Bylaws for Circle of Care Cooperative

DRAFT approved by interim board on November 22, 2005
Subject to ratification by the entire membership at the first annual meeting

Note: For your reference, items in [parentheses] refer to relevant sections of Chapter 185 of the Wisconsin Statutes governing co-op law.

SECTION 1: CORPORATE AFFAIRS [See 185.05]

1.1 Name and Location [See 185.94(4)]
The name of this cooperative is Circle of Care Cooperative. The co-op's principal office is in Outagamie County in the state of Wisconsin.

1.2 Purpose [See 185.05(c)]
Circle of Care Cooperative is a community of dedicated professionals providing the highest quality of care that enables people to live independently in the loving comfort of their homes. We offer supportive wages and benefits to all member-owners in a safe, reliable place of employment.

1.3 Duration [See 185.05(b)]
The duration of Circle of Care Cooperative shall be perpetual.

1.4 Articles of Incorporation [See 185.05(2)]
The articles of incorporation are hereby made a part of these by-laws. In case of any inconsistency between the articles of incorporation and these by-laws, the provisions of the articles of incorporation are controlling.

1.5 Execution of Instruments
All contracts, leases, deeds, and other obligations authorized to be executed on behalf of the co-op will be signed by the president or treasurer. From time to time the board may designate the executive director or other agent to sign documents on behalf of the cooperative.

1.6 Records [See 185.47]
Copies of the articles of incorporation, bylaws, and records of all board of directors and annual meetings will be kept at the cooperative office.

SECTION 2: MEMBERSHIP [See 185.11]

2.1 Eligibility
2.1.1 Open to individuals. Only natural persons (not organizations or businesses) who provide home and personal care are eligible to become members of the co-op.

2.1.2 Expectation of owner-membership. Becoming a member-owner of the co-op reinforces our belief that we are professionals and we have a long term
commitment to those entrusted in our care. Therefore, all caregivers who have successfully completed their probationary status and meet all the requirements of membership are expected to become full member-owners of the Circle of Care Cooperative.

2.1.3 **Membership requirements.** Membership means co-ownership of the organization with fellow caregivers. Individuals who complete their probationary period but do not meet membership requirements will be terminated from employment. Membership expectations include, but are not limited to:

(a) *Acting within the best interests of the co-op.* The member will be a good representative of the co-op and interact respectfully with clients, the community, and fellow members. The member will meet the terms of the personnel policy, board policy, and these bylaws.

(b) *Actively working.* To maintain membership status, a member must receive wages for work performed within the calendar year.

(c) *Membership fee.* A member must pay a membership fee. This fee is nonrefundable. The amount and payment plan options will be set by the board of directors. A caregiver is considered a member and eligible to vote on co-op matters when they start making payments towards the membership fee and continue to do so on a regular payment plan.

2.1.4 **Application review.** The board of directors, or a committee that it designates, is responsible for membership, exercising its exclusive judgment in the interest of the cooperative. The board from time to time may establish standards, criteria, and guidelines for evaluating membership. The decision of the board is final.

2.1.5 **Employee (probationary) status.** Caregivers may be employed by the co-op without enjoying the benefits and responsibilities of membership under either of the following situations. Founding members of the co-op are not subject to probationary status.

(a) *Initial three (3) month probation.* A caregiver may be employed by the cooperative without becoming a member-owner during an initial probationary period of three months. This allows for a mutual discernment as to whether ownership is the right choice for both the individual caregiver and the entire membership.

(b) *Caregivers with non-compete clauses.* If a caregiver had signed a non-compete clause with a previous employer, they may be employed by the co-op under probationary status for the duration of that clause. The caregiver must provide a copy of the non-compete clause to the board, or to a designated application review committee or individual. Once the non-compete clause has expired, the caregiver will either be offered the
opportunity to become a member-owner of the co-op or be asked to terminate employment.

2.1.6 Administrative staff. The co-op’s administrative staff is not eligible to become members of the cooperative. These positions include, but are not exclusive of, the executive director and the business manager. The board will define which positions within the cooperative are considered administrative staff.

(a) Immediate family/significant others and administrative staff. Immediate family and/or significant others of the administrative staff are not eligible for employment or membership with the co-op.

