

CREDIT, THRIFT AND MULTIPURPOSE COOPERATIVE SOCIETY



**COMKADOSA 89ers THRIFT
AND COOPERATIVE SOCIETY**

BYE LAWS

DECEMBER 2020

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Article 1 Preamble

We, the members of Comkadosa 89ers Thrift and Cooperative Society hereby resolve to make the following byelaws as the supreme rules and regulations guiding the operation and management of the said Cooperative Society.

Article 2 Name & Address.

The registered name of this Cooperative Society shall be:

Name – The Comkadosa 89ers Thrift and Cooperative Society

Article 3 Principles, Aims and Objectives

3.1 **Principles.** This Cooperative Society shall be administered in accordance with the international Cooperative principles of:

- a) Pre-qualified membership;
- b) democratic control;
- c) equal opportunities for all members;
- d) proportionate distribution of surpluses/write off of deficits;
- e) fixed interest charge on loans;
- f) Conduct of business with third parties on the basis of prevailing open market conditions.

3.2 **Aims and Objectives.**

- a) To promote savings and contributions geared mainly towards long-term low risk investments for the capital growth of the co-operative as a body with less emphasis on members' immediate benefits;
- b) To judiciously invest available funds in profitable ventures so as to improve the economic wellbeing of members;
- c) To encourage a savings habit among members and provide structured loan facilities to members, subject to the conditions specified in Article 8 of these byelaws;

Article 4 **Membership:** *Admission and Severance.*

4.1 **Admission to Membership.** Membership of the Cooperative Society is open to all interested up-to-date due paying members (unbroken record of 12 months dues paid as at the time of registration for membership) of the CSS KD Class of 89 Foundation, Nigeria. However, to be formally admitted every prospective member must satisfy the following requirements:

4.1.1 Obtain, complete and submit a membership Application Form;

4.1.2 Payment of a non-refundable Application Fee of ₦2,000.00.

4.2 **Severance from Membership.**

4.2.1 A member of the Cooperative Society shall be deemed to have lost his or her membership in any of the following circumstances:

- a) Death;
- b) Permanent mental incapacitation;
- c) Voluntary resignation/ withdrawal;
- d) Expulsion/Dismissal;
- e) Default in loan repayments.

4.2.1.2 **Expulsion/Dismissal.** A member shall be expelled or dismissed from membership in any of the following circumstances:

- a) Criminal conviction by a court of competent jurisdiction;
- b) Proven case of embezzlement and or misappropriation of the Cooperative Society's funds;
- c) Removal from the Forum.
- d) Indebtedness to the society of unpaid monthly contributions of 3 months or more

4.2.2 **Severance Payment.** When membership terminates for any reason, the Cooperative Society shall pay to the departing member (or their registered Next-of-Kin, in the case of death or permanent mental incapacitation) the balance standing to their credit in the Books of the cooperative Society (including yet-to-be distributed accrued interests, if any) subject to the following deductions:

- a) All outstanding Loans plus accrued interests to date;
- b) All surety obligations arising from any loan he or she guaranteed which may have become a bad debt to the Cooperative Society;
- c) 5% administrative charge.

Article 5 Administration.

5.1 The general administration of this Cooperative Society shall rest with the following officials who shall be elected in accordance with Article 5.2:

- a) President
- b) Vice President
- c) General Secretary
- d) Financial Secretary
- e) Treasurer
- f) Provost
- g) P.R.O
- h) Internal Auditor

5.1.1 *Functions of elected officials.* The functions of the elected officials of the Cooperative Society shall be as detailed in **Schedule 1** of these byelaws.

5.2 *Election of officials.* Election shall be conducted once every two (2) years, during the Annual General Meeting which coincides with the end of a subsisting tenure. Where it is impracticable to conduct an election during this Meeting, an Interim Management/Caretaker Committee must be elected immediately to take over from the outgoing Executive Council. The Interim Management/Caretaker Committee so constituted shall convene an Emergency General Meeting to elect new officials within thirty (30) calendar days of the A G M at which the election could not hold. The Interim Management/Caretaker Committee shall have no executive powers to consider and approve any loan application or make any investment decisions, as it is purely an ad-hoc arrangement to forestall vacuum.

