

**RURAL ELECTRICITY USERS
CO-OPERATIVE SOCIETY**

Bye Laws



RURAL ELECTRIFICATION AGENCY

ENERGY = EMPOWERMENT = EFFICIENCY

A Publication of
Directorate of Promotion (Information & Outreach)



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INTRODUCTION

We, the undersigned members of
Community of LGA in
..... State of Nigeria, having realized that the
Federal Government of Nigeria as well as Private Developers have
been providing access to electricity by executing various electricity
projects in unserved and underserved areas.

And that by virtue of the mandate given to Rural Electrification Agency
under the provisions of the Electric Power Sector Reform Act (ESPR) 2005,
there is a need to achieve the buy in of the benefiting
communities and sustainability of the electrification projects upon
completion. Therefore, there is a need to form Rural Electricity Users
Cooperative Society (REUCS) in the communities where such projects
are located.

The responsibilities of the Rural Electricity Users Cooperative Societies
(REUCS) shall include; to promote community participation in rural
electrification projects through operation, maintenance and
ownership (where necessary), to purchase electricity from Electricity
Distribution Companies (DISCOs) and Independent Power Producers
(IPPs); assist in collecting payment on electricity consumed, monitor
and protect the electricity network and enter into partnership with
other stakeholders, etc.

And that the
community of LGA in
..... State of Nigeria is a beneficiary of an
electrification project and the project having been completed, there is
an urgent need for the members of the community to organize
ourselves into a Rural Electricity Users Co-operative Society, to
undertake the functions inter alia mentioned in the preceding
paragraph.

And having so organized ourselves and formed the said
..... Rural Electricity Users Cooperative Society, do
hereby make, enact and give to ourselves the following Bye Laws.

PART I:

CITATION, APPLICATION AND INTERPRETATION

- I. (i) This Bye Law shall be cited as “*The Bye Laws of Rural Electricity Users Co-operative Society Limited*”.
- (ii) This Bye Laws shall be binding on all members of the Co-operative Society.
- (iii) All words and expression used in this Bye Laws shall have the same meaning ascribed to them in the operating Co-operative Societies Law and if any doubt arises regarding the meaning of any of the provisions of these Bye Laws, the matter shall be referred to the Registrar of Co-operatives for a ruling.

PART II:

NAME, ADDRESS AND AREA OF OPERATION

2. The name of the Co-operative Society shall be Rural Electricity Users Co-operative Society Limited hereafter called the Co-operative Society.
3. The registered address of the Co-operative Society shall be in
.....
4. The area of operation of the Co-operative Society shall be within the area covered by the project.

PART III:

OBJECTS

5. The objects for which the Co-operative Society is established shall be as follows:
 - (a) To promote use of electricity for domestic and commercial purposes.
 - (b) To educate members and the community on productive, effective and efficient use of electricity.

- (c) To facilitate purchase of electricity from distribution companies, IPPs and other Power Promoters.
- (d) To promote community participation in rural electrification projects through operation, maintenance and ownership (where necessary).
- (e) To encourage communities to raise capital through micro-finance and bank loans and ensure repayment compliance.
- (f) To assist in the collection of payment on electricity consumed from consumers and ensure payment to distribution companies, IPPs and other Power Promoters for the maintenance and operation of the electricity network (as the case may be).
- (g) To mediate between the communities and relevant stakeholders in the electricity industry.
- (h) To facilitate interrelationships with other similar Co-operative societies.
- (i) To collaborate with Rural Electrification Agency (REA), and other Stakeholders in the Electricity sector.
- (j) To resolve disputes amongst members.
- (k) To encourage technical skill acquisition by some of its members to ensure routine maintenance of electrical faults.
- (l) To ensure the security and protection of the networks against vandalism.
- (m) To promptly report faults discovered on the networks to the distribution companies, IPPs and Power Promoters.

PART IV:

MEMBERSHIP

6. The membership of the Co-operative Society shall be open to any person or persons not less than 18yrs of age (male or female), living within its area of operation and /or any person or persons desirous of having access to electricity or who has showed positive interest in the objects of the Society.