(b) A new hire. If a newly hired administrative staff person has immediate family and/or a significant other employed or a member of the co-op, the caregiver must terminate employment and/or membership prior to the paid start of the administrative position. Board policy will define what relationships constitute immediate family or significant other status.

2.2 Termination [See 185.11(4)]
Retained patronage refunds will be returned to the terminating member in accordance with board policy on equity redemption.

2.2.1 Voluntary termination. A member may resign from membership by delivering a written notice of resignation to the secretary of the co-op.

2.2.2 Involuntary termination. The board of directors may terminate an individual’s membership only at a meeting of the board of directors and only if the member is given advanced written notice. The member shall be given at least 15 days written notice by United States certified mail. The notice shall state with reasonable particularity the grounds for termination. The member shall be entitled to be heard at the board meeting stated in the written notice. The resulting decision of the board is final. The board of directors may terminate an individual’s membership if the board determines that the member:

(a) did not receive wages from the cooperative for work performed for a period of one year or more;
(b) violated terms of the personnel policy, co-op policy, board policy, or these bylaws; or
(c) acted contrary to the best interests of the co-op.

SECTION 3: MEETINGS OF MEMBERS [See 185.13]

3.1 Annual Meeting [See 185.13(1), (2)]
The co-op annual meeting will be held at a time and place designated by the board of directors, within six months after the close of the fiscal year. The board president or a designee will chair the meetings and the secretary or a designee will keep meeting
minutes. At the annual meeting, the board will report on the business of the co-op and members will elect directors for board vacancies.

3.2 Special Meetings [See 185.13(3), (4)]
The board president or the board of directors may call a special member meeting. If at least 20% of the membership signs a petition submitted to the board president requesting a special meeting, the board will call a special meeting. The president shall give notice of a special members’ meeting. The notice shall state the time, place, and purpose of the special meeting. In the event that the special meeting is called by a written petition of members, the meeting notice shall be given within 7 days from the date the petition is submitted, and the meeting must be held within 30 days after submission of the petition. No business shall be considered at a special members’ meeting except as covered in the notice of the meeting. The board president or a designee named by the president will chair the meeting.

3.3 Notice of Meetings [See 185.13(4)]
Written notice of every regular and special member meeting will be mailed not less than 7 nor more than 30 days prior to the meeting to all members at their last known address or be included with the member’s paycheck. The notice will state the nature of the business expected to be conducted, along with the place, day, and hour of the meeting. Only business stated in the notice will receive a final action or vote during the meeting. The board president will set the meeting agenda.

3.4 Voting [See 185.12]
All questions will be decided by a vote of the majority of members. Only members of the cooperative may vote at any member meeting. Each member will receive one vote to be used during decision making. No voting by proxy will be permitted.

(a) Absentee ballots. [See 185.12(5)] The board may provide mail ballots on specific questions, including election or removal of directors. An absent member may submit a written and signed vote if the individual has been notified in writing of the exact motion or resolution. If the board provides mailed ballots on a specific motion, neither the motion nor any resolution to which it pertains may be amended.

3.5 Quorum [See 185.14]
A quorum at a member meeting shall be no less than 25% of the first 100 members plus 5% of additional members. A quorum shall never be more than 50 members nor less than five members or a majority of all members, whichever is smaller. Members represented by signed ballots may be counted in computing a quorum only on those motions for which the signed ballots were submitted.

SECTION 4: BOARD OF DIRECTORS [See 185.31]

4.1 Powers of the Board of Directors
All powers of the cooperative shall be exercised by or under authority of, and the business and affairs of a cooperative shall be managed under the direction of, the board. The board of directors will set, implement, and interpret policies to further the mission of the cooperative. Policies include, but are not limited to:

- Develop the cooperative’s strategic direction.
- Establish policies to guide the cooperative’s operations.
- Select, hire, define the responsibilities, evaluate, compensate, and dismiss the executive director.
- Set and approve membership and general personnel policies, including the personnel policy handbook.
- Monitor the fiscal health of the co-op and decide how to handle net savings, net loss, and reserve funds.
- Determine what committees the cooperative shall have and appoint members to those committees.
- Serve on committees and task forces as needed and appropriate.
- Elect officers at an organizational meeting following each annual membership meeting.
- Engage in long range planning, financing, and commitments.
- Employ legal counsel, if necessary.
- Contract with an auditing firm to conduct an annual audit.

