

DECALOGY OF COOPERATIVES MANAGEMENT

8

**MANUAL ON
MEMBERSHIP
FOR COOPERATIVES**

ABSTRACT

The Membership Manual for Cooperatives is designed for primary cooperatives as a guide in creating their own respective Membership Policy. This manual will allow them to see the step-by-step process on its membership aspect aligned with the cooperatives' regulating bodies such as CDA compliance, Cooperative by-laws, and Customer-Centric Membership Policy. On each step, they may adapt the best practices that may fit their cooperative to further enhance their membership system and improve the whole organization. This will also help them check their cooperatives' current situations and be more aware of the reality, and come up with strategies relevant to the improvement of their cooperatives.

ACKNOWLEDGEMENT

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I. Foreword

The Membership Manual for Cooperatives was commissioned by the National Confederation of Cooperatives (NATCCO) to the Bayan Academy for Social Entrepreneurship and Human Resource Development (BASE-HRD) to collaborate on their journey in promoting the growth and development of their member cooperatives through the establishment of a Cooperative Academy. Part of that effort is the development of the Membership Manual that would support the cooperatives' needs in regulating and enhancing their Membership Policy and the entire organization.

II. How to use the manual

This manual is designed for primary cooperatives as a guide in creating their own respective Membership Policy. The things to consider in developing a membership policy are the following:

1. Compliance with CDA
2. In accordance with cooperative-by-laws
3. Customer-centric membership policy

This manual will allow the users to see the step by step process on its membership aspect aligned with the cooperatives' regulating bodies. On each steps, they may adapt the best practices that the primary cooperatives think would fit on theirs to further enhance their system for the membership and improve the whole organization.

The users of the manual may use this to strategize and be more sensitive in dealing with the members of the cooperative. This is intended to make the users realize that in every aspect of the organization, there are things to be enhanced or developed and since the cooperatives are surviving and operating because of their members, they should be able to see how important to prioritize the welfare of its members from application to termination, the processes to be followed, and guidelines to be implemented.

III. Who are the users of the manual

The intended users of the manual are the primary cooperatives. They may use the manual to assess their practices on their respective cooperatives, what should be enhanced, which steps to be adapted, etc. These users are the leaders who keep the operations of the cooperative going and make sure that the welfare of the employees, members, and cooperative itself are taken care of.

MANUAL ON MEMBERSHIP FOR COOPERATIVES

Introduction

A cooperative is an organization that is voluntary and open to all persons who are willing to accept the responsibilities of being a member without any discrimination in terms of gender, social, racial, cultural, political or religious discrimination.

One should actively participate and support in setting policy and decision making for the betterment of the organization. These kinds of responsibilities are expected to the members since they are also co-owners, meaning, they have invested a certain amount of money for the cooperative to operate. It is also called share capital.

As a member, they should be responsible to follow certain rules which every organization should have. This will help regulate the membership of the cooperatives as they comply in accordance to their by-laws. They should have a specific list of do's and don'ts since membership in a cooperative has many terms to consider. It may include the character of a person, its ability to pay, and even the assets the person is willing to make as collateral.

Step 1: Development of a Declaration on the Need for a Membership Policy

The need for establishing a membership policy in every cooperative, whatever its type and the purpose is backed up by three main references. These are the Cooperative Development Authority (CDA) related regulations, the by-laws of the cooperative and its related promulgations on the importance of membership in the cooperative.

Membership policy is one of the most crucial policies to be developed as it explains why the cooperative was founded in the first place. It also aims to answer the following queries: why a cooperative needs to make its members the core of its operations, why it needs to protect its members and continues to innovate to promote the members' welfare.

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Sample declaration statements:

Sample 1.1

Declaration of Policy

This policy paper delivers guidelines on governing membership in (name of the cooperative) in accordance with the Cooperative Development Authority (CDA) regulations, in response to the related and relevant provision of (name of the cooperative) by-laws and other policies and procedures as approved by the Board of Directors of the cooperative.

Another way of stating the declaration of policy is through a statement of purpose of the membership policy, to wit:

Sample 1.2

Statement of Purpose

This policy provides guidelines governing membership in the (name of the cooperative) derived from CDA Regulations, membership provisions of the (name of cooperative) By-laws and policies and procedures approved by the Board of Directors for the orderly implementation of the cooperative programs and services.

Reality Check:

It must be considered that cooperatives are faced with the challenge of inviting potential members to attend the CDA required Pre-Membership Evaluation Seminar (PMES). Before developing the membership policy, the cooperative must be able to anticipate challenges in the process of mobilizing members. Find out the reasons why people might not want to become members and develop ways to hurdle this.

Step 2: Type of Membership or Classification

It is important to note that membership is open and voluntary. It is the cooperative's responsibility to educate its potential members specifically on the importance to become a member, the benefits as well as their duties in the attainment of the cooperative's mission.

There are two common types of membership in credit and savings cooperative: A member can be regular or associate member.

A regular member enjoys the full benefits that can be acquired from the cooperative as stated in its policies and procedures. They can also vote and can be voted upon.

The cooperatives have the right to identify who can be considered as a regular member. Some have rules such as, within a year, the member could already be recognized as a regular member if she/he has comply all the requirements needed in becoming a regular member. An age limit is also considered by other cooperatives like members whose ages are 18 to 60 years old only.

On the other hand, an associate member has limited benefits. It includes attending assemblies but they are not allowed to vote and be voted for.

An example is shown below for the sample qualifications on being a member of a cooperative. These qualifications can be used to regulate a specific cooperative.

Sample 2.1

Qualifications for Membership

Any natural person who is a citizen of the Philippines

- a. Who resides within the service coverage area.
- b. Who is a person of good standing in his/her community with good moral character and integrity (not convicted of any offense involving moral turpitude; not associated with any anomalous acts/practices; not declared insolvent).
- c. Who is of a sound mind and has the capacity to contract.
- d. Who agrees to obey faithfully the Rules and Regulations as set down in the Incorporation & By-laws, the decisions of the general membership meetings, and those of the CDA and the Board of Directors.

For the employees of the cooperative, they also have the opportunity to be a member. However, the type of employment could matter on the type of membership they are allowed to avail. Below is an example of their membership qualifications among the employees of the cooperative:

Sample 2.2

Who can become a member?

Membership of (name of cooperative) is a privilege extended to employees of (name of cooperative) with the following conditions:

1. Only Regular employees are qualified to become Regular Members of the Cooperative.
2. Probationary employees may apply as Probationary Members of the Cooperative.
3. Regular Members may apply to be Associate Members upon separation from the cooperative.

Reality Check:

Why do cooperatives set age limits for its members? Why is it that they prefer to have members with jobs or with regular income? Isn't this in contrast to the value of inclusivity?