

## **MEMORANDUM OF ASSOCIATION FOR AUDSS CONNECT** **MULTIPURPOSE CO-OPERATIVE SOCIETY**

### **1.0 INTERPRETATION:**

#### **1.1**

All words and expressions used in these byelaws shall have the meaning respectively assigned to them below: -

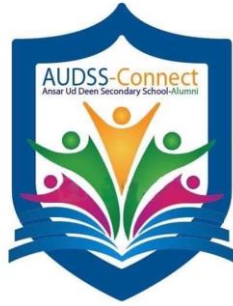
- i. "Financial Year" means the period of twelve months beginning on 1st January.  
and Ending 31st December the same year.
- ii. The laws refer to the Co-operative Societies Law chapter 29 of the Laws of Lagos State.
- iii. "Officers" includes the Operational Hub, Secretary General, Welfare Team Lead, Financial Team Lead and members of the committees or other person empowered under the regulations or byelaws to give directives with regards to the business of the society.
- iv. "Person" includes "Any association member or body of persons who is associated with the AUDSS-CONNECT"
- v. "Regulations" means regulations made under the law as amended from time to time.
- vi. "Management Committee" means the governing body of the society to whom the general management of its affairs is entrusted.
- vii. "Committees" Means an elected body of persons within the society to whom.  
specific duties are delegated by society.

#### **1.2**

If there shall arise any doubt regarding the meaning or intention of these byelaws, the matter shall be referred to the Organization Hub for ruling.

### **2.0 NAME, ADDRESS AND AREA OF OPERATIONS: -**

#### **2.1**



**Name and Address:** This program shall be called the **AUDSS CONNECT MULTIPURPOSE CO-OPERATIVE SOCIETY** and its address shall be same as the AUDSS-CONNECT address.

## **2.2**

**Area of Operations:** The area of operations of the program shall be Co-operative, General Merchandise, Administrative and Support Services.

### **3.0 OBJECTIVES:**

The objects of this society are to promote the economic interest of members through:

- i. The provision of facilities for regular monetary savings by members without such savings being removed from their control.
- ii. The creation of funds to be lent to its members at fair and reasonable rates of interests for provident or productive purposes.
- iii. Any other measures based on cooperative principles to encourage its members to cultivate the spirit and practice of thrift, Mutual help and self-help.

### **4.0 MEMBERSHIP:**

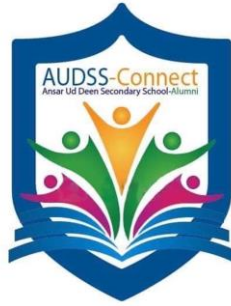
The members shall consist of:

- i. Active members of the AUDSS-CONNECT as stipulated in the AUDSS-CONNECT Constitution.
- ii. Persons admitted in accordance with AUDSS-CONNECT byelaws.

### **5.0 QUALIFICATIONS: -**

Every Due Paying member of AUDSS-CONNECT who can be:

- i. resident anywhere in the world.
- ii. of good character.
- iii. Of not less than 18 years of age except in the case of a minor heir of a deceased member and where the registrar grants exemption from his qualification.
- iv. If a member exits the program, The member will have to wait one year before the member can qualify to rejoin the group.



## **6.0 ADMISSION:**

### **6.1**

Application for membership of the co-operative program shall be in writing and shall be disposed of by the management committee who may grant or refuse admission, and in the case of refusal, shall state their reasons. Any Applicant so refused shall be informed in writing. He may appeal through a member of the society to the next general meeting of members, which may take such decisions it thinks fit.

### **6.2**

Every member on admission shall pay an entrance fee of ONE THOUSAND Naira Only (N1,000.00) as registration fee and minimum of Five Hundred Naira only (N500.00) for monthly contribution.

### **6.3**

Shall sign or thumb the Membership form and attendance register (physical or online/virtual presence).

## **7.0 DECLARATION OF OBLIGATION**

Every member shall on joining the program render to the management committee a true and complete statement of his indebtedness outside the franchise.