### 4.2 Duties of the Executive Director
The executive director will handle the cooperative’s administrative tasks and daily management. The executive director will report directly to the board of directors. The board president will represent the entire board when addressing executive director personnel matters. Duties of the executive director include, but are not limited to:

- Fulfill all worker scheduling, training, payroll, tax reporting, benefits, insurance, and liability duties.
- Implement an accounting system, maintaining proper records of all business transactions, and provide financial updates to the board of directors.
- Hire, supervise, evaluate, and dismiss staff to meet administrative needs.
- Represent the cooperative to clients, to government institutions, to those with whom the co-op has a contract, and to the general public.
- Implement a marketing plan to meet sales goals for the co-op.

### 4.3 Number and Qualifications of Board of Directors
See 185.31(1) and (2)
The number of directors shall be five (5) members. Directors must be members of the cooperative.

### 4.4 Election of Directors
See 185.31(3)
Directors will be elected at annual membership meetings.
4.4.1 Length of term. Directors will serve three year terms. In order to preserve continuity of governance and harmonious transitions, the terms of the directors will be staggered.

4.4.2 Initial directors. The initial directors will be assigned by lot to one term of one year, two terms for two years, and two terms for three years. In subsequent years, directors will serve staggered terms of three years.

4.4.3 Term limits. Board directors are limited to three consecutive terms (a total of nine years). If a director has served for three consecutive terms, that individual must wait one year before running for the board again.

4.5 Vacancies [See 185.31(5)]
Whenever a vacancy occurs in the board of directors, the remaining directors will appoint a member to fill the vacancy until the next annual member meeting. Any vacancy created by an increase in the number of directors must be made by a vote of the membership at an annual meeting. Whenever any change is made in the board, the board secretary shall file within 20 days a report with the Wisconsin Department of Financial Institutions showing the names and addresses of all directors.

4.6 Removal of Directors [See 185.31(4)]

4.6.1 Board removal. If a director fails to attend two consecutive board meetings without an excused absence, the board has the option to remove that director and fill the vacancy.

4.6.2 Membership removal. A director may be removed upon a majority vote of all members.

4.7 Reimbursement and Compensation [See 185.36]
The cooperative will reimburse board members for reasonable expenses connected with fulfilling board of director duties. Compensation, if any, for board members will be determined by members at annual or special membership meetings. No board director may vote upon reimbursement for their services.

4.8 Conflict of Interest [See 185.367]
It shall be the duty of all board directors to make prompt and full disclosure to the board of any personal, professional, or financial conflict of interest in a matter under discussion. When a conflict of interest is disclosed, the board member must not participate in the discussion or vote on the relevant issue.

4.9 Regular Board Meetings [See 185.32(1)]
The board of directors will hold, at a minimum, quarterly meetings at a time and place the board president chooses. The board president or a designee will chair the meetings and the secretary or a designee will keep meeting minutes.
4.10 Special Board Meetings  [See 185.32]
Special meeting of the board may be called by the president or by any two directors and shall be held from time to time at a time and place as may be designated in the notice of the meeting. Only business specified in the written notice may be conducted at a special board meeting.

4.11 Notice of Board Meetings  [See 185.32(3)]
Distribution of a schedule of times and places for regular meetings shall be sufficient notice to conduct legal business. Appearance at a meeting will constitute a waiver of notice, except when a director attends the meeting and objects to the transaction of business because the meeting was not lawfully convened.

4.12 Quorum  [See 185.32(2)]
A majority of the directors in office shall constitute a quorum for transaction of business. An act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board.

4.13 Action without a Meeting  [See 185.34]
Any action required or permitted to be taken at a meeting of the board of directors may be taken by written action signed by all of the directors. The written action is effective when signed by all of the directors and shall have the same force and effect as a unanimous vote at a meeting.

4.14 Electronic Communications  [See 185.32(5)]
Any board meeting may be conducted by teleconference or other electronic means of communication through which the directors may simultaneously hear one another.

SECTION 5: OFFICERS  [See 185.35]

5.1 Election of Officers
At the first board meeting following the annual meeting of the members, the board of directors will elect from among themselves a president, a vice president, a secretary, a treasurer, and an alternate. At their discretion, the board may choose to combine the office of secretary and treasurer. Officers will hold office for one year unless removed early by resignation or for cause.

