CORE CONCEPT

# Cooperative Societies Management Course: Governance, Member Equity and Patronage Dividends

**Cooperative Societies Management Course: Governance, Member Equity and Patronage Dividends**

## Introduction:

Cooperative societies management, covering governance, member equity and patronage dividends, is a 1-week course for board, management and supervisory teams of agricultural, fishing, consumer and housing cooperatives that ends with a Cooperative Governance and Member Economics Improvement Plan for a case society. Societies lose member trust when assemblies lack quorum, boards act without delegated limits, capital and reserves go unrecorded and surpluses ignore member trade. Nominees already sit on a cooperative board, manage a society or supervise societies, and learn through case studies built on bylaws, minutes and member ledgers. CoreConcept Training Center delivers this cooperative societies management course.

## Course Objectives:

- Apply the seven cooperative principles to test whether a society's bylaws, membership rules and trading practices keep it member-owned and member-controlled
- Run general assemblies and board meetings with a valid quorum, one member one vote procedures and minutes that record member decisions
- Set a delegation of authority between the elected board and the hired manager and track it through committee charters
- Calculate member share capital, indivisible reserves and patronage dividends allocated by each member's trade with the society
- Organise marketing pools and joint input purchasing with transparent advances, final settlements and member order records
- Design financial controls and a cooperative audit response that detect cash, stock and related-party weaknesses

## Target Audience:

- Elected board teams responsible for setting cooperative policy, approving budgets and reporting to the general assembly
- Society management teams responsible for daily trading, staff and member services in agricultural, fishing, consumer or housing cooperatives
- Supervisory and registration units responsible for overseeing societies, reviewing audits and approving bylaws amendments
- Finance and accounting teams responsible for member ledgers, share capital records and surplus distribution
- Union and federation teams responsible for advisory, audit and bulk trading services to member societies

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## Course Outline:

### Day 1: Cooperative Identity, Society Types and Governance Baseline

- Cooperative Identity Statement Values and Seven Principles Review
- Agricultural, Fishing, Consumer and Housing Society Model Comparison
- Primary, Secondary and Federated Cooperative Structure Mapping
- Investor-Owned Firm Versus Member-Owned Society Contrast Matrix
- Cooperative Health Check Using Membership, Trade and Board Records

### Day 2: Bylaws, General Assembly and Board Governance Models

- Bylaws Drafting Checklist for Membership, Capital and Surplus Clauses
- General Assembly Agenda, Quorum and One Member One Vote Procedure
- Board Election, Term Rotation and Committee Charter Templates
- Board and Hired Manager Delegation of Authority Matrix
- Member Rights Register Covering Admission, Information and Withdrawal

### Day 3: Member Economics, Marketing Pools and Joint Input Purchasing

- Member Share Capital Schedule and Indivisible Reserve Allocation
- Patronage Dividend Worksheet Based on Member Trade Volumes
- Retained Patronage and Member Equity Redemption Schedule
- Marketing Pool Accounts With Advance Payments and Final Settlement
- Joint Input Purchasing Tender and Member Order Aggregation Sheet

### Day 4: Financial Controls, Cooperative Audit and Governance Failure Cases

- Segregation of Duties and Cash Handling Controls for Societies
- Cooperative Audit Scope for Financial, Membership and Governance Reviews
- Member Credit, Stock Shrinkage and Related-Party Trade Red Flags
- Board Capture, Inactive Membership and Demutualisation Warning Signals
- Union and Federation Services for Audit, Training and Bulk Trade

### Day 5: Case Study and the Cooperative Governance and Member Economics Plan

- Case Society File Review of Bylaws, Minutes and Member Ledger
- Case Governance Gap Rating Against the Seven Cooperative Principles
- Case Surplus Distribution and Patronage Dividend Scenario Model
- Case Control Weakness Log and Audit Response Actions
- Cooperative Governance and Member Economics Improvement Plan Completion

## Skills You Will Gain:

- Bylaws Gap Analysis
- Assembly and Board Procedure
- Authority Delegation Design
- Surplus Allocation Modelling
- Member Equity Accounting
- Pool Settlement Accounting
- Collective Procurement Coordination
- Cooperative Internal Control

## Why Attend This Course:

- Deliver a Cooperative Governance and Member Economics Improvement Plan for a case society to the board chair, the general manager and the supervising unit
- Decide how much surplus to place in reserves and how much to return as patronage dividends on member trade
- Avoid contested assemblies, audit qualifications and member exits caused by unclear bylaws, missing ledgers and weak cash controls
- Share bylaws checklists, assembly procedures and dividend worksheets with fellow board members and society staff

## Conclusion:

Back at work, the participant presents the Cooperative Governance and Member Economics Improvement Plan to the board chair, general manager and supervising unit, who use it to decide which bylaws amendments go to the next general assembly, how the coming surplus is split between reserves and patronage dividends, and which control weaknesses are corrected first. Finance staff apply its equity and pool settlement schedules to the member ledger. After the first general assembly held under the plan, the society should review attendance, member trade volumes, audit findings and member complaints, then adjust the plan.

## Frequently Asked Questions FAQ:

### What should participants know before a cooperative societies management course?

Participants should already serve on a cooperative board, manage a society or supervise registered societies, and be able to read a simple balance sheet. Bringing anonymised bylaws, assembly minutes or a member ledger extract helps apply the case studies to their own society.

## How does cooperative societies management differ from an agricultural marketing or social enterprise course?

It centres on how a member-owned society is governed and how its capital and surplus belong to members: bylaws, assemblies, boards, share capital, patronage dividends and audit. Marketing courses address buyers and produce channels, and social enterprise courses address hybrid ventures and impact investors.

## Why are patronage dividends central to cooperative societies management?

Patronage dividends return surplus to members in proportion to their trade with the society, not the capital they hold. This keeps the society serving its users, rewards active members and distinguishes cooperatives from investor-owned companies, so the allocation basis belongs in the bylaws.

## What do participants take back from the cooperative societies management course?

Participants take back a Cooperative Governance and Member Economics Improvement Plan for a case society, with a bylaws checklist, assembly procedure, delegation of authority matrix, patronage dividend worksheet and control weakness log to adapt to their own cooperative.