## **8.0 LIABILITY**

The liability of members for the debt of the society shall be limited to 5% of their capital investment in the cooperative program.

## **9.0 LIABILITY TO PAST MEMBER:**

**9.1** A past member and his/her guarantor shall be liable for the debts due by the society as they existed on the date when he ceased to be a member.

**9.2** The guarantors of a deceased member shall be liable for 75 percent of the debts due to the society as of the date they exited or deceased.

**9.3** Upon exit of the corporation a member shall be entitled to receive 95 percent of their vested amount. While 5 percent shall be kept for administrative fees

## **10.0 NOMINEE:**



**10.1** Every member shall nominate in writing a person to whom should he die or become permanently insane, the amount standing to his credit shall be transferred. The member may at any time change his nominee by paying a nominal fee of Five Thousand Naira only (N5,000.00).

**10.2** The name of the nominee shall be entered in the register of members and any alterations shall be signed or authorized via the registered email by the member. If not admitted to membership, the nominee shall in the case of death or permanent insanity of the member, be paid the value of the member's savings or interest less any sum due to the association.

**10.3** When no nominee had been appointed prior to death, the management committee shall repay the sum to the person who after due examination appears to be the legal personal representative of the deceased.

#### **11.0 TERMINATION OF MEMBERSHIP**

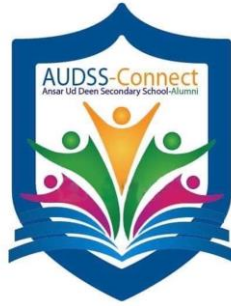
Membership shall terminate by:

- i. Death.
- ii. Permanent Insanity.
- iii. Expulsion by two-thirds majority of a general meeting.
- iv. Completely withdraw ordinary saving and any other deposits.
- v. Voluntary withdrawal.
- vi. Two late payments of monthly contributions within a calendar year, and two withdrawals of declaration to guarantee members loans within a calendar year.
- vii. Two voluntary exits from the group.

#### **12.0 EXPULSION:**

**12.1** A member may be expelled for:

- i. Repeated failure to make Cooperative saving as laid down in the byelaws.
- ii. Repeated failure to pay the monthly savings twice within a calendar year.
- iii. Conviction on a criminal's offence involving dishonesty.
- iv. Misconduct or other acts contrary to the stated objectives of the association or the interest of cooperative movement.
- v. Default in paying collected loan two times within a calendar year.
- vi. Two voluntary exits from the group.



**12.2** When membership terminates owing to death, permanent insanity or expulsion, the association shall pay in the former case, to the nominee or if none has been nominated, to the legal representative and in the latter case to the expelled member, the sum of his credit less any sum due to the society but only as funds become available and provide that the society need not pay any sum until the accounts for the year have been prepared and audited.

### **13.0 SOURCES OF FUNDS:**

**13.1** The funds of the program shall be made up of:

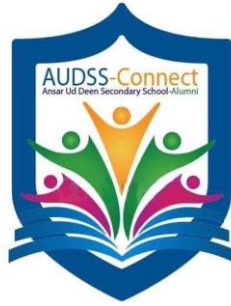
- i. Entrance Fees: Registration & Shares
- ii. Members Savings
- iii. Deposits and loans from members
- iv. Miscellaneous sources approved by the Management Committee
- v. Interest from investment made on behalf of members
- vi. Administrative fee from withdrawals

**13.2** Ordinary Saving:

- i. Every member shall contribute at the end of every month a sum of money to be known as ordinary savings, amount not less than Five Hundred Naira only (N500.00) per month. Failure to pay ordinary savings by the due date may result in a fine of not more than Two Hundred naira (N200.00) for every full month of arrears.
- ii. Monthly savings shall be due by the 10<sup>th</sup> of every month.
- iii. Payment made after the 10<sup>th</sup> of every month shall be considered late.
- iv. Savings shall be made monthly.
- v. A member can make multiple payments at ones and within a month.
- vi. A member can choose to make annual, bi-annual or quarterly payments.
- vii. A minimum of 6,000-naira annual saving shall be paid by participating members.