5.2 Duties of President
The president shall be the principal executive officer of the cooperative and preside at all member and board meetings. The president may call special meetings of the board or members. With the board’s approval, the president may sign any contracts or other necessary documents.

5.3 Duties of Vice President
In the absence of the president, the vice president will perform the duties of the president.

5.4 Duties of Secretary
The secretary will keep a complete record of all member and board meetings and sign meeting minutes. Whenever any change is made in the board or the officers, the secretary shall file within 20 days with the Wisconsin Department of Financial Institutions a report showing the name and address of all board members and officers. Upon election of a successor, the secretary shall turn over all books and other co-op property to the board. In the absence of the secretary at a meeting, a temporary secretary designated by the person presiding at a meeting shall perform the duties of the secretary.

5.5 Duties of Treasurer
The treasurer shall be the custodian of all funds of the cooperative. The treasurer is responsible for overseeing the co-op’s annual audit.

5.6 Duties of the Alternate
The alternate may perform the duties of an absent director during a meeting or may fill a vacant position on the board.

SECTION 6: FINANCES

6.1 Apportionment of Proceeds [See 185.45(1)]
At least once annually, in accordance with 185.45 of the Wisconsin statutes, the directors shall determine and distribute net proceeds (profits or losses). From the gross proceeds of all transactions, the co-op shall deduct:

6.1.1 All operating expenses and costs.
6.1.2 The cost of supplies, equipment, and other property or services procured or sold for members.
6.1.3 The costs of services performed for members.
6.1.4 All taxes and all other expenses.
6.1.5 Reasonable and necessary reserves for depreciation, depletion and obsolescence of physical property, doubtful accounts and other valuation reserves, all of which shall be established in accordance with usual and customary accounting practices.

6.2 Distribution of Proceeds [See 185.45(2)]
The remainder of the total proceeds is net proceeds and shall be distributed and paid as follows:

6.2.1 Previous losses. The board may apply all or any part of net proceeds to losses incurred in prior years as the interests of the cooperative require.

6.2.2 Co-op education. No more than 5% of net proceeds may be used in teaching or promoting cooperative organization or principles. Education funds, for all purposes except the computation of net proceeds, are deemed an expense of operation of the cooperative.

6.2.3 Non-member employee bonuses. The board may grant a share of net proceeds to employees who are not members of the cooperative. Employee bonuses, for all
purposes except the computation of net proceeds, are deemed an expense of operation of the cooperative.

6.3 Patronage Refunds and Reserves [See 185.45(3)]
None of the remainder of the net proceeds shall be considered income of the cooperative. All net proceeds are capital furnished by member patrons (due to their labor) and belong to the member patrons only. Net proceeds shall be distributed and paid to members as follows:

6.3.1 Capital reserves (retained capital equity). The board may create reasonable reserves for necessary purposes. Members leave a portion of net proceeds in the co-op to help keep operations on a sound financial basis. The retained portion of the patronage refund is allocated to the member’s equity account and paid out at a later date.

6.3.2 Patronage refunds. All remaining funds shall be distributed and paid to members in accordance with the ratio of their patronage (labor performed) to the total patronage (labor performed by all members). The basis for patronage shall be that sum reported annually to the Internal Revenue Service by the cooperative as wages, tips, stipends, and other compensation subject to tax.

6.4 Equity Records [From the IRS code]
The records of the co-op will be kept in such a manner that the patronage refunds and any retained capital equity (allocated or unallocated) of each member of the cooperative may be determined at any time. Within 8.5 months after the close of the co-op’s tax year, each patron member will receive a “written notice of allocation” which reports each member’s patronage refund and capital retained for the year.

6.4.1 Equity redemption for terminating members. When a worker terminates membership, the equity held within the co-op will be refunded, upon written request to the board, in accordance with board policy on equity redemption.

6.4.2 Equity retirement for deceased members. Upon the death of a member, that member’s heirs or legal representative may request, in writing, the retirement of the deceased member’s capital account. The capital account will be redeemed in accordance with board policy.

6.4.3 Unclaimed equity. Any equity or patronage refunds which remain unclaimed six years after the date authorized for redemption or retirement will be paid or distributed according to Wisconsin statutes in effect at that time for the disposition of unclaimed funds.