5.2.1 All registered members who are financially up to date as described in Article 5.2.2 below shall be eligible to contest for any office provided, they meet the conditions below:

- a. Must retain membership for no less than 2years
- b. Resident in Nigeria
- c. Credit check, Police Report and Bank Reference required.

A serving official may seek re-election for a second two-year term. However, no official shall serve more than two terms in the same office.

5.2.2 Voting rights in any election is restricted to only registered members who are up to date in their agreed minimum monthly contributions or savings. No member who is in default of even one monthly savings/contribution shall be eligible to vote or be voted for in any election.

5.2.3 Voting shall be by secret ballot and victory shall be based on a simple majority of the total valid votes cast.

- 5.2.4 All contestants must indicate prior interest by obtaining a Nomination Form upon payment of a non-refundable fee of ₦2,000. Every completed Nomination Form must be endorsed by one sponsor who is a registered member of the Cooperative Society and duly eligible to vote and be voted for in the elections.
- 5.2.5 **Electoral Committee.** Prior to any election, except election to fill an unexpected vacancy, the Executive Council shall convene a General Meeting to establish an Electoral Committee. The Committee which shall have three (3) members is responsible for screening candidates on the basis of the criteria listed in Article 5.2 – 5.2.3 above. The Electoral Committee shall take all necessary steps (including production of ballot papers, determination of voting procedure, order of election and declaration of results) to ensure a free and fair election. The Electoral Committee shall be established in the last Quarter of an election year.
- 5.2.6 Members of the Interim Management/Caretaker Committee and the Electoral Committee shall not be eligible to contest election into any office while still serving in those capacities.
- 5.2.7 If an unexpected vacancy occurs during a subsisting term of office, as a result of the sudden departure of an elected officer, the President shall set up an adhoc Electoral Committee of three (3) to conduct an election and fill such vacancy. If it is the office of the President that becomes vacant the Vice President will carry out this function.
- 5.2.8 **Swearing in and Assumption of Office.** The swearing in and assumption of office of all elected officers shall take place within 90 minutes of the declaration of results, while detailed hand over of all records, assets and liabilities (including change of bank account Signatories) by the outgoing officials must be completed within 10 working days from the date of swearing in/assumption of office.
- 5.3 **Meetings.** In the true spirit of cooperative association and to ensure efficient and effective democratic control, the Executive Council shall meet at least once a Quarter and convene one Annual General Meeting (AGM) every year. The AGM of each year shall be held on the Saturday immediately preceding the first monthly General Meeting of the Society in the following year. The AGM shall consider the Annual Financial Reports of the Cooperative Society as approved by the Registrar of Cooperatives and in accordance with the Cooperatives Act. Other duties of the AGM shall include:
- a) To approve the Executive Council's recommendations on the distribution of surpluses;
 - b) To consider any correspondence with the Registrar of Cooperatives;
 - c) To consider the (re)appointment of the external Auditor;
 - d) To elect a new Executive Council, if applicable;
 - e) To fix/approve the remuneration of the external Auditor.

- 5.3.1 **Attendance/Quorum.** While attendance at the AGM is not compulsory, members are enjoined to take active interest in these Meetings as decisions taken there shall be binding on all. One third (1/3) of the registered members, including half (1/2) of Executive Council, shall form a Quorum for purpose of an A G M.

Article 6 The Executive Management

- 6.1 The Executive Council, comprising all elected officials under the leadership of the President, shall be responsible for the day to day running of the affairs of the Cooperative Society.

Article 7 Funds: Sources, Custody and Disbursement.