**13.3** Deposits:

- i. Members may make special deposits with the cooperative for the period of not less than 30 days. Such deposits may earn interest at a rate to be fixed by the management committee but in no case shall interest on the deposit exceed 3%.
- ii. Receipts of all deposits shall be posted on the cooperative payment platform for proper bookkeeping.



- iii. A payment is considered void if proof of payment in the form of a receipt is not posted on the cooperative platform.
- iv. Members can log into the Connect account and take a screenshot of the payment and share it with the selected bookkeeping team as proof of payment.
- v. A deposit shall be considered completed after a member of the bookkeeping team has confirmed the deposit to the Connect Cooperative account.
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- vii. Receipts of all deposits shall be posted on the cooperative payment platform for proper bookkeeping.
- viii. A payment is considered void if proof of payment in the form of a receipt or screenshot of the deposit to the Connect cooperative is not shared with the bookkeeping team.
- ix. Member shall be required to be up to date with his or her connect annual dues before making multiple monthly deposit.
- x. A member shall not be allowed to make multiple monthly deposits unless such member has paid the current Connect annual dues.

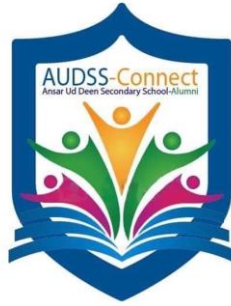
## **14.0 WITHDRAWALS:**

### **14.1 Ordinary Savings:**

No member shall have a right to withdraw more than 85 percent of all ordinary savings except on termination or final withdrawal of membership from the society.

### **14.2 Deposit:**

- i. Deposit shall be withdrawable provided a notice in writing of at least 7 working days is given to the management committee.
- ii. Upon termination or withdrawal of a member 95 percent of the vested amount would be paid.
- iii. Upon termination or withdrawal of membership 5 percent administrative fee shall be kept by the cooperative.
- iv. Processing of refund of vested amount shall take up to 7 working days from the date the request was received.
- v. No withdrawal shall be made in the first 6 months of the creation of the cooperative program.



- vi. A new member shall be able to make a withdrawal six months after membership.

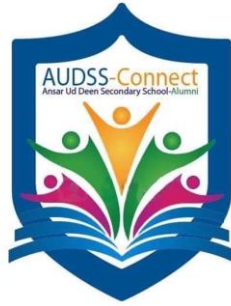
#### **14.2 Withdrawal:**

- I. A member shall be able to withdraw up to 85 percent of their vested amount without borrowing.
- II. Two percent of the amount withdrawn shall be deducted from the remaining balance account balance for administrative fee.
- III. A member shall only be eligible to withdraw no more than twice per year.
- IV. A member who withdraws 95 percent of his or her vested amount would be considered to have exited the program.

#### **15.0 OFFICERS OF THE PROGRAM AND THEIR DUTIES:**

##### **15.1**

- a. Operational Hub, Secretary General, Welfare Team Lead, Financial Team Lead and members of the committees or other person empowered under the regulations or byelaws to give directives with regards to the business of the society shall hold office for two years and shall resign at the next annual General Meeting but shall be eligible for re-election. They shall be ex-officio members of the other committees. Any vacancy arising due to death, removal, withdrawal or transfer of an officer shall be temporarily filled by a majority vote of the remaining members of the management committee.
  - a1. Operational Hub Representative:  
The Operational Hub representative shall preside as chairman at the Management Committee meetings of the association and shall have powers to convene meetings.
  - a2. In the absence of the designated chairman, a member of the Management Committee shall be elected Chairman of the meeting.
- b. Designated Treasurer  
The Bookkeeping Team Lead shall act as designated treasurer. The treasurer shall take charge of all money received by the association and shall make disbursement in



accordance with the directions of the Management Committee. He shall vet all member payment record and ascertain its correctness with amount in bank. He shall provide members with their monthly account status.

c. Trustees:

The standing Connect trustees shall make up the trustees of the cooperative. It shall be their duty to sign on behalf of the association all cheques and legal documents including those concerned with transfer of funds, acquisition and disposal of the association's property.

d. General Secretary:

The Secretary shall keep and maintain correct and up-to-date books and register. He shall procure from borrows the due execution of bonds with security. The secretary shall prepare all receipts, vouchers and documents required by the regulations or by law or called for by the management committee. He shall summon and attend all meetings, record the proceedings of such meetings, and have them duly signed. Accounts and submits to the certified copies of entries in the books.

