THE BYE-LAWS OF

NUT WELFARE SCHEME

MULTIPURPOSE COOPERATIVE SOCIETY LIMITED GOMBE STATE.

THE BYE-LAWS

OF...NUT WELFARE SCHEME..................

MULTIPURPOSE COOPERATIVE SOCIETY LIMITED.

1. INTERPRETATION

(a) All words and expressions used in this bye-laws shall have the meaning assigned to them in section 57 of the Nigeria Cooperative Societies Decree No. 90 of 1993. If there shall arise any doubt regarding the meaning or intention of this bye-law, the matter shall be referred to the Director for ruling. The following words and expressions shall have the meaning respectively assigned to them:-

(b) Words importing the singular or plural number respectively includes the vice versa; words importing the masculine gender also including the feminine gender.

(c) "The Decree "- means the Nigerian Cooperative Societies Decree No. 90 of 1993.

(d) "The Regulations"- means the Regulation made under the decree by the Gombe State Commissioner responsible for cooperative matters.

(e) "Financial Year" means the period of twelve months beginning on the 1st of January and ending on the 31st of December of the same year.

(f) "Committee" -means the governing body of the Society to whom the General Management of affairs is entrusted.

(g) "Officers" -include the President, Vice President, Treasurer, Secretary and a Committee member(s) or other persons(s) empowered under the regulations or Bye-laws or give direction in regard to the business of the society.

(h) "Person" -include any company, association or body of persons corporate or in-corporate or any other registered cooperative society.

(i) "Director" -means the Director of Cooperative Societies of Gombe State of Nigeria or his authorised representatives.

(j) "Inspection" -all books and records of the society are open for inspection at any time to the bonafide members, the Director or any person authorised by him.

2. **NAME, ADDRESS AND AREA OF OPERATIONS**

(a) Name and Address: This society shall be —— called NUT WELFARE SCHEME Multipurpose Cooperative Society Ltd. its address shall be C/O NUT STATE SECRETARIAT GOMBE

(b) Area of Operation: the area of Operation of the society shall be GOMBE

3. **OBJECTIVES**

The main object of the society is to promote the economic and social conditions of members by:

(a) To encourage thrift and promote cash savings among members.

(b) To provide members with loans against their savings for consumption and production purposes at reasonable interest and with convenient terms of payment.

(c) To promote mixed farming and home industries among members.

(d) To encourage craft and artisan trades among members

(e) To purchase and retail to members such commodities as the management Committee may direct from time to time.

(f) To provide for storage facilities and to introduce new high-yielding crop varieties, and distribute other inputs, materials and goods at fair prices

(g) To arranged or provide transport services.

(h) To arrange for extension services and cooperative education as part of its functional literacy programmes.

(i) To undertake any other measure designed on Cooperative principles and to encourage among members the spirit and pratice of mutual help and self - help so as to improve the living and working conditions of members.

4. **MEMBERSHIP:-** The membership shall consist of:-

(a) Person who join in the application for registration

(b) Person admitted in accordance with these bye-laws

5. **QUALIFICATION**:- Every member of the Society shall

(1) be ordinarily resident in GOMBE

(2) be of good character

(3) not be less than 16 years of age except in the case of a society of minors or heir of a deceased member.

(4) Not be a member of any other Society of which the Primary objects is to grant loans to its members in excess of their credit balances.

(5) Not be convicted of any acts of dishonesty or criminal offence.

6. **ADMISSION:-**

1. Application for membership shall be made through the Secretary of the society and members shall be admitted by the management committee subject to the confirmation of the general meeting.
2. An approved applicant shall become a member of the Society as soon as he/she has paid his/her annual subscription, entrance fees and the qualifying number of shares in accordance with bye-laws 15 and 17 or approved installment there-of.
3. No person shall claim admission as a matter of right.

