

Bylaw Requirements

Cooperatives Act

April 2002

This document does not apply to extra-provincial cooperatives continuing or registering under the *Cooperatives Act* as the bylaws in their own jurisdictions apply.

This document identifies what must be and what may be included in bylaws for cooperatives that are continuing, or incorporating under Alberta's *Cooperatives Act* and includes the additional requirements for housing, multi-stakeholder, employment and new generation cooperatives.

The *Cooperatives Act*, which came into effect April 1, 2002, does not include standard bylaws. However, the Act and Cooperatives Regulation identify what must be and what may be included in your bylaws.

The bylaws govern cooperative's internal operations. The Act, regulation and Articles of Incorporation take precedence over the bylaws if there is a conflict between them.

The cooperative's board of directors is responsible for ensuring the bylaws are developed, presented and voted on by the membership. Bylaws do not have to be submitted with continuance or incorporation documents but cooperatives must meet the deadlines for filing their bylaws with the Director of Cooperatives.

Bylaw deadline for new incorporations

The directors must hold a meeting of members within 180 days of the issuance of the Certificate of Incorporation to make the bylaws. The bylaws come into force the day they are made, or on any later day specified in the bylaws or in the resolution adopting them. Bylaws are binding on both the cooperative and its members.

Bylaws must be filed with the Director within 60 days of the date they come into force. They must be signed by the directors and must have an attached Affidavit of Execution verifying the signatures. Every member and investment shareholder is entitled to receive a copy of the cooperative's bylaws at no charge, once a calendar year.

Bylaw deadline for existing cooperatives

Members of cooperatives continuing under the *Cooperatives Act* must meet to make bylaws within a year of the Certificate of Continuance being issued, or at the next annual meeting of the cooperative which ever occurs first. The cooperative may also call a special meeting to make the bylaws.

The bylaws come in force on the day they are filed with the Director of Cooperatives. Bylaws are binding on both the cooperative and its members.

Bylaws must be filed with the Director within 60 days of the date they are made. They must be signed by the directors and must have an attached Affidavit of Execution verifying the signatures. Every member and investment shareholder is entitled to receive a copy of the bylaws of the cooperative at no charge, once a calendar year.

The bylaws made under the *Co-operative Associations Act* remain in effect until the new bylaws are filed with the Director of Cooperatives. The new bylaws come into force at that time. The Act, regulation and Articles of Incorporation take precedence over the bylaws if there is a conflict between them.

How to use this document

The following chart organizes bylaw requirements in the categories listed below. Each category contains a statement about the requirement and identifies the section of the *Cooperatives Act* or the Cooperatives Regulation that applies. Cooperatives can use the fourth column, 'Bylaw cross reference,' as a reference when creating or amending bylaws.

Membership and member
Directors and officers
Meetings
Investor shares
Patronage
Voting and voting rights
Other.

If you need more information about bylaws, please contact us at
Phone: Edmonton: (780) 427-5210
Toll free in Alberta: dial 310-0000 and follow the instructions.
e-mail: government.services@gov.ab.ca

**Membership/Member
Mandatory Requirements – Apply to all cooperatives**

Topic	Act Section Number	Reg. Section Number	Bylaw cross reference
<ul style="list-style-type: none"> Requirements, qualifications and procedures for membership 	32 33(1)(a) 33(1)(c)	45(a) 45(b)	
<ul style="list-style-type: none"> Requirements for joint membership 	33(3) 33(4)		
<ul style="list-style-type: none"> Cessation or withdrawal of membership including terms and conditions on which membership can be terminated Determining the value and disposition of the member's interest in the cooperative 	36(1) 36(2)	45(i)	
<ul style="list-style-type: none"> Rights and obligations of members 		45(c)	
<ul style="list-style-type: none"> Auxiliary members 		45(d)	
<ul style="list-style-type: none"> Transferring or assigning a member's interest 		45(e)	
<ul style="list-style-type: none"> Minimum number of shares for membership 	102(1)		
<ul style="list-style-type: none"> Cooperatives holding their own shares 	126(1)(b)(i)		
<ul style="list-style-type: none"> Other requirements for all housing cooperatives only – member's obligation to provide capital 	392(2) or 402(2)(a)		
<ul style="list-style-type: none"> Other requirements for all housing cooperatives only – ending a membership 	396(1) or 402(2)(c)		
<ul style="list-style-type: none"> Other requirements for home ownership cooperatives only – member's right to access, use, and possess related services and ancillary facilities 	402(2)(g)		
<ul style="list-style-type: none"> Other requirements for all housing cooperatives only - determining member's equity or share value upon termination or dissolution 	392(2)(d) or 402(2)(d)		
<ul style="list-style-type: none"> Other requirements for employment cooperatives only – ending a membership 	410(b)		