The AUDSS-CONNECT General Secretary and the bookkeeping team shall serve as the secretariat team of the Cooperative program.

## **16.0 CONSTITUTION AND DUTIES OF THE COMMITTEE**

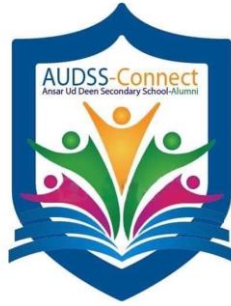
### **16.1 Management committee:**

- I. The management committee shall consist of a minimum of 5 members.
- II. Shall manage the affairs of the Cooperative.
- III. Shall hold a monthly meeting.
- IV. Shall manage and reconcile all the financials of the cooperative via the bookkeeping team.
- V. Shall address all member issues and make recommendations to the Operational Hub
- VI. Shall serve as advisory body to the Operational Hub on Cooperative matters.

### **16.2 Credit committee:**

- I. The management team shall serve as the credit committee.





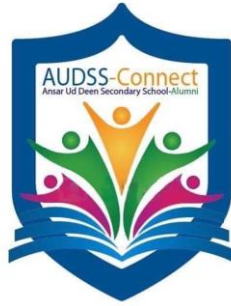
- II. The management may set up ad-hoc committees as needed to address credit matters.

**16.3 Duties of the credit committee shall be:**

- i. To receive application for loans and examine them against the background of the financial conditions, personal habits, previous record of borrow, purpose of loans, ability to repay fully and promptly, and the character and financial standing of the sureties and in doing so shall comply with Byelaws.
- ii. To enforce and communicate the 12 months repayment plan.
- iii. To call for at regular intervals a comparative statement of analysis of delinquent loans and reason for them in order to evaluate the quality of their work.
- iv. The committee may at its discretion wave a member's contribution toward the ordinary saving during the currency of a loan, the repayment of which may impose more hardship on such member if he were to continue to make his normal savings along with the repayment of his loan. Alternatively, the committee may adopt a lever plan payment which enables a borrowing member to continue to contribute a proportion of his total payment to his ordinary saving while repaying his loan.

**16.4 Supervisory Committee:**

- i. The Cooperative management team shall serve as the supervisory committee.
- ii. This committee shall meet at least once every three months to make or cause to be made an examination shall include an audit of its books and an inspection of the securities cash accounts and loans.
- iii. Ascertain that all actions by the management committee and any other committee are in conformity with the ordinance and the byelaws of the society.
- iv. Make a written report to the management committee of its findings following each examination.
- v. Make an annual audit and a written report and submit same to the Annual General Meeting.
- vi. It shall pay attention to the following checklist:
  - a. Is every member's payment acknowledged?
  - b. Is any unused cheque on hand signed in blank?
  - c. Are all expenses approved by the management committee and vouchers signed by the authorized personnel?
  - d. Are the member balances complied monthly?



- e. Does this balance agree with the general control account?
- f. Are the minutes signed/acknowledged by the chairman and secretary?
- g. How many loans are delinquent?
  - i. Name.....
  - ii. Amount.....
- h. How many loans are overdue (a) within 1 year (b) over 2 years?
- i. What actions are being taken to recover them?
- j. Has the auditor's report been read and discussed at a meeting of the Management Committee?
- vii. The supervisory committee shall have the power to recommend the suspension of any officer; any or all members of the management committee or to call a special meeting of the association to consider any violation of the ordinance or the bylaws of the society.

