



THE CO-OPERATIVES ACT GENERAL ADMINISTRATIVE REQUIREMENTS

Every co-operative shall:

- a) have a registered office within Saskatchewan **Section 26;**
- b) file a notice setting out the address of the registered office within 15 days after any change is made in the address of its registered office **Section 26;**
- c) prepare and maintain at its registered office records containing:
 - i) Articles and bylaws and any amendments to the Articles and bylaws;
 - ii) minutes of member meetings and resolutions of members;
 - iii) copies of all notices of directors and notices of change of directors;
 - iv) a register of its directors setting out the names, addresses and occupations of all persons who are or have been directors of the co-operative with the days on which each person became or ceased to be a director;
 - v) a register of members setting out their names arranged in alphabetical or numeric order and their latest address known to the co-operative;
 - vi) a register of shareholders setting out their names arranged in alphabetical or numeric order and their latest address known to the co-operative;
 - vii) a copy of every certificate issued to the co-operative by the Registrar; and
 - viii) a copy of every order issued by the Registrar to the co-operative **Section 27.**
- d) file a Notice of Change of Directors with the Registrar of Co-operatives within 30 days after any change is made among its directors **Section 83;**
- e) have its name set out legibly on all contracts, invoices, negotiable instruments, etc. **Section 19;**
- f) at the first general meeting of members and at each succeeding annual meeting, the members shall by ordinary resolution, appoint an auditor to hold office until the close of the next annual meeting **Section 131;**

a co-operative with less than 20 members may resolve not to appoint an auditor **Section 133(1);**

a co-operative with 20 members or more may resolve not to appoint an auditor if the notice of the proposed resolution is given with the notice of the meeting at which a vote on the resolution is to be held. The notice of the resolution must be filed with the Registrar within 30 days after the day on which the resolution is passed

Section 133(2);

the resolution is valid only until the next succeeding annual meeting of members

Section 133(3).

- g) not less than 10 days before each annual meeting of members, a co-operative shall make available to any member who requests copies of the financial statements and report of the auditor

Section 130.

MEETINGS

- a) Within four months of the day of its incorporation a co-operative shall hold a general meeting at which all members are entitled to be present and vote
- b) The business of this first general meeting is required to include amendments to bylaws or the adoption of bylaws setting out rules for the administration of the co-operative; the election of directors and the appointment of an auditor.
- c) A co-operative shall hold an annual general meeting in each year not later than six months after the end of the fiscal year of the co-operative
- d) Notice of the time and place of a meeting of the members shall be not less than 10 days or more than 50 days before the meeting
- e) In certain circumstances a co-operative may give less than 10 days notice and by methods other than by publishing the notice

Section 102.

Section 103.

Subsection 105(1).

Subsection 105(2).

The provisions below are for the general guidance of the directors of co-operatives and should be of assistance to them in the performance of their duties as directors. These provisions do not necessarily cover all requirements, but are provided for your information and guidance only.

DIRECTORS

The directors are charged with the responsibility to manage the activities and affairs of the co-operative in accordance with the Act and with the Articles and bylaws of the co-operative.

Every director and officer of the co-operative is required:

- a) to act honestly and in good faith with a view to the best interests of the co-operative; and
- b) to exercise the care, diligence and skill that a reasonable prudent person would exercise in comparable circumstances.

Every director and officer is reminded that he is a servant of the co-operative and should not only comply with the Act but should ensure that the co-operative meets the requirements of the Act and, in particular, those requirements set out in this information guide.

BYLAWS

Bylaws are required by law as they provide rules under which a co-operative may operate.

Except where the Act or the bylaws otherwise provide, the members may, at any annual or special meeting called for the purpose, make, amend, repeal, replace or confirm any bylaws. No bylaw has any force until two copies of the bylaw, certified to be true copies by the President and Secretary of the co-operative, are filed with and approved by the Registrar. The fee for amending a bylaw is \$20.77.

LIABILITIES OF DIRECTORS

If you are a director of a business corporation, co-operative or non-profit corporation, you have certain duties and obligations which may result in personal liability if you fail to discharge them. These duties arise from statute, such as the Act under which the corporation is incorporated, and from the special relationship which exists between a director and the corporation that he or she serves. These duties may also apply to an officer of the corporation.

Every director and officer of a corporation may be liable if he or she fails to:

- act honestly, in good faith and in the best interests of the corporation;
- put the interests of the corporation before his or her personal interests or the interests of others;
- be informed about and understand the business and affairs of the corporation; and
- use his or her knowledge and expertise for the benefit of the corporation.

