option of not appointing an auditor if two-thirds of the members consent in writing.

Forming a Co-operative in Nova Scotia

How to Incorporate

An organization must be incorporated under the Co-operative Association Act of 1989, in order to be called a co-operative. The requirements for incorporation are outlined in the Co-operative Association Act, which is administered by Service Nova Scotia and Municipal Relations, through the Co-operatives Administration Branch. When forming a co-operative, there are two important choices to be made: 1) do people join by buying shares or by contributing membership fees; and 2) will the co-op be for-profit or non-profit? Although any combination is
possible, generally members join for-profit co-ops by buying shares and people join non-profit co-ops by contributing either a one-time or annual fee, as per this chart:

Shares Membership Fees
For-profit X -
Non-profit - X

For advice on choosing between these options, please consult the Nova Scotia Co-operative Council or the Conseil Coopératif Acadien de la Nouvelle-Écosse, the two provincial organizations responsible for co-operative development in Nova Scotia.

Incorporation requires two documents: Articles of Incorporation (the application for incorporation), and By-laws. For convenience, these two documents are combined into one.

Articles of Incorporation

The articles of incorporation must include the following:

- The name of the association with the word "co-operative" as part of its name and with "Limited" as the last word in its name. Submit the name reservation request either to the Registry of Joint Stock Companies or to the Inspector of Co-operatives along with the appropriate fee for the NUANS System name search. An alternative name or two will prevent delays in having the documents processed if your first choice of name is for some reason unacceptable.
- The objects of the association (a brief description of the type of business and special aspects of the business).
- The limitation of liability for members (a statement which limits the liabilities of the members to their investment in the co-operative).
- The par value of shares or the amount of membership fees (usually 10 to 100 dollars).
- The signature, name and address of the first 3 to 7 members, witnessed by a responsible adult who is not directly associated with the new co-operative.

By-laws

A co-operative is required to have by-laws prior to registration. By-laws include such matters as:

- The conditions of membership or the ownership of shares.
- The election and terms of office of directors and officers.
- The value of shares and the terms of payment.
- The conditions governing annual or general meetings.
- Corporate indemnification provisions.
- Borrowing of money provisions.
- Matters related to audits and financial reporting.
- Other matters deemed important for the effective operation of the co-operative.
Directors

The provisional directors named in the articles of incorporation (generally the initial subscribers) will serve as directors until the co-operative's first general meeting, when directors are elected for a term of office from among the members or shareholders. The first general meeting is to be held within 4 months of incorporation, at which time the board of directors is to be elected according to the by-laws. Directors are responsible for the management of the co-operative's business and other affairs as set out in the by-laws.

Registration

Prior to submitting an application, it is important to establish the co-operative's basic purpose so that everyone shares the same understanding of the organization's goals and objectives.

In order to apply for incorporation, one copy of the articles of incorporation, by-laws signed by the subscribers to the articles of incorporation, and the appropriate fees must be submitted to the Inspector. Upon approval, the Inspector shall forward the application to the Registrar.

Following the registration of the articles of incorporation and the by-laws, the Registrar issues a certificate of incorporation. The co-operative will be incorporated on the date mentioned on the certificate.

The articles are to be forwarded along with the by-laws to the Co-operatives Branch, 35 Commercial Street, Bank of Montreal Building, Suite 101, Truro, Nova Scotia B2N 3H9. It is imperative to attach the required registration fee. The cheque should be made payable to: The Inspector of Co-operatives.

A certificate of incorporation will be mailed to the Co-operative's registered address about two weeks after the Inspector approves the documents. Approved copies of the articles and by-laws will accompany the certificate.

If you have any questions, please feel free to contact the Co-operatives Administration for assistance.

Co-operatives Administration
Service Nova Scotia and Municipal Relations
35 Commercial Street, Suite 101
Truro, Nova Scotia B2N 3H9
Telephone: 902-893-6190
Fax: 902-893-6108
nscoop@gov.ns.ca
Co-op Development Support in Nova Scotia

Co-operatives Branch
Service Nova Scotia and Municipal Relations

The Co-operatives Branch administers the Co-operative Associations Act of Nova Scotia, providing incorporation, registration, inspections and liquidation services to the province's co-operatives. The mandate of the Co-operatives Directorate is to promote and support the use of co-operative structures, principles and business practices to strengthen and enhance the province's economy and society.