- 7.1 The Cooperative Society shall derive its funds from the following sources:
- i) Membership registration fees;
 - ii) Members monthly contribution/savings;
 - iii) Loan application fees;
 - iv) Sale of nomination Forms;
 - v) Loan interest charges;
 - vi) Net earnings from commercial activities;
 - vii) Miscellaneous sources (donations, special levies, fines, sale of savings Adjustment Form, etc).
- 7.2 **Members monthly contribution or savings.** Unlike most cooperative bodies, this Cooperative Society does not have all its members earning income from the same entity. As a result, monthly contributions or savings cannot be deducted at the point of paying salaries; hence conscious steps must be taken to ensure consistent and regular savings by members. In this regard savings shall be categorized into *Monthly Contributions* and *Deposit Savings*.
- 7.2.1 **Monthly Contributions.** This is the amount of money each registered member must undertake to unfailingly contribute every month. The minimum monthly contribution is N5,000 which is to be clearly stated in the membership application form and must be strictly adhered to. A member must apply to the President for approval to increase or decrease his or her ordinary monthly savings in a savings “Adjustment Form” which shall sell for ₦2,000. Withdrawals from the balance of Monthly Contributions are not allowed. However, every loan shall be based ***only*** on the balance of the borrower’s Monthly Contributions. Similarly, the distribution of operational surpluses shall be based on Monthly Contribution balances.
- 7.2.2 **Deposit/Target savings.** This is any amount of money, besides the monthly contribution, which a member may wish to save in the Cooperative Society from time to time. It is not subject to any regularity and can be increased or decreased

at will. The following benefits and obligations are attached to *Deposit/Target savings*:

- i) Withdrawal can be made in part or whole with a 30-day notice period in writing to the Financial Secretary;
- ii) The balance of *Deposit/Target savings* shall not be considered in the distribution of operational surpluses.

7.3 ***Custody of Funds.*** All funds accruing to the Cooperative Society shall be held in a commercial bank approved at a General Meeting. The following officials shall be the authorized signatories:

- i) The President,
- ii) The Vice President (*who shall sign only in the absence of the Chairman*);
- iii) The General Secretary,
- iv) The Treasurer.

And the Mandate shall be “the President or Vice President and one other”.

7.3.1 As far as possible members shall be encouraged to make all payments online or directly at the bank and take documentary evidence to the Financial Secretary for receipting/Passbook updating. Where cash is to be unavoidably collected, a 15% handling charge shall be applied. This requirement can be waived by a written approval from the President to the Financial Secretary with a copy sent to the General Secretary to be noted. All cash collections must be banked within twenty-four hours.

7.4 ***Disbursement of funds.*** The disbursement of funds for any purpose shall be upon the written (express) approval of the President, after the Internal Auditor has ascertained that due process has been followed and recommended it to him for approval (please see Schedule 1).

Article 8 Loans

8.1 Subject to availability of funds, loans shall be granted to desiring members upon compliance with due process. However, no loan shall be granted until after twenty-four (24) calendar months from the date of commencement of operations by the Cooperative Society. The terms of the co-operative Society’s loans shall be as follows:

- i) The maximum amount any member can borrow shall be 200% of the balance of his or her Monthly Contributions and cannot apply for a loan until minimum of 6 months of unbroken monthly contributions;
- ii) There shall be three types of Loans obtainable for different durations and at commensurate interest rates as follows:
 - a) Short term Loans, for 1 – 12 months at 5% interest;
 - b) Medium term Loans, for 13 – 18 months at 7.5% interest;
 - c) Long term Loans, for 19 – 36 months at 12.5% interest.

- iii) Loans shall be repayable in equal monthly installments over the agreed period, beginning in the month immediately following the month of the loan;
 - iv) A loan shall be recovered in full before the expiration of the agreed period:
 - a) if the borrower loses his or her membership of the Cooperative Society within the repayment period;
 - b) If the borrower fails to make the required monthly repayment;
- 8.1.1 Every loan application shall be made in the prescribed form, obtainable from the Financial Secretary at a cost of ₦500. All applications are to be vetted by the Executive Council with no presumption of acceptance on application
- 8.1.2 The completed loan application Form shall be returned to the Financial Secretary for further action.
- 8.2 Security of Loans. Each loan shall be secured on specified assets of the borrower and two guarantors. For guarantors, the specific assets shall be the balances of their ordinary monthly Savings and any Deposit savings; or as they may otherwise specify.
- 8.3 Failure to make any monthly repayment shall attract a penalty/fine of 15% of the amount due.
- 8.4 ***Loans to and from other Cooperative Societies.*** Subject to the prior approval of the Registrar of co-operatives, this Co-operative Society may grant loans to another registered Cooperative Society, or borrow from any willing Cooperative Society within Nigeria.