7. **ENTRANCE FEE:-** Every member on admission shall sign name or make his thumb mark in the membership and attendance register and shall pay an entrance fee of ₦1,000 = 00

8. **DECLARATION OF OBLIGATION:-** Every member shall, when requested by the committee, render a complete statement of his indebtedness outside the Society.

9. **NOMINEE:-** Any member may nominate in writing one nominee, to whom his shares or interest shall be transferred in case of, becoming insane or death. The member may at any time change his nominee. If not admitted to membership, the nominee shall in case

of the death or insanity be member and to be paid the value of the share or interest, less any sum due to the Society. Such payment shall be made within two years of the member's death or of becoming insane.

10. **TERMINATION:**- Membership shall be terminated by:

(a) Death

(b) Insanity

(c) Ceasing to reside in the area of operation as defined in bye-law 5 (i)

(d) Ceasing to hold full minimum shares of ₦5,000=00

(e) Withdrawal after 6 months notice conveyed in writing to the Secretary, and provided the member has no unpaid debt.

(f) Expulsion under bye-law 11

11. **EXPULSION:-** A member may be expelled for:-

1. Repeated failure to make a thrift saving as laid in bye-laws 21
2. Repeated failure to pay the share installments or debts due from him to the society.
3. conviction of a criminal offence involving dishonesty or resulting from his imprisonment for 3 months or longer.
4. Any action or omission which may be deemed by the committee, to be contrary to the stated objects of the society or to the interest of the cooperative movement.
5. Becoming a member without the approval of the Director of any other Registered Society which has power under its bye-laws to grant loans, to its member in excess of their credit limit provided that a member can be expelled under this bye-laws by a two-third majority of general meeting at which not less than half of the members are present and to vote.

12. **DUES TO ANY MEMBER:-** Any money due to any account from the Society to a member, or a past member or person claiming through him may be set off in payment of any sum which he owes or of which stands as surety.

13. **LIABILITY:-** The liability of members for the debts of the Society is

limited to AS AGM times the nominal value of his/her shares.

14. **LIABILITY OF PAST MEMBER:-**
A past member shall be liable for the debt due on the society as they existed on the date when he ceased to be a member for period of two years from the date on which he ceased to be a member.

15. **CAPITAL:** The capital of the Society shall be composed of:-
(a) Entrance fees of ₦1000=00
(b) UNLIMITED shares of the value of ₦50 each
(c) Savings of members as defined in bye-laws 21 and 22
(d) Fixed deposits by members
(e) Annual subscription of ₦820,000=00
(f) Deposits and loans from non-members;
(g) Realised profits.
(h) grants from other sources

16. **EMPLOYMENT OF CAPITAL:-** The funds of the Society shall be utilized only forthe promotion of the object of the Society, to any other object permitted in these bye-laws and to any other object permitted by their meetings by the Director.

17. **MINIMUM SHARE HOLDING:-** Every member shall hold a minimum shares of ₦5,000=00

18. **SALES OR TRANSFER OF SHARES:-** Shares shall be sold or transferred on application by a defaulting, withdrawing, expelled or terminated member to another member but not withdrawal of such shares shall under any condition be entertained.

19. **PAYMENT OF SHARES:-** Shares shall be paid-up in not more than two (2) installments in six months on joining the society. Any member may pay up the full value in advance at any time.

20. (a) **LIMIT ON SHARE - HOLDING:**
No member shall hold more than one fourth of the number of shares actually paid up. If any member by inheritance or otherwise, become possessed of more than the maximum holding permitted, the committee may transfer the excess to the member's deposit or savings account.

21. **THRIFT SAVINGS:**
Every member shall deposit in the Society a monthly sum to be fixed only at the General Meeting. Such thrift saving shall be withdrawable only by permission of the Committee for necessary or productive purpose.

22. **SPECIAL SAVINGS:-** Any member may deposit money in the society at any time in form of savings for specified objects, to be withdrawn at a specified date.