Topic	Act Section Number	Reg. Section Number	Bylaw cross reference
<ul style="list-style-type: none"> Other requirements for employment cooperatives only – probation for applicants 	410(d)		

**Membership/Member
Optional Clauses – Apply to all cooperatives**

<ul style="list-style-type: none"> Representation of members by delegates 	9(2)(a)		
<ul style="list-style-type: none"> Division of members into classes 	9(2)(b)		
<ul style="list-style-type: none"> Use of member lists Member's right to be removed from list 	30(1) 30(2)(c) 30(4)		
<ul style="list-style-type: none"> Membership of individuals under 18 years of age 	35(1)		
<ul style="list-style-type: none"> Alternatives for redeeming membership shares and loans 	37(1) 44		
<ul style="list-style-type: none"> Ability to shorten the time it takes for directors to end a membership Members right to appeal 	38 39(1) 40(1)		
<ul style="list-style-type: none"> Readmission requirements for members terminated by the directors or by the membership 	47(1) 47(3)		
<ul style="list-style-type: none"> Requirements for transferring member interest after the death of a member or joint member 	48(2) 48(4)		
<ul style="list-style-type: none"> Issuing membership certificates 	103(1)		
<ul style="list-style-type: none"> Enforcing a charge on a membership share, membership loan or amount outstanding to the credit of a member 	107(2)(a)		
<ul style="list-style-type: none"> Other requirements for employment cooperatives only – extending a terminated member's appeal period 	411(1)		
<ul style="list-style-type: none"> Other requirements for new generation cooperatives only – extending the time a cooperative has to redeem membership shares or repay loans 	425		

Topic	Act Section Number	Reg. Section Number	Bylaw cross reference
• Other requirements for new generation cooperatives only – calculating patronage returns	428(2)		
• Other requirements for new generation cooperatives only – limiting directors' discretion re: transferring a member's interest	429(c)		
• Other requirements for new generation cooperatives only – limits the transfer of member interest	426		

Directors/Officers

Mandatory Requirements - Apply to all cooperatives

• Election or appointment of first directors	55(2)		
• Selection, qualifications, terms of office and removal of directors and members of committees of directors		45(f)	

Directors/Officers

Optional Clauses - Apply to all cooperatives

• Designate as an officer of cooperative by bylaw	1(1)(ii)		
• A person's right to elect or appoint more than one director	51(2)		
• Additional qualifications or disqualifications of directors	52(2)		
• Additional rules for electing or appointing directors	57(1)		
• Additional provisions for electing or appointing directors to fill a vacancy on the board	60(1) 62 64		
• Remuneration for directors, officers and employees of the cooperative	92		
• Directors may designate the types of offices held and their functions.	93		

Topic	Act Section Number	Reg. Section Number	Bylaw cross reference
<ul style="list-style-type: none"> Alternate provisions respecting borrowing powers of directors. 	119		