Article 9 Appropriation of Annual Surpluses

Any annual surplus shall be appropriated as follows:

- i) 25% shall be transferred to the statutory Reserve Fund to be created pursuant to S.37 (2) of the Co-operative Societies Act;
- ii) 25% shall be set aside for reinvestment;
- iii) 50% shall be paid out to members as dividend on their Ordinary monthly savings.

Article 10 Books of Account and Records

- 10.1 The Co-operative Society shall maintain the following Books of Account and records
- i) A General Ledger
 - ii) A cash Book
 - iii) A Loans Register
 - iv) Investment/Assets Register
 - v) Membership/Attendance Register

- vi) Minutes Book in respect of Executive Council meetings and AGMs.
- vii) Such other records as may be prescribed, from time to time, by the Registrar or the Cooperative Society in General Meeting.

10.2 **Passbooks.** Every registered member shall be issued a passbook or similar form of record keeping, showing particulars of their Monthly Contributions.

10.2.1 Separate passbooks and/or similar means of record keeping shall be issued for Deposit Savings.

Article 11 Dispute Resolution/Grievance Procedure

Any complaint regarding the affairs of the Co-operative Society shall, in the first instance, be made to the Executive Council through the President. If the aggrieved member is dissatisfied with the outcome of the Executive Council's explanations, he or she should appeal to the President for intervention. Where the intervention by the President still fails to yield the desired result, then the Executive Council shall invite the Registrar of Cooperatives to hear both sides to the dispute and make a ruling.

Article 12 Miscellaneous Provisions

12.1 **Affiliation.** This Co-operative Society shall, at the earliest possible time, seek affiliation with the nearest local federation of multi-purpose Co-operative societies, unless there are reasons, acceptable to the Registrar, why this is impracticable.

12.2 **Seal.** The Co-operative Society shall have a Seal which shall be made in a pattern approved by the Executive Council. The President shall have custody of the Seal.

12.3 **Disciplinary Procedure.** The President shall have the power to suspend any member of the Co-operative Society in the event of a proven case of serious misconduct. A serious misconduct is any action by a member, which is considered to be a grave obstacle to the smooth running of the Society. Such action shall include, but not limited to:

- i) Physical assault;
- ii) Foul or abusive language; and
- iii) In the case of Executive Council members: -
 - a) failure to implement the Auditor's recommendations;
 - b) Failure to bank cash collections within twenty-four hours;
 - c) disclosing confidential information without authority.

12.4 *Amendment to these Bye-Laws*

The members of the Co-operative Society at any AGM may pass a resolution by 2/3 majority of all members present to amend any Article or section of these Bye-Laws.

12.5 *Liquidation*

This Cooperative Society is a creation of the Class of 89 Foundation

Comkadosa 89ers Thrift and Cooperative Society, Abuja can only be liquidated with the express approval of that Body. A Motion for Liquidation of the Cooperative Society may be tabled at any General Meeting of the Forum, provided that at least 2/3 of the registered members of the Cooperative Society are present and in support thereof. The Motion shall be debated by all members of the Forum present, regardless of their membership of the Cooperative Society; and the proposed liquidation shall be deemed to have been approved if, and only if, 2/3 of the entire members' present vote in favor of it.

Schedule 1: Duties of Members of the Executive Council

1. *The President*

- a) He/she is the chief Executive officer and shall preside over all meetings of the Executive Council;
- b) He/she shall be a Signatory to all Bank accounts of the Co-operative Society;
- c) He/she shall give written approval of all expenditure/disbursement of funds;
- d) He/she shall determine the frequency of Executive Council meetings;
- e) He/she shall present all Reports Annual General Meetings;
- f) He/she shall sign all Minutes of Meetings;
- g) He/she shall approve all Disciplinary actions to be taken against any member on the advice of an appropriate organ of the Co-operative Society.