**17.0 LOANS:**

**17.1 Purpose of Loans:**

- I. Loans shall be restricted to members only and shall be made for provident and productive purposes only upon such other data as may be required.
- II. A new member shall be able to apply for a loan after six months of membership.
- III. A member shall be granted one loan at a time.
- IV. No member shall be allowed to run two loans concurrently.
- V. A 5 percent interest rate shall be applied to all loans 4 months and above.
- VI. A 2 percent interest rate shall apply to short-term loans.
- VII. A short-term loan shall be any loan term from one to three months.

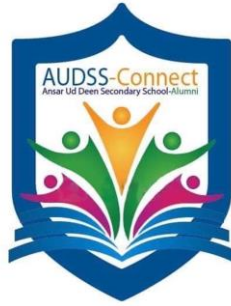
**17.2 Application for Loans:**

Application for loans shall be on forms prepared and furnished by the management committee and shall set out the purpose for which the loan is desired, the security (if any) and such other data as may be required.

**17.3 Conditions Governing Loans:**

No loans shall be granted:

- i. To any individual other than a member of the association



- ii. To any member whose monthly savings are in arrears
- iii. For a period exceeding the time limit fixed by the management team.
- iv. If it would bring a member's total indebtedness at the time of the loan to an amount exceeding his maximum credit limit.

#### **17.4 Rate of interest on loans:**

Rates of interest shall be 5% one-off and penal interest of 10% in case of default in repayment. The rate of interest may be reviewed from time by the Management committee but shall in no case be less than 5% or exceed 10% per annum on unpaid balance. In case of default in repayment, penal interest at twice the normal rate may be charged.

#### **17.5 Maximum Credit Limit:**

- i. The maximum credit limit of each applicant for a loan shall be twice the amount saved by the applicant. The committee shall bear in mind the availability of funds, the principle of meeting credit available to as many members as the qualified and the securities offered.
- ii. Credit decision shall be determined by the management committee.
- iii. A member can borrow up to 95 percent of their vested amount without the need for a guarantor.
- iv. A member shall provide guarantor(s) to borrow over 95 percent of vested amount.
- v. A member can borrow up to 195 percent of vested balance with a guarantor.
- vi. A guarantor (s) shall have equal amounts of the funds he or she is guaranteeing.
- vii. A member requesting credit may use multiple guarantors to cover the funds requested.
- viii. A member can withdraw up to 85 percent of the vested amount.

#### **17.5 Loan Repayment:**

- I. Shall be repaid in a 12-month installment.
- II. The installment period may be less than 12 months at the discretion of the management team.

#### **17.6 Bonds and sureties:**



Every borrower shall execute a bond and shall furnish two sureties who must be members of the society. They can append signature on the form or send surety pledge from the registered e-mails.

#### **17.7 Duties of Surety:**

A surety must be a reputable member of the association and shall personally guarantee:

- i. Repayment of the loan if the borrower defaults.
- ii. The correctness of the particulars on which the value of the borrower's securities is based.
- iii. That the loan is used for the purpose stated by the borrower in his application, misuse of the loan shall be reported by the surety to the committee immediately.

#### **17.8 Recall of loans**

All loans shall be issued subject to the right of the association to call for immediate repayment:

- i. If any misapplication is proven
- ii. If the borrower gives an indication of resignation
- iii. Persistently defaults for a period of over three months.

#### **17.9 Commitment as Surety:**

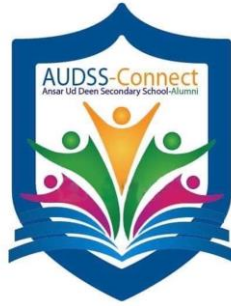
A member's commitment as surety shall not when taken together with his own existing borrowing exceed his maximum credit loan.

### **18.0 USE AND CUSTODY OF FUNDS**

#### **18.1**

- i. The funds of the society shall be deposited in the AUDSS CONNECT account.
- ii. The cooperative account shall be operated in accordance with the AUDSS-CONNECT constitution.