You will find a directory of co-operatives and other resources, co-operative legal forms (for changing addresses and names, incorporation, registration, etc), and co-operative news at this website. Assorted information and education material, including an ongoing fact sheet series, are also available from the Directorate's central office.

Further co-op development support is available from the organizations listed below.

Conseil Coopératif Acadien de la Nouvelle-Écosse
P.O. Box 667
Chéticamp, Nova Scotia B0E 1H0
Telephone: 902-224-1952
Fax: 902-224-2801
coopacadien@ns.sympatico.ca

Nova Scotia Co-operative Council
90 Research Drive
P.O. Box 1872
Truro, Nova Scotia B2N 6C7
Telephone: 902-893-8966
Fax: 902-895-0109
diannefk@tru.eastlink.ca

Co-operatives Administration
35 Commercial Street
Suite 101
Truro, Nova Scotia B2N 3H9
Telephone: 902-424-6154 or 902-893-6190
Fax: 902-893-6108
nscoop@gov.ns.ca

Co-operative Housing Federation of Canada / Nova Scotia Office
1099 Marginal Road, Suite 101
Halifax, Nova Scotia B3E 4P7
Telephone: 902-423-7119
Co-op Legislation in Prince Edward Island

Co-operative Associations Act

An organization must be incorporated under the Co-operative Associations Act (1976) in order to be called a co-operative. The use of the word co-operative, or co-op, in the name or description of an organization is restricted to incorporated co-operative associations.

The Co-operative Associations Act addresses all legislative issues concerning co-operatives. Its purpose is to provide for the incorporation, inspection, examination and supervision of associations whose primary purpose is to provide service to their members and which belong to the people who use their services, the control of which rests equally with all their members, and the gains from which are distributed among the members in proportion to the use they make of these services.

The Co-operative Associations Act defines a co-operative as an enterprise that operates according to the following principles and methods:

1. Each member or delegate has only one vote.
2. No proxy voting.
3. Limited interest or dividends on share or loan capital (max. 9% per annum).
4. The enterprise is operated as nearly as possible at cost.
5. Any surplus available for distribution to members should be distributed in proportion with the volume of business done with the organization.

In the articles of incorporation, the co-operative shall state the objects or purpose of the association. Co-operatives can be established with share capital or without share capital. In the case of co-operatives with share capital, the articles of incorporation shall also state the par value of the shares. The co-operatives without share capital shall stipulate the amount and frequency of membership fees. Non-members cannot hold voting shares or preferred shares.

A minimum of three people of the age of majority can subscribe to the creation of a co-operative and the Board of Directors shall be composed of at least three people.

The co-operative must maintain a reserve of at least 30% of the paid-up share capital and should allocate at least 10% of net surplus until this proportion is achieved. The co-operative may also establish an education reserve by allocating less than 5% of retained earnings.

At dissolution, the assets remaining after liabilities have been paid may be devolved to the Co-operative Union of P.E.I. upon majority resolution at the final meeting.

At each annual meeting the members (or shareholders) shall appoint an auditor to hold office until the next annual meeting. The board of directors may appoint the first auditor, with the approval of the inspector of co-operatives. The auditor shall report to the members at the annual meeting.
Forming a Co-operative in Prince Edward Island

The requirements for incorporation are outlined in the Co-operative Associations Act, which is administered by the Corporations Branch, Department of Provincial Affairs and Attorney-General, Government of Prince Edward Island.

Membership Requirements

A minimum of three persons, who are the age of majority, are required to apply for incorporation. In the case of a housing co-operative, a minimum of five persons is required to incorporate. To become a member, a person must have purchased the required number of shares or have paid the required membership fee. The cost of shares or membership fees is determined by the applicants.

The Act also makes provision for two or more co-operative associations to form a co-operative.

Articles of Incorporation

The Co-operative Associations Act requires that the articles of incorporation include the following:

- The name of the association with the word "Co-operative" as part of its name and with "Limited" as the last word in its name;
- The objects of the association;
- The limitation of liability for members;
- The value of shares or the amount of membership fees;
- The address of each subscriber next to his or her name;
- A list of not less than three persons to be provisional directors of the association; and
- The signature of each subscriber.