23. **INTEREST:-**
(a) Interest rates fixed by the General meeting shall be paid on thrift savings and fixed deposits, and on special savings.
(b) The rate of interest paid on fixed deposits shall be at 1% less than that paid on thrift savings.
(c) The rate of interest paid on thrift savings shall not exceed AT AGM per annum

24. **FIXED DEPOSITS:-** Any member may make fixed deposits with the Society for specified periods, which shall not less than three months. Deposits withdrawn before the due date shall not earn any interest.

25. **EXEMPTION:-** The committee may exempt a member from the obligation to make thrift savings for a period during which his financial circumstances do not permit him to do so.

26. **RESTRICTION ON LOAN:-** The Director may forbid the acceptance of the loans or deposits from any person or cooperative body or lesser persons or other corperate bodies, if such loan is not in the best

interest of members of the society.

27. **CONDITIONS GOVERNING LOANS:-**

1. A loan shall not be granted to:-

(a) Any member whose installments of shares are in arrears;

(b) Any individual other than a member of the Society.

(c) Any member who has not made thrift savings under bye-law 21.

2. With the prior approval by the Director, a loan may be granted to another registered society.

3. Loan may be granted to members only for purposes which in the opinion of the committee are productive or necessary and in the best interest of the borrower. Loan for productive purpose shall take preference over the loans.

4. A loan shall not be granted:-

   (a) for a period exceeding 12 months

   (b) if it would bring a members' total indebtedness at the time of the loan to an amount exceeding his maximum credit limit.

   (c) for any extravagant or speculative purpose

5. The General meeting shall fix a maximum credit limit not exceeding times of a member's current savings.

28. **INTEREST ON EXTERNAL LOANS:-** The general meeting shall fix a maximum interest rate depending on the prevailing rates in the financial market.

29. **LOAN TO NEW MEMBERS:-** Except in the first year of a society or in the case of the transfer of an admission by a past member to his nominee or other successor in the interest of who is or becomes a members of the Society, loan shall not be issued to a member within a month of his admission by the committee.

30. **BONDS AND SURETIES:-** Every borrower shall execute a promissory note or bond and shall furnish two sureties. No extension of the period of payment shall be granted without the consent of the sureties. No member of the Committee shall stand surety for a second loan to another Committee member while a previous loan to

that member remains unpaid. Sureties shall be members of the Society and shall have furnished the statement required by the Bye-law 9.

31. **COMMITMENT AS SURETY:** - A member commitments as:- surety shall not, when taken with his own existing commitments, exceed twice his maximum credit limit.

32. **APPLICATION OF LOANS:**- Loan shall be given for a specific purpose and shall be applied solely to that purpose. If a loan is not utilised, it shall be immediately recalled in its entirety by the Committee.

33. **RECALL OF LOANS:**- All loans shall be recalled subject to the right of the society to call them.
(a) at two months notice or
(b) without notice when any loss is threatened by a worsening of the borrowers business or financial situation.

34. **INTEREST ON LOAN TO MEMBERS:**- Interest on loan to members shall be charged at a rate to be fixed by the General meeting and approved by the Director. In case of default in repayment a penalty interest shall be charged at 2 percent above the normal rate.

35. **ANNUAL ACCOUNT:-**
1. The management Committee shall prepare an annual account for submission to the Director for his approval.

36. **DISPOSAL OF PROFITS**:-
(a) Appropriation at the close of each financial year includes, Society's expenses, the interest payable on members savings and deposits, interest payable on deposits and loan from non-members which shall be deducted from the Society's income while the net profit shall be appropriated as follows:-
(1) at least one-fourth shall be carried to the reserve fund, unless permission is given by the Director to reduce this amount.
(2) at least one tenth shall be carried to an Educational fund.

(3) the balance shall be utilised for one or more of the following purpose:-

(i) payment of dividend on share subject the provision of section. 3 of the bye-laws.

