

Women in Trade Project

implemented by

**Uganda Women Entrepreneurs
Association Limited**

with support from

TradeMark East Africa





MODULE 3:

COOPERATIVES FORMATION & REGISTRATION

SCOPE OF THE SESSION

The training session shall cover:

- **Steps in Cooperatives Formation**
- **Registration Requirements**
- **Bye-Law Completion**
- **Document Templates**
 - **Membership Schedule**
 - **Financial Statements**

Steps in Cooperative Formation

Step 1

- Some needs can be solved by accessing financial services by establishing a financial institution through resource mobilization. i.e. set the requirements like share cost, entrance fees and other ledger fees.

Steps in Cooperative Formation

Step 2

- Formation of a task force committee to steer, propagate and sell the idea to other potential members of the community.

Steps in Cooperative Formation

Step 3

- Task force mobilizes other potential members and enlists their support to participate in formation of a Cooperative (refer to the Cooperative Structure).

Steps in Cooperative Formation

Step 4

- Convene a general meeting to discuss the idea of forming a cooperative. Several stakeholders should attend.

Step 5

- At the meeting, sensitization on the need for starting a Cooperative is done.

Steps in Cooperative Formation

Step 6

- An Interim Committee is elected from the people in attendance.
- The Interim Committee holds office until the first AGM is held, 30 days after registration.

Steps in Cooperative Formation

Additional tasks to be completed during the general meeting held with potential members

- The general meeting deliberates on:
 - Area to be covered by the Cooperative
 - Choice of Enterprise(s)
 - Name of the Cooperative
 - Qualifications for membership
 - Share capital and Membership fees
 - Location of the Cooperative Society Offices etc.

Steps in Cooperative Formation

Step 7

- Interim Committee obtains the required stationery and starts collecting money from people interested in becoming members of a Cooperative.

Step 8

- Interim Committee arranges for more training and public awareness generation

Steps in Cooperative Formation

Step 9

- Interim Committee in collaboration with technical support providers e.g. District Commercial Officers (DCOs) / UWEAL Representatives fill in the Model Bye- Laws for the Cooperative.

Step 10

- With at least 30 fully paid up members, the Cooperative can commence formal operations i.e. recruit staff and acquire office premises.

Steps in Cooperative Formation

Step 11

- Interim Committee processes the registration papers.
 - Obtain a recommendation letter from the DCO.
 - Submit the registration package to The Registrar of Cooperatives (Kampala) .

Steps in Cooperative Formation

Step 12

- **30 days** after registration, by the Registrar of Cooperatives, the Interim Committee calls the first Annual General Meeting to elect committee members.

Registration Requirements

1. Fill in the Multipurpose Model byelaws (1 set = 4 copies @ 10,000/= at the Ministry of Trade, Kampala).
2. Prepare typed Interim Financial Statements - Compile financial statements of the Society (Income & Expenditure + Balance Sheet).
3. Prepare a full, typed membership schedule indicating; Entrance Fee, Shares held by each member, Savings and Loans (if any).

Registration Requirements

5. Obtain a Letter of Recommendation from the District Commercial Officer (DCO) in your area of operation.
6. Obtain the DCO's endorsement in the completed model bye laws.
7. Include 3 Passport size photos of leaders i.e. Chairman, Treasurer & Secretary.

Registration Requirements

8. Include photocopies of National IDs for founder members (front and back) and their telephone contacts (at least 30 Members)
(Note - Minimum Statutory number of members is 30. However, the more members the better for viability.)
9. Pay registration fees: 50,000/= Account No. **6000010330** Barclays Bank **IPS Branch**
Account Name: **Audit and Supervision Fund**
10. Buy a copy of the **Co-operative Societies Act, Cap 112** and the **Co-operative Societies Regulations.**

Bye-Law Completion

Cover page

- Name of proposed society
- Address
- District

Page 1

- Name of proposed society

Bye-Law Completion

Page 2

- Name of proposed society
- Type of society (producers, consumers or credit)
- Area of operation (geographical location)
- Limited or unlimited
- Language
- Name of Secretary on Interim Committee
- Address of the society for registration

Bye-Law Completion

Page 3 & 4

- Name, Occupation, Age, Residence & Signature of at least 30 founder members (the order of names in the bye-laws must be exactly the same as the order of names in the Membership Schedule).

Bye-Law Completion

Page 5

- Society name
- Registered postal address
- Registered head office
- Select specific objectives (e.g. agricultural marketing, handicraft etc.: pages 5 – 11)

Page 11

- Opportunity for the society to limit geographical location of membership

Bye-Law Completion

Page 12

- Advance notice of planned member withdrawal from the society

Page 13

- Entrance fees
- Minimum number of shares per member

Bye-Law Completion

Page 17

- Notice for calling of General Meetings
- General Meeting Quorum

Page 19

- # of committee members (Chair, Vice, Treasurer plus an additional 2 or 4 more)
- Term of office for committee members

Bye-Law Completion

Page 20

- Frequency of committee meetings

Page 24

- Financial year
- Nature of business
- Amount of fine for member disposing of produce to a person / society / company other than this society



Bye-Law Completion

Page 26

- Member fine for a breach of the bye-laws

Page 27

- DCO certification of the bye-laws
- Registrar registration of the society



Template – Membership Schedule

(listed in exactly the same order as the founder signatories in the Bye-Laws)

Membership Schedule of
Cooperative Group as at (date)

	Name	Entrance Fees	Shares	Total (UGX)
1				
2				
3				
4				



Template – Financial Statement 1

Interim Financial Position of
 Cooperative Group as at (date)

ASSETS	
Current Assets	
Cash at hand	
Inventory	
Total Current Assets	
LIABILITIES	
Current Liabilities	
NET ASSETS	
Financed by Share Capital	
NET SURPLUS	



Template – Financial Statement 2

Interim Income Statement of
 Cooperative Group for the period ended (date)

INCOME	
Entrance Fees	
EXPENSES	
Bye laws	
NET SURPLUS	



Questions & Answers

Thank you