By-laws

A co-operative association is required to have by-laws prior to registration. By-laws include such matters as:

- The conditions of membership or the ownership of shares;
- The election and terms of office of directors and officers;
- Provisions for the removal of members;
- The conditions governing annual or general meetings;
- Any conditions related to the exercise of powers conferred to a co-operative association by Section 15 of the Co-operative Associations Act;
- Matters related to audits and financial reporting; and
- Other matters deemed important for the effective operation of the association.
Registration

Prior to making application to be registered as a co-operative, it is important to establish or confirm your basic purpose so that everyone shares the same understanding of the organization's goals and objectives.

To incorporate as a co-operative, two copies of the articles of incorporation and two copies of the by-laws signed by the subscribers to the articles of incorporation must be submitted to the registrar along with the appropriate fees.

The registrar will review the articles of incorporation, the by-laws and other required information to ensure compliance with the Co-operative Associations Act. When all legislative requirements are met and it is deemed appropriate to incorporate, the registrar will issue a certificate of incorporation. The association will be a body corporate on the date mentioned on the certificate.

Directors

The provisional directors named in the articles of incorporation will serve as directors until the association's first general meeting, when directors are elected for a term of office from among the members or shareholders. Directors are responsible for the management of the association's business and other affairs.

For further information, contact:

Director of Corporations
Consumer, Corporate and Insurance Services Division
Department of Community Affairs and Attorney General
P.O. Box 2000
5th Floor - Shaw Building
105 Rochford Street
Charlottetown, P.E.I.
C1A 7N8
Telephone: 902-368-4550
Fax: 902-368-5383
ejshea@gov.pe.ca

Co-op Development Support in Prince Edward Island

For Co-op Development:

Conseil de développement coopératif de l'Île-du-Prince-Édouard
P.O Box 67
Wellington, P.E.I. C0B 2E0
Telephone: 902-854-3439 extension 240
Fax: 902-854-3099
Enterprise P.E.I.
Government of Prince Edward Island
Shaw Building
105 Rochford Street
Charlottetown, P.E.I. C1A 7N8
Telephone: 902-368-4244
Fax: 902-368-4224
bwmackinnon@gov.pe.ca.

For Incorporation:

Director of Corporations - Consumer, Corporate and Insurance Services Division
Department of Community Affairs and Attorney General
Shaw Building
105 Rochford Street
Charlottetown, P.E.I. C1A 7N8
Telephone: 902-368-4550
Fax: 902-368-5383
ejshea@gov.pe.ca
Co-op Legislation in Newfoundland and Labrador

Co-operatives Act

The incorporation and regulation of co-operatives is different from that of private companies. Co-operatives are incorporated under *The Co-operatives Act* while private businesses register under the Corporations Act. It is important for people or groups considering the formation of a co-operative, or those already members of a co-operative, to understand the legal structure.

This province's current Co-operatives Act was declared in 1998 and amended in 2001. A copy is available online or by contacting the Queen's Printer - 709-729-3649. The Act provides for the registration, incorporation and inspection of enterprises whose primary purpose is to provide services to member/owners on a co-operative basis. It is broad, inclusive legislation which lays out the regulations and procedures regarding how co-operatives are registered and operate in this province.

The Act is administered by the Registry of Co-operatives, Department of Government Services (709-729-3317).

Registering a Co-operative

Before a co-operative can become incorporated, the Registrar of Co-operatives must be satisfied that the intended members understand the unique elements of co-operatives, including an understanding of the operation of the by-laws, and that the member's investments are not at unusual risk.

The Registrar of Co-operatives requires the following documents in order to provide registration:

**Articles of Incorporation** - A simple document that lists the basic information about the proposed co-operative: name; place of business; share capital; directors; restrictions (if any), objects and purposes of the co-op.

**By-laws** - Those 'rules' adopted by the founding members of the co-operative, to guide it in its year-to-year governance. It covers such things as: definitions and responsibilities of membership; fiscal year end; procedures for electing boards of directors and executive officers; committees of the co-operative; distribution of profits; and other matters particular to the individual co-operative. The by-laws must comply with the provisions of the Act.

**A Business Plan** - A basic business plan is required to demonstrate the fundamental viability of the co-operative and to protect the founding members against undue risk.

**A Registration Fee** - This fee is currently $250, and is subject to change.

The Act also provides for a number of required forms to be used by co-operatives. These forms (including Articles of Incorporation) are available from the Registrar of Co-operatives or online (PDF format).
Some Unique Aspects of Co-operatives

Democratic Control: The shareholders/members of a co-operative enterprise share an equal ability to affect corporate decision-making. Each member, regardless of status or position, has one vote in directing the affairs of the business or in electing officers.