(ii) payment of a bonus to members subject to the approval of the Director.

(iii) Donations not exceeding 10% of the net profits, to any charitable organisation but shall be approved by the Director.

(iv) Building up a general reserve

37. **DIVIDENDS:**

1. Dividend shall be paid on members shares based on the resolution of the general meeting

2. The dividend paid on shares shall not exceed five (5%) per annum on the capital actually paid-up.

38. **RESERVE FUND:** The reserve fund is indivisible and no member is entitled to claim a specified share in it. Except with the written permission of the Director it shall not be utilised in the business of the Society, but shall be deposited or invested as provided in the Gombe State Cooperative Societies regulations, Sec. 65.

39. **THE GENERAL MEETING:**

(a) The ultimate authority in all society affairs is vested on the general body of members who shall meet from time to time and at least once a quarter to conduct the work of the Society in accordance with the provision of the regulations.

(b) The annual General meeting shall be held during the first quarter of the year after which the annual statement of account have been prepared and approved by the Director.

(c) **QUORUM OF GENERAL MEETING:-** The quorum of the General meeting shall consist of at least one fourth of the general members.

(d) The duties of the annual general meeting shall be:-

1. To receive from the outgoing Committee, report on the working of the preceding year of the Society with the Statement of account

to decide upon the disposal of the surplus in accordance with the provisions of bye-law 36 and to consider any communication received from the Director.

2. To elect the President, Treasurer and Committee for the ensuing year, and delegate to any cooperative organisation to which the society is affiliated.

3. To decide subject to the decree, regulation and this bye-laws:-

(i) the rate of interest to be charged on loans to members

(ii) the rate of interest to be paid on loans and deposits from members and non-members and no thrift savings.

40. **POWER OF THE ANNUAL GENERAL MEETING:**

1. This meeting shall have the power.

(a) to elect, suspend or remove any officer or member of the Committee in accordance with the provision of the bye-laws.

(b) to confirm the admission or expulsion of members, and the transfer of shares

(c) to amend the bye-laws in accordance with the provision of section 12 of the Decree.

(d) to appoint, fix the salary of or dismiss officials or officers of the society.

(e) to dispose of any other business duly brought before it.

2. An extra-ordinary General meeting may be called at any time by a majority of the committee or one fourth other members or no order of the Director.

3. It shall be the duty of the Secretary to give at least 14 days notice of all General meetings

4. All businesses discussed or decided at a General meeting shall be recorded in a minutes Book which shall be signed by the President after the minutes has been rectified.

41. **OFFICERS:-** The President, Treasurers, Secretary, elected at the Annual General meeting shall hold office for two years and shall resign at the next Annual General meeting of their tenure but shall be eligible for re-election. Any vacancy arising out of death, removal, withdrawal or transfer of an officer shall be temporarily filled by a member nominated by the Committee at their meeting.

42. **PRESIDENT:-** The president shall be the Chairman of all meetings of the Committee and of the Society. He shall have power to convene meeting. In the absence of the President, Vice President shall be the Chairman at the meeting, and as such, shall have all the powers of the President as Chairman of the meeting.

43. **THE TREASURER:-** Shall take charge of all money received by the Society and shall make disbursements in accordance, with the directives of the Committee. He shall sign the cash book in token of its correctness and produce the cash balance wherever called upon to do so by the Committee, the Director, the Inspector. Or Auditor and at every general meeting. He shall sign all pass books. He shall deposit all funds over the limit fixed by the General meeting in any Bank approved for this purpose by the Committee. All such sums shall be deposited in the name of the society.

44. **TRUSTEES:-** The President, Treasurer, Secretary and one other member of the Committee shall be the trustees and shall sign jointly legal instruments and for withdrawals of money on behalf of the Society.