A director may also be held personally liable for:

- misuse of the corporation's property
- condoning illegal or improper acts of employees, officers or other directors;
- declaring dividends which render the corporation insolvent;
- wages of employees;
- deductions and premiums such as employees income tax, unemployment insurance and workers compensation; and
- unpaid taxes such as income tax and GST.

Directors may purchase insurance to protect themselves from liability, however, the insurance will only cover a director who has acted in good faith. For example, directors cannot insure themselves against the consequences of stealing from the corporation. Similarly, a director cannot be indemnified by the corporation with respect to illegal or dishonest acts.

This is not an exhaustive review and is intended only as general information and not as a statement of law. While there is no foolproof way for a director to avoid liability you can reduce your chances of being found liable by being aware of your duties and responsibilities. If you are uncertain about any of your activities as a director or officer of a corporation you should seek the advice of a qualified legal advisor.

ANNUAL RETURNS

RETURNS TO BE SENT TO THE CORPORATE REGISTRY.

The annual return form will be sent to the co-operative, by the Corporate Registry, about 30 days before the fiscal year end of the co-operative.

Every co-operative must hold an annual meeting within six months following its fiscal year end.

The annual return must be completed and signed and sent back to the Registrar within 30 days following the annual meeting of the co-operative.

If the annual return is filed with the Registrar within 30 days following the annual meeting the filing fee is \$10.39. If the annual return is filed with the Registrar after the 30 day period the filing fee is \$41.56.

FINANCIAL STATEMENTS

Legislation requires every co-operative provide its members with financial statements prior to the annual meeting of the co-operative. (In certain instances those financial statements must be audited.)

Legislation also provides that certain co-operatives are not obliged to file their financial statements with the Registrar. Co-operatives who do not have to file their financial statements with the Registrar are:

- Extra-provincial co-operatives, that is, co-operatives incorporated outside Saskatchewan.
- Co-operatives whose Articles or bylaws provide that earnings may be distributed to its members.
- Co-operatives registered under *The Co-operatives Act, 1996* solely for the purpose of becoming a member of The Co-operative Superannuation Society.

If your co-operative was formed on a membership fee basis you must file financial statements with the Registrar along with an annual return.

The financial statement must be signed by one director indicating it has been approved by the directors (**Section 129(1)**).

AUDITOR

A person is qualified to be an auditor of a co-operative where he or she is:

- a) independent of:
 - i) the co-operative;
 - ii) the subsidiary of the co-operative; and
 - iii) the directors or officers of the co-operative or its subsidiaries; and
- b) a member of a recognized accounting professional association or is approved by the Registrar.

While *The Co-operatives Act, 1996* provides that every co-operative must appoint an auditor the Act also grants the members of certain co-operatives the power to set aside the requirement to appoint an auditor. The resolution setting aside the appointment of an auditor must be approved by ALL members

who voted on the resolution. If your co-operative resolved not to appoint an auditor a copy of that resolution, certified a true copy by at least one director, must accompany the financial statements when they are submitted to the Registrar.

The resolution is only valid until the next succeeding annual meeting.

Certain co-operatives must appoint an auditor. They are:

- Co-operatives that conduct business primarily with non-members
- Co-operatives that solicit or have solicited donations or gifts of money or property from the public
- Co-operatives that receive or have received grants of money or property from a government or government agency in excess of 10% of its total revenue for that fiscal year
- Co-operatives that are a registered charity within the meaning of the *Income Tax Act* (Canada)
- Co-operatives that are consumer co-operatives (subject to Part XXI of *The Co-operatives Act, 1996*).

ARTICLES OF AMENDMENT

Articles may be amended only by a special resolution of the members.

A special resolution is a resolution passed by a majority of not less than two-thirds of the votes cast at a general meeting of members of which not less than 10 days notice specifying the intention to propose the resolution as a special resolution was given.

Any amendment to the Articles must be sent to the Registrar along with a \$66.94 registration fee. Only after the Registrar issues a Certificate of Amendment does the amendment have any effect.

GENERAL

All cheques are made payable to Information Services Corporation.

Blank forms may be obtained through our website at www.isc.ca/corporateregistry/form/, or by requesting them through email, fax, phone or mailing in your request to us.

The Act may be obtained from Queens Printer at:

B19 – 3085 Albert Street
Regina, SK
S4S 0B1
1-800-226-7302 (within Saskatchewan) or (306)787-6894
or by accessing the Queens Printer website at www.qp.gov.sk.ca

Any deficiency or variation between the contents of this information guide and the contents of the Act shall be determined or resolved by reference to the Act.