Capital Structure: Only members can hold voting shares in a co-operative. Each member is required to make an equal investment and shares always remain at par value.

Surplus Distribution: Surplus generated by a co-operative are distributed among the members only and on a formula devised by them based on certain equitable co-operative principles, not related to investment.

Membership: A minimum of three founding members are required for the formation of a co-operative. Individuals, registered businesses or other corporate bodies may become members of a co-operative.

Use of Name: Only businesses registered under the Co-operatives Act may use the word "co-operative" or "co-op" in their name or basic description of their business.

Forming a Co-operative in Newfoundland and Labrador

Registration of a co-operative in Newfoundland and Labrador requires certain procedures and documents. Firstly, as co-operatives are not primarily intended as a risk investment and no return is anticipated on investment, registration is done somewhat differently than under the Corporations Act. The Registrar of Co-operatives will want to have some assurance that:

- The intended members understand the unique and particular aspects of this type of registration, including an understanding of the co-operative constitution, and
- That the members’ investments are not at unusual risk.

The first consideration can be demonstrated by the provision of information about co-operatives to the founding members and having them participate in the development process. Submission of a Business Plan would satisfy the second of these considerations and is required by the regulations.

Registration of a co-op in Newfoundland and Labrador under the Co-operatives Act is the responsibility of the Department of Government Services, Commercial Registration Division, Registrar of Co-operatives.

Further information can be obtained from Registry of Co-operatives.

Forms required for registration of a co-op can be obtained from the Registrar's office or telephone 709-729-3317.

Basic Requirements for the Registration are as follows:
Articles of Incorporation

A simple document that lists the basic information about the proposed co-operative: name; place of business; share capital; directors; restrictions (if any); objects and purposes of the co-op.

By-Laws

Those 'rules' adopted by the founding members of the co-operative, to guide it in its year-to-year governance. It covers such things as: definitions and responsibilities of membership; fiscal year end; procedures for electing boards of directors and executive officers; committees of the co-operative; distribution of profits; and other matters particular to the individual co-operative. The by-laws must comply with the provisions of the Act.

A Business Plan

A basic business plan is required to demonstrate the fundamental viability of the co-operative and to protect the founding members against undue risk.

A Registration Fee

This fee is currently $250, and is subject to change.

Documents should be mailed to:

The Registrar of Co-operatives
Commercial Registration Division
Dept. of Government Services
P.O. Box 8700,
St. John's, NF A1B 4J6

For further information and assistance, contact The Registrar of Co-operatives.

Co-op Development Support in Newfoundland and Labrador

All those considering forming a co-operative should contact the Newfoundland and Labrador Federation of Co-operatives. This non-government organization is operated by the province's co-operative sector and is mandated to provide co-operative development services. Information about types of co-ops, the local movement, development advice and assistance can all be found there. The Federation partners with regional development organizations, government departments and industry associations to support the development of co-operatives and has many years of experience in the field.

Some information and advice on starting a co-operative can also be provided by the province's Regional Economic Development Boards and Community Business Development Centres. Provincial government departments, such as the Departments of Innovation, Trade and Rural Development and the Department of Natural Resources provide various assistance programs
useful to those considering forming a co-operative. Newly developing co-operatives are also eligible for business support programs offered by the Atlantic Canada Opportunities Agency. The province's registrar of co-operatives can provide information and advice regarding legislation and the incorporation process.

The Newfoundland and Labrador Federation of Co-operatives
P.O. Box 13369
Co-operator's Building
Crosbie Place
St. John's, NL
A1B 4B7
Telephone: 709-726-9431
gfitz@nflc.nf.ca

Business Resource Centre
90 avenue O'Leary
St. John's, NL
A1B 3T1
Telephone: 709-772-6022 or 1-800-668-1010
Fax: 709-772-6090
Info-Fax: (709) 772-6030 or 1-888-772-6030
st.johns@cbsc.ic.gc.ca
Fax: 709-726-9433

Department of Innovation, Trade & Rural Development
Regional Planning and Development
P.O. Box 8700
St. John's, NL A1B 4J6
Telephone: 709-729-7260
Fax: 709-729-7087

The Registrar of Co-operatives
Department of Government Services and Lands
P.O. Box 8700
Confederation Building
St. John's, NL A1B 4J6
Telephone: 709-729-3300
Fax: 709-729-3399