45. **SECRETARY:-**

1. To maintain correctly and update the prescribed books and registers
2. To produce for borrowers execution bonds with securities.
3. To prepare all receipts, vouchers, and documents required by the regulations or the bye-laws or as require by the committee.
4. To sign on behalf of the society and carry-out its correspondences
5. To record the proceedings of meetings.
6. To summon and attend General meetings and committee meeting.
7 To prepare the society's annual accounts and statements.
8. To certify copies of entries in the books of the society.

46. **COMMITTEE:-** The Committee shall consist of at least seven members of the society over the age of 21. The members shall compose of the President, Vice President, Secretary, Treasurer. The members shall be elected for two years at the annual General meeting and be eligible for re-elected. Provided that if forany unavoidable reason a General meeting cannot be held within the year, the existing Committee shall continue to hold office, but such election shall in no case be held at later than twenty eight months after the election of the previous Committee.

47. **CEASATION OF MEMBERSHIP:-** A member of the Committee shall cease to held office if he:-

1. Ceases to be member of the Society
2. Becomes of unsound mind;
3. Lends money on his own account;
4. Becomes financially embarrassed;
5. Becomes a servant of the society and received pay on account of the society.

48. **COMMITTEE MEETINGS:-**

(a) Meetings of the Committee shall be held, when necessary, at least once a month.

49. **(b) QUORUM OF COMMITTEE MEETING:-** The attendance of at least one half of the members shall be required for the disposal of any business. i.e. if the committee members are seven, four shall form a quorum. The President or Vice President or in their absence, one of them shall preside. Each member shall have one vote. The Chairman shall have a casting vote in case of a tire in votes.

50. **POWERS AND DUTIES OF THE COMMITTEE:-** The Committee shall exercise all the powers of the society, except those reserved for the General Meeting. Subject to the regulation or restriction duly laid down by the Society at the General meeting or in the bye-laws' the Committee shall have the following powers and duties;

1. to observe in all their transactions the Decree, the regulations,

and the bye-laws

2.to maintain true and accurate accounts of money received and expended and all stock bought and sold.

3. To keep a true account of the assets and liabilities of the Society.

4. To keep a register of members correct and up-to-date

5. To prepare and lay before the annual general meeting a profit and loss account and a certified balance sheet.

6. To examine the account, sanction contingent expenditure and supervise the maintenance of the prescribed registers'

7. To consider the inspection notes of the Government Cooperative Staff and take necessary action.

8. To elect new members

9. To issue new and transfer old shares subject to the confirmation of the general meeting

10. To arrange for the recovery of share instalments and of interest on overdue installments

11. To summon General meetings.

12. To contract loans as sanctioned by the general meeting or the Director

13. To decide the terms on and period for which loans are to be given, to approve, reject the security, to arrange for the recovery of loans and interest and to sanction renewal when necessary.

14. To decide the terms on an period for the rates, of the interest at which savings received under bye-law 21 and to arrange for the payment of interest on such saving, deposits or loans.

15. To decide the terms or purchase and sale of any goods or stock which the society may require for its members, and to make arrangement for the safe, custody of such assets while in stock,.

16. To guide that loans are applied to the purposes for which they were made.

17. To assist the inspection of the books by any person authorised to do so;

18. To institute, conduct, defend, compromise, refer for arbitration legal proceedings by or against the society or committee or its officer or employees in matters concerning the affairs of the society;

19. To arrange for the custody of books and take charge of all the registers and papers prescribed in these bye-laws;

20. To generally carry on the business of the society

51. **RESPONSIBILITY:-** In the conduct of the affairs of the society, the committee shall exercise prudence and diligence over the ordinary business of the society and shall be responsible for any loss sustained through acts or omission contrary to the Decree, the regulations and bye-laws.

52. **MINUTES:-** All businesses discussed or decided at a meeting of the Committee shall be recorded in a minute book which after ratification shall be signed by the Chairman and the Secretary of the meeting.

53. **APPOINTMENT:** The Committee shall appoint a Secretary who if he is not a member of the Committee, receive pay or an honorarium with the sanction of the General meeting.