6.5 Consent to Patronage Distributions This is wording from IRS code. “Consent to patronage distributions” means that all members will report their co-op patronage refunds and retained capital equity to the IRS as earnings. Each year members will receive a 1099 form itemizing their patronage refunds earned in that year.
Each member of this cooperative as of the effective date of this by-law who continues as a member after such date, and each person who shall after such date become a member shall, by such act alone, consent that the amount of any distribution with respect to patronage occurring in any fiscal year of the association beginning after December 31, 1962, and which are made in written notices of allocation (as defined in 26 USCA 1388), and which are received by said member from the cooperative, will be taken into account by said member at their stated dollar amounts in the manner provided in 26 USCA 1384(a), less any amount which may be excluded under 26 USCA 1385(b) in the taxable year in which such written notices of allocation are received by said member.

SECTION 7: ADMINISTRATION

7.1 Fiscal Year
The fiscal year of the cooperative shall end on December 31.

7.2 Seal [See 185.49]
The cooperative will not have a seal. Whenever any document is required to be sealed, an officer will place a notation stating the co-op does not have a seal.

7.3 Robert’s Rules of Order
Meetings of the cooperative will be governed by the most current edition of Robert’s Rules of Order.

7.4 Indemnification (Reimbursement for Loss) [See 185.035-185.039]
The cooperative shall indemnify a director or officer in good standing for all reasonable expenses incurred in a legal proceeding due to her or his position on the board.

7.5 Insurance [See 185.041]
The cooperative shall have the power to purchase and maintain insurance on behalf of anyone acting on behalf of the co-op.

7.6 Financial Review
The co-op’s financial accounts shall be reviewed and reported on at least once a year by an independent auditor selected by the board. An annual report including accounting information or appropriate summaries shall be available to the membership.

7.7 Advisory Council
The board of directors may invite non-cooperative members from the community to advise the board of directors in a non-voting capacity on various financial, managerial, or other policy issues. Members of the advisory council may be reimbursed for incidental expenses, but not be paid a stipend for their time.

7.8 Committees
The board may create temporary or standing committees from among the directors, members, or nonmembers. Committee powers shall be specifically stated by resolution of the board, and in no case shall any such committee exceed their conferred powers.
7.9 Severability
If a court of competent jurisdiction judges any section, clause, provision, or portion of
these by-laws void or invalid, the remainder of these by-laws will not be affected.

SECTION 8: AMENDMENTS TO BY-LAWS

8.1 Member Initiated Amendments to the By-laws [See 185.07(3)]
These bylaws may be amended by a majority vote of a quorum of the members at any
regular or special member meeting, provided that the amendment has been submitted to
the membership for input at least 60 days prior to any vote on such amendment proposal.
Additionally, the final amendment shall be submitted to the membership at least 30 days
prior to the meeting at which the amendment will be voted on.

8.2 Board Initiated Amendments to the By-laws [See 185.07(1) and (2)]
The board of directors may amend the by-laws with immediate effect. Any bylaw
adopted or amended by the board shall be reported at the next regular member meeting.
Any such bylaw shall be at any time subject to amendment or repeal by the members.

SECTION 9: DISSOLUTION

9.1 Voluntary Dissolution [See 185.71]
At any member meeting, whether or not a quorum is present, the co-op may dissolve if:

9.1.1 Proper notice. Notice that a resolution for dissolution will be considered and
acted upon has been included in the notice of meeting; and

9.1.2 ¾ member vote. The resolution is approved by three-fourths of the member votes
cast.

When the resolution is adopted, either a committee designated by the resolution or the
board shall liquidate all assets and pay the net proceeds of such liquidation as follows:

(1) first, to the holders of any nonstock allocated equity interests, including without
limitation undistributed patronage allocations, in proportion to the par value of such
interests, up to the par value of such interests;
(2) second, to members at the time of dissolution, in equal shares.

The board will submit articles of dissolution to the Wisconsin Department of Financial
Institutions in accordance with chapter 185.71 of the Wisconsin Statutes.

9.2 Involuntary Dissolution [See 185.72]
In the event of a decree by a circuit court that the cooperative must be involuntarily
dissolved, the cooperative will follow chapter 185.72 of the Wisconsin Statutes.

Initial draft by Margaret Bau, Cooperative Development Specialist, USDA Rural Development Wisconsin