



## Keep Members Informed and Involved

Member responsibilities start with the conception of the cooperative and remain throughout its life to assure successful organization, sound management, and operation. Members' participation in affairs of their cooperative increases their feeling of ownership and responsibility for its success.

- Communications and education function-integral activity of the management team, requiring assistance, knowledge, and involvement of cooperative staff and member leadership groups. *Effective communications and education programs require financial support and must be backed by specific board and management policies.*
- Involved and informed members measure their needs in terms of dollars and are more willing to invest in and patronize the cooperative.
- Cooperative members should:
  - 1) understand** the purpose, objectives, benefits, limitations, operations, finances, and long-term plans,
  - 2) read & understand** the articles of incorporation and bylaws,
  - 3) know** that laws limit their rights or powers and those of their board of directors. *Bylaws or policies of the elected directors may further limit director operations by establishing member obligations, regulations & quality controls exceeding those prescribed by legal statutes & provide equity (risk) for the cooperative business*
- Cooperatives may find it necessary to borrow early and as they become established when it is neither necessary nor wise to rely on only member capital to meet all financial needs. *The member or equity capital is used as a base to apply for a loan.*

*Some material adapted from USDA Rural Development publications on cooperative development*

Contact:

Charlotte Narjes,  
cnarjes1@unl.edu  
402-472-1724

Cindy Houlden,  
choulden2@unl.edu  
308-293-6417 (cell)