#### **18.2 Investments:**



Such funds of the society as are not required for current use may be invested in any manner permitted by the law and the regulations and approved by the Operational Hub.

### **18.3 Operation of bank account:**

- I. The society's account shall be operated in accordance with the AUDSS CONNECT constitution.
- II. The society account may be separated from the AUDSS-CONNECT account if and when the managing team deem it necessary and with the Operational Hub approval.

## **19. DISPOSAL OF SURPLUS:**

### **19.1**

The Annual net surplus of the association be appropriated in the following manner:

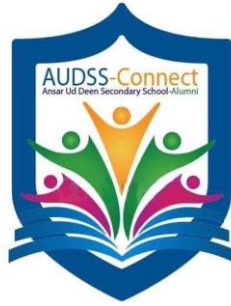
- i. Not less than 25% to the reserve fund, unless a lower rate is prescribed by the Management Committee.
- ii. Honorary donations or other appropriations may be decided upon by the general meeting.
- iii. Dividend on member savings and loan, rebate on interest
- iv. General Reserve

### **19.2 Reserved Fund.**

When the amount appropriated to the reserve fund equals the total limited liability of member as contained in these byelaws, no further contribution shall be made to the account, the reserve fund shall belong to the society, and no one is entitled to claim a specific share in it except with the written permission of the Management Committee. It shall not be utilized in the business of the association but shall be funded and invested in the cooperative Bank or Other banks, approved by the general meetings.

### **19.3 Dividend:**

- I. Dividend at a rate fixed by the Management Committee may be paid on members savings and total loans repaid based on income earned during the year.
- II. Dividend will not be paid until such a time when the cooperative shall engage in investment that yields profit.
- III. Dividend shall be paid whenever the corporative profits from an investment.
- IV. Only 60 percent of the profit made from investment shall be shared as profit.
- V. A dividend shall be paid based on the decision of the managing team.



#### **19.4 Management Committee's Approval:**

The appropriation of the net surplus shall be subject to approval by the Management Committee and governed in all respects by the spirit and letter of the law and the Regulations.

#### **20.0 AUDIT AND SUPERVISION FEES:**

Audit and supervision fees shall be paid at a reasonable rate.

#### **21.0 BOOKS AND ACCOUNTS:**

##### **21.1 Prescribed Books and Records:**

- a. Accounts and records shall be maintained in the forms prescribed by the Constitution and shall include the following:
  - i. Membership and Attendance Registrar showing the name, address and occupation of every member, the date of admission to membership, the nominees and member's attendance at meeting.
  - ii. A cash book showing the receipts, expenditure and balance on each day business is done.
  - iii. General Ledger
  - iv. Personal Ledger with account for each member, depositor or creditor.
  - v. Loan Registrar showing installments for repayment of loans.
  - vi. Minute book for proceedings of General and Committee Meetings.
  - vii. Loan Bond file containing bonds for all loans issued.
  - viii. Such other records as may be prescribed by the registrar.

##### **21.2 Passbook:**

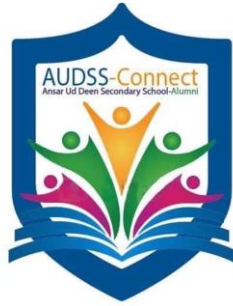
Every member shall keep and maintain the record of transaction done online and keep copy of online receipt book showing particulars, the status and details of account will be provided quarterly to members.

#### **22.0 DISPUTES AND LIQUIDATION:**

##### **22.1 Disputes:**

Any disputes arising or concerning the association, its members past or present or Person claiming through them shall be referred to the management committee.

##### **22.2 Miscellaneous Provisions:**



i. Fines:

Any members or officer who absents himself from a general or committee meeting without reasonable excuse or otherwise act in a manner considered to be against the best interest of society may be fined an amount not exceeding N1,000.00 per offence.

ii. Amendment of bye laws:

Any amendment of or addition to these byelaws shall be made by the general meetings of the society in accordance with the regulations.