2. *The Vice President:*

- a) He/she shall assume the powers and functions of the Chairman in his/her absence. In this regard, the Vice President shall be the President's alternate signatory to the bank accounts;
- b) He/she shall perform any other duties as may be assigned by the President.

3. *The General Secretary:*

- a) He/she is the Chief Administrative officer and head of the Secretariat;
- b) He/she shall be responsible for custody and maintenance of administrative records of the Cooperative Society, including these Byelaws, the Membership Register, Attendance Register, Minutes Books for Quarterly and Annual General Meetings, records of meetings of the Executive Council and other activities, correspondence with individual members and third parties;
- c) He/she shall be signatory to all outgoing correspondence and deal with all incoming ones;
- d) He/she shall be a signatory to Bank accounts of the Cooperative Society.

4. *The Treasurer:*

- a) He/she shall be the custodian of all Bank Account records of the Cooperative Society, such as cheque Books, ATM cards (if obtained), Bank Statements, etc;
- b) He/she shall receive the total cash collected, if any, at each Meeting and ensure that it is banked within 24 hours;
- c) He/she shall be the Cooperative Society's contact person in respect of all dealings with the bank. Accordingly, he/she shall be a co-signatory to Bank Accounts and all written correspondences with the Bank;
- d) He/she shall maintain the Co-operative Society's Cash Book.
- e) He/she must prepare monthly Bank reconciliation statements to ensure that all transactions have been accounted for.

5. *The Financial Secretary:*

- a) He/she shall be in charge of actual cash collection, if any, from individual members, the total of which he/she must hand over to the Treasurer at the end of each meeting;
- b) He/she shall issue Receipts for all cash collections immediately cash is collected or evidence of direct deposit into the account is brought to him/her;
- c) He/she shall be the custodian of all Receipt Books (both used and unused);
- d) He/she shall be the custodian and disbursing officer of any Imprest which the Executive Council may decide to keep for the running of the Secretariat, servicing of Executive Council Meetings, etc. He shall maintain a petty Cash Book for this purpose and submit it for regular internal Audit Checks;
- e) He/she shall keep and maintain the General Ledger. All unissued Pass books shall be in his/her custody;
- f) He/she shall collate all relevant records and prepare, on quarterly and annual bases, the Cooperative Society's Balance Sheet and Income & Expenditure Statements.

6. *The Internal Auditor:*

- a) He/she shall carry out 100% prepayment Audit of all expenditure/disbursements. In this regard all requests or applications for funds shall be passed to the President through the Internal Auditor to enable him/her verify that due process has been followed;
- b) He/she shall carry out an audit of the quarterly and annual financial statements and issue a Report to the Cooperative Society in General Meetings;
- c) He/she shall have access to all records of the Cooperative Society (financial or otherwise) which he/she deems necessary for the performance of his/her duties.

7. *The P.R.O*

- a) He/she shall be the spokesman of the Cooperative Society;
- b) He/she shall pass notice of meetings to members and dispatch all outgoing correspondences;

8. *The Provost:*

- a) Maintain discipline amongst members;
- b) Chair any Disciplinary Panel so formed on the instruction of the President.

Schedule 2. The Audit Standing Committee

There shall be established an Audit Standing Committee which shall be independent of the Executive Council to exercise oversight powers over the financial records and reports.

Membership and Tenure. The Audit Standing Committee shall have three (3) members, appointed by the President of the Society from among members of the Society. The Committee shall be established after every election of the Executive Council; and its tenure shall run concurrently with that of the Executive Council.

Functions of the Audit Standing Committee.

- a) To examine the records and accounts of the Cooperative Society and verify that laid down procedures have been complied with in all transactions;
- b) To review loan recovery reports and records of follow-up actions to ascertain that appropriate actions have been taken regarding bad debts;
- c) To review the Internal Auditor's reports, paying particular attention to how the Executive Council has handled his/her recommendations;
- d) To review the quarterly and annual financial reports prepared by the Executive Council to confirm that due process has been followed;
- e) To issue a report as to whether or not the financial statements are a true and fair representation of the affairs of the Cooperative Society in the period under review.