Meetings

Mandatory Requirements –Apply to all cooperatives

<ul style="list-style-type: none"> Location of Directors' meetings 	69(1)		
<ul style="list-style-type: none"> Voting requirements for electronic meetings 		45(j)	
<ul style="list-style-type: none"> Other requirements for all housing cooperatives only – notice period for meeting re: budget & fees or housing charges 	392(f) or 402(2)(k)		
<ul style="list-style-type: none"> Other requirements for housing cooperatives only – requirements for meeting to approve admission to membership 	392(i) or 402(2)(n)		

Meetings

Optional Clauses – Apply to all cooperatives

<ul style="list-style-type: none"> Alternate meeting locations 		17(1)	
<ul style="list-style-type: none"> Alternative methods for participating in a meeting 		17(2) 17(3)	
<ul style="list-style-type: none"> Allows electronic directors' meetings 	75(1)		
<ul style="list-style-type: none"> Notice requirements for investment shareholder meetings 		20(3)	
<ul style="list-style-type: none"> Changing record date requirements 		23(1)	
<ul style="list-style-type: none"> Changing record date's advertising requirements for investment shareholders 		23(2)	
<ul style="list-style-type: none"> Percentage of voting rights required to requisition a meeting 		26(1) 26(2)	
<ul style="list-style-type: none"> Method of calling a meeting 		27(2)	
<ul style="list-style-type: none"> Submitting proposals 		30(6) 30(7)(f)	
<ul style="list-style-type: none"> Quorum for member or investment shareholder meetings 		34 35	

Topic	Act Section Number	Reg. Section Number	Bylaw cross reference
<ul style="list-style-type: none"> Alternatives to written resolutions instead of meetings 		40(1) 40(2)	
<ul style="list-style-type: none"> Alternative to the 10-day notice period for directors' meetings 	69(2)		
<ul style="list-style-type: none"> Alternatives to quorum provisions for directors' meeting 	73		

Investor Shares
Optional Clauses – Apply to all cooperatives

<ul style="list-style-type: none"> Enforcing a charge on investment shares 	113(2)		
<ul style="list-style-type: none"> Power to issue investment shares 	117		

Patronage
Optional Clauses – Apply to all cooperatives

<ul style="list-style-type: none"> Sets rate for patronage returns to non-members who use services 	137(1) 137(2) 137(4)		
<ul style="list-style-type: none"> Percent of patronage return to be applied to share purchase Member requirement to lend the return to the cooperative, and setting the interest rate 	138(1) 138(2) 139		
<ul style="list-style-type: none"> Exceptions to special business that cannot be discussed at a special or annual meeting 		24(1)(f) 24(1)(i)	

Voting/Voting Rights
Mandatory Requirements – Apply to all cooperatives

<ul style="list-style-type: none"> Permits cumulative voting by investment shareholders 	115(3)(c)		
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Voting/Voting Rights
Optional Clauses – Apply to all cooperatives

<ul style="list-style-type: none"> Voting rights for delegates 	34	33(1)	
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Topic	Act Section Number	Reg. Section Number	Bylaw cross reference
<ul style="list-style-type: none"> Vote by members only to fill vacancy in office of auditor 	239(3)		
<ul style="list-style-type: none"> Shorter alternative to the 10-day notice requirement to which a transferee of investment shares can request to be included in the list for eligible voters before the meeting 		33(5)(b)	
<ul style="list-style-type: none"> Alternatives to joint voting by members and shareholders 		37	
<ul style="list-style-type: none"> Alternative voting methods Electronic voting 		38(1)(a) 38(1)(b) 38(2) 38(3) 39(1)	
<ul style="list-style-type: none"> Determining a quorum for voting 		34 35	

**Other
Mandatory Requirements – Apply to all cooperatives**

<ul style="list-style-type: none"> How a liquidator must provide notice to affected people 	323(4)		
<ul style="list-style-type: none"> Distribution of any surplus funds of the cooperative 		45(g)	
<ul style="list-style-type: none"> Define the relationship if a cooperative is acting as an agent for its members 		45(h)	
<ul style="list-style-type: none"> Other requirements for all housing cooperatives only – a procedure to determine disputes, including a mediation process 	392(2)(b) or 402(2)(b)		
<ul style="list-style-type: none"> Other requirements for home ownership cooperatives only – requirements for selling a self-contained housing unit 	402(2)(e)		

