

Organisation and Management of Cooperatives

In organizing and managing a cooperative society, certain factors that must be considered are:

- (i) Existence of initiatives to organise a Cooperative
- (ii) Need to make preliminary investigations
- (iii) Consideration for initial membership size and future population
- (iv) Consideration for member's privileges and obligations
- (v) Establishment of corporate existence
- (vi) Presence of Rules and Bye-laws
- (vii) Leadership
- (viii) Financial Commitments
- (ix) Capacity to keep financial and other records of the Society
- (x) Availability of auditing facilities

How to Organise a Cooperative Society

When at least ten (10) persons have interest in starting a cooperative society, a letter of invitation will have to be sent to the appropriate Ministry or Government Department in the State, for an initial education. An Inspector is then assigned to the prospective society to nurture and supervise it up to the stage of registration. Membership may range from those who initiated the formation of the group or who might have joined after the inauguration.

In all, every member will be expected to pay the entrance fees, Development, social and entertainment levies, building funds and other levies, apart from the pre-determined share capital to which individuals must subscribe. Note that, not until a member pays these fees, he cannot be considered as a bonafide member of the society.

On payment, his personal data with passport photographs will be recorded in the Membership and Attendance register, which he/she must be made to sign as a member. Such members are expected to attend meetings regularly and to make meaningful contributions when necessary.

To register any intention for membership, the individual may have to write a Letter of Application for membership, naming his/her Sponsor who must be well known to many in the Community. Committee may have to examine the application and verify the personality and integrity of the prospective member. If eventually accepted, the new member will be introduced to all members during the general meeting.

Structure of Cooperative Organisation in Nigeria

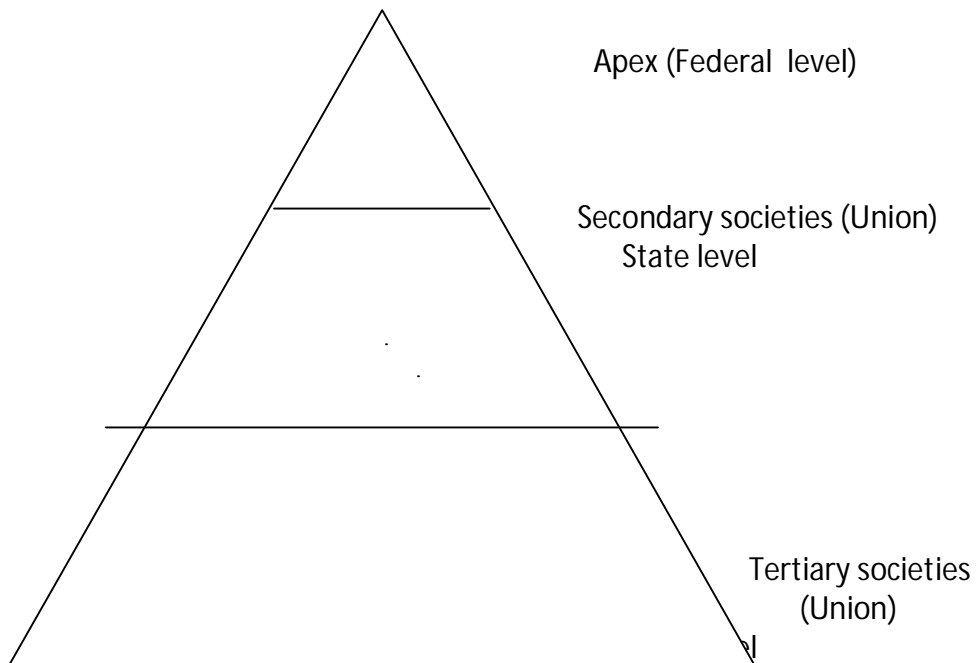
Cooperative societies world wide are organised in "tiers" of which the most common is the 3-tier system, consisting of the primary society(village level), secondary society (Union) and the Apex Organisation.

The primary societies are usually organised at village/community levels where individual cooperators join as members who follow cooperative principles as stated in the bye-laws.

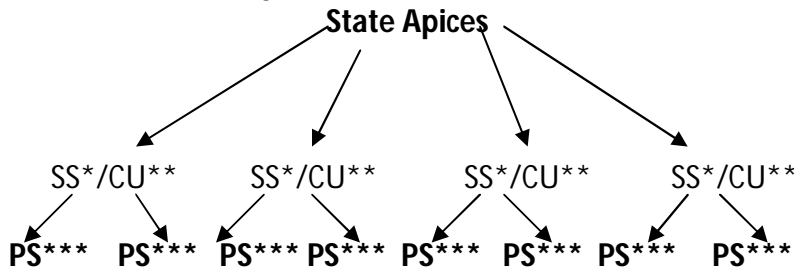
The federation of primary societies make up a secondary society or a Union. There ways by which the federation can be achieved. Federation of the same type of societies or federation of all cooperative societies within a geographical are irrespective of the type of society into a Union.

The apex organisation can also be formed for a particular type of society or the entire cooperative system at State or federal levels.

Pyramidal Structure of Cooperatives



Organisation at State levels



SS* = Secondary society CU** = Cooperative Union PS*** = Primary Societies

Management of Cooperatives In Nigeria

Preamble

One of the major constraints to effective cooperative growth in Nigeria has been its management . Most of the Cooperative Officers are unaware of the societies' expectations. Some management functions that need to be applied to cooperative issues are planning, organizing, directing, coordinating and controlling.

In performing these tasks, the Leaders can effectively manage cash, personnel as well as their societies' business and assets. The essence of management is to give positive results by preventing illiquidity, embezzlement, encouraging cash flow and preventing sudden collapse of the societies. Some of the aspects of cooperatives requiring management include:

- (i) Cash planning
- (ii) Financial control
- (iii) Loans management
- (iv) Budget and budgetary control
- (v) Personnel management
- (vi) Crises management
- (vii) Time management