54. **BOOKS AND REGISTERS:**

(a) The following books, registers, and papers shall be mintained:-

(i) A membership and attendance register, showing the name, address and occupation of every member, the number of share held by him, the date of his admission to membership, the nominees appointed under bye-law 9 and members attendance at meeting;

(ii) A cash book showing the receipts, expenditure and on each day which business is done;

(iii) A ledger with account for each member, depositor, creditor and all other items of income and expenditure.

(iv) A loan register showing installments of share payments;

(v) Minutes books for proceedings of general and committee meetings;

(vi) an account showing the installment of share payments;

(vii) a pass book for each member or depositor

(viii) a bond book showing particulars of and containing bonds for all loans issued.

(ix) Any other books or accounts that may be prescribed by the

Director

(x) General ledger

(xi) Sales book

(xii) Payment voucher, personal ledger, registration file, store receipt voucher (S.R.V.) Store issued voucher (S.I.V.), copies of the Society's bye-laws and the Nigeria Cooperative Societies Decree No. 90 of 1993.

(b) The Secretary shall hold and keep in a safe custody all the books and registers in used by the society as prescribed in Bye-Laws

55. The President shall keep in safe custody the Society's seal of office.

55. INSPECTION AND AUDIT:-

(a) The books of the Society shall be open to the Director or his representative for inspection and audit from time to time.

(b) The registers of the Society shall be open to the inspection of any interested member except that; no one shall be allowed to see the personal account of any person without the person's written consent. Copies of the bye-laws and the balance sheet may be supplied free on demand to any member for reference.

56. SIGNATURE OF DOCUMENTS:-

(a) All documents creating a charge or obligation on the Society shall be signed by the President and either the Treasurer or the Secretary (whoever is present).

(b) Seal: The Society shall keep and use a seal, which shall not be affixed to any instrument, except by the authority of a resolution of the Committee and in the presence of the President and the Secretary or such other person as the Committee may appoint for that purpose. The President, and Secretary or other person as aforesaid shall sign any instrument to which the seal of the Society is affixed.

57. AMENDMENT OF BYE-LAWS

Any amendment or addition to these bye-laws shall be made by the General Meeting of the society in accordance with the provisions of the regulations and shall not be valid until such amendment or addition are registered by the Director.

58. **MISCELLANEOUS PROVISIONS**

(a) **DISPUTES:-** Any dispute concerning these bye-laws or the business of the Society between members or past members of society or person claiming through them, or between a member with some claim and the Committee or any officer, shall be referred to the Director for settlement

(b) **LIQUIDATION:-** The Society shall be liquidated by the order of the Director in line with part VI of the Decree.

(c) **DIVISION AND AMALGAMATION:-** Proceedings should be in accordance with PART IX of the Decree.

(d) **DISPOSAL OF RESERVE FUNDS:-** In the case of liquidation after the liabilities of the Society have been discharged and the share capital repaid, the reserve fund may be applied to any object of local and public utility as approved by the Director in line with section 44 of the Decree.

(e) **AFFILIATION TO A COOPERATIVE ORGANISATION:-** Unless there are reasons to the contrary accepted by the Director, the Society shall affiliate itself at earliest possible moment to a Cooperative Organisation in its area of operation.

(f) "Where in the bye-laws appears to conflict with the provisions of the Nigerian Cooperative Societies Decree No. 90 of 1993, that bye-law shall be deemed to be cancelled.

I have certify that, the foregoing bye-laws of the NUT WELFARE SCHEME MULTIPURPOSE COOPERATIVE SOCIETY LTD

No. GM 4924 OF 19/3/2010

has been registered under the NIGERIAN COOPERATIVE SOCIETIES DECREE NO. 90 OF 1993.

DIRECTOR OF COOPERATIVES
GOMBE STATE OF NIGERIA