Topic	Act Section Number	Reg. Section Number	Bylaw cross reference
<ul style="list-style-type: none"> • Other requirements all for housing cooperatives only – requirements for leasing or renting a self-contained unit owned by a member or occupied by a member, or lease or rental of a unit occupied by a member 	392(2)(l) or 402(2)(f)		
<ul style="list-style-type: none"> • Other requirements for all housing cooperatives only – establishing adequate reserves. 	392(2)(e) or 402(2)(h)		
<ul style="list-style-type: none"> • Other requirements for home ownership cooperatives only – establishing and maintaining adequate insurance 	402(2)(i)		
<ul style="list-style-type: none"> • Other requirements for home ownership cooperatives only – rights of mortgagors of individual self-contained units 	402(2)(j)		
<ul style="list-style-type: none"> • Other requirements for all housing cooperatives only – circulating the budget 	392(2)(g) or 402(2)(l)		
<ul style="list-style-type: none"> • Other requirements for all housing cooperatives only – directors' authority to set fees or charges 	392(2)(h) or 402(2)(m)		
<ul style="list-style-type: none"> • Other requirements for all housing cooperatives only – directors' borrowing authority 	392(2)(j) or 402(2)(o)		
<ul style="list-style-type: none"> • Other requirements for employment cooperatives only – member's obligation to provide capital 	410(a)		
<ul style="list-style-type: none"> • Other requirements for employment cooperatives only – dealing with surplus earnings 	410(c)		
<ul style="list-style-type: none"> • Other requirements for employment cooperatives only – allocating work 	410(e)		
<ul style="list-style-type: none"> • Other requirements for employment cooperatives only – lay off or suspension of members 	410(f) 412(l)		

Topic	Act Section Number	Reg. Section Number	Bylaw cross reference
<ul style="list-style-type: none"> Other requirements for employment cooperatives only – recalling members to work 	410(g)		

**Other
Optional Clauses – Apply to all cooperatives**

<ul style="list-style-type: none"> The Articles may include any provisions that could be included in bylaws. 	5(2)		
<ul style="list-style-type: none"> Referring disputes between members and the cooperative 	9(2)(d)		
<ul style="list-style-type: none"> Making or changing bylaws other than by ordinary resolution Directors can make bylaws or change bylaws. 	10(1), 10(2)		
<ul style="list-style-type: none"> Alternatives for inspection of records by directors 	28(6)		
<ul style="list-style-type: none"> Additional financial information to be sent to investment shareholders when no annual meeting of investment shareholders required 	99(c)		
<ul style="list-style-type: none"> Issuing a security certificate 	160(1)		
<ul style="list-style-type: none"> Filling vacant auditor position 	239(3)		
<ul style="list-style-type: none"> Capital and corporate structure needs for continuance & amalgamation certificates 	260(1)(c) 260(2)(c)		
<ul style="list-style-type: none"> Alternatives for providing a notice or document to members, investment shareholders and directors 	346(1)		
<ul style="list-style-type: none"> Additional information about the financial position to be presented to members 	228(1)(c)		
<ul style="list-style-type: none"> Other requirements for continuing housing cooperatives only – application of the <i>Residential Tenancies Act</i> or <i>Mobile Home Sites Tenancies Act</i>. 	393		

Topic	Act Section Number	Reg. Section Number	Bylaw cross reference
<ul style="list-style-type: none"> • Other requirements for continuing housing cooperatives only – the rights under which a member can allow other persons to occupy the unit 	394(2)		
<ul style="list-style-type: none"> • Other requirements for new generation cooperatives only – contract requirements for the cooperative and its members 	429(a)(i) to 429(a)(vii)		
<ul style="list-style-type: none"> • Other requirements for new generation cooperatives only – the operation of pools and the distribution of money from the pool 	429(b)		