7. Application for membership shall be made through the Secretary to the Management Committee and members shall be admitted through the recommendation of the Management Committee subject to ratification of members at General Meeting.
8. Every applicant for membership shall inform the Management Committee, through the Secretary, whether or not he/she is under any obligation to a similar Co-operative Society.
9. Every member shall, when requested by the Management Committee, render a true and complete statement of his indebtedness outside the Co-operative Society.
10. An approved Applicant shall become a member of the Co- operative Society as soon as he pays his registration fee.
11. There may be need for subsequent contribution by members as the case may be to facilitate the operations of the Co-operative Society.
12. Generally, membership shall be terminated by death, permanent insanity of a member and or a member's inability to meet his obligations to the Co-operative Society.
13. A member may withdraw his membership by giving a written notice of at least 30days to the Secretary, but such withdrawal shall not affect the liability of the individual to the Co-operative Society in respect of any unpaid loan or debt due from such individual.
14. If a member acts in contravention of these regulations/guidelines or Bye Laws or, acts in any way detrimental to the interest of the Co-operative Society, such a member may be expelled by a vote of two-thirds of the members present at a General Meeting upon a charge communicated to him in writing by the Committee not less than one week before the meeting. Such expulsion shall not affect the liability of the individual to the Co-operative Society in respect of any unpaid loan or debt due from such individual.

PART V:

POWER AND DUTIES OF GENERAL MEETING

15. The First General Meeting of the Co-operative Society shall be convened by the promoter(s) of the Co-operative Society within a period of two

months from the date of formation of the Co-operative society and the assignment of the promoters shall be concluded / completed upon the transaction of the business mentioned in Section 15 hereof and the said General Meeting shall be referred to as Statutory Meeting.

16. The first General Meeting of the Co-operative Society shall be held to transact the following business:
 - (a) To adopt this Bye Laws.
 - (b) To elect members of the Management Committee created by this Bye Law.
17. An Ordinary General Meeting shall be held at least once a quarter to review and direct the work of the Co-operative Society.
18. The duties/functions of an Ordinary General Meeting shall be as follows:
 - (a) Confirm the admission of new members.
 - (b) Take any necessary action against any debtor or delinquent member including expulsion of such members.
 - (c) Appoint, fix the salary of or dismiss the Secretary.
 - (d) Prepare necessary contract of employment and security bond.
 - (e) To transact other businesses duly brought before it.
19. An Annual General Meeting shall be convened by the Management Committee as soon as the audit report is received by it. At least eight days' notice shall be given to members before such Annual General Meeting is held.
20. The functions of the Annual General Meeting shall be to:
 - (a) Confirm the minutes of the previous annual meeting and or any extra ordinary General Meeting.
 - (b) To consider the reports of the management committee and the balance sheet together with the report on the audit of the accounts of the registered society for the previous year.
 - (c) To approve the accounts presented by the Internal Auditor which must be ratified by the External Auditor from the Registrar of Co-operatives.

- (d) To elect members of the Management Committee for the ensuing one-year period.
 - (e) To hear and decide upon any complaints brought by members aggrieved by a decision of the Committee provided that notice of such complaints reached the secretary at least two days prior to the meeting.
 - (f) To transact any other general business of the Co-operative Society.
21. At deserving circumstances as the Management Committee may decide or upon a requisition signed by members constituting half of the total number of members of the co-operative society, the president shall convene an Extra Ordinary General Meeting to decide issues which cannot wait for Annual General Meeting or Ordinary General Meeting.
 22. The Management Committee shall hold Ordinary Meetings to enable them administer the day-to-day affairs of the Co-operative Society.
 23. The quorum for a General Meeting of the Co-operative Society shall be one third of the total number of members of the Society and no business shall be transacted at any General Meeting unless a quorum is formed as at the time the meeting proceeds to business.
 24. Every member shall have a right to attend and vote on all questions at General Meeting of the Co-operative Society. Each member shall have one vote only which shall be exercised in person and proxy or proxies are not entitled to vote.
 25. The General Meeting shall have the power to impose fines on members who without good reasons neglect to attend.
 26. Any question submitted to the decision of the members present at a General Meeting or Extra-Ordinary General Meeting shall be decided by a majority of votes and where there is a tie of votes, the President shall have a casting vote.

PART VI:

CREATION OF FUNDS

27. The Society shall establish and administer a fund to be known as Rural Electricity Users Cooperative Society Fund (REUCSF).

28. The Fund of the Co-operative Society shall consist of:
- (a) Registration fee by members.
 - (b) Contributions by members and non-members.
 - (c) Interest generated from bank deposits or any investments.
 - (d) Loans, grants or donations from external bodies, corporations or donor agencies.
 - (e) Other miscellaneous sources including approved annual subscription approved by Registrar of Co-operatives
 - (f) Fines
 - (g) Interest on loans
 - (i) Levies
 - (j) Registration fees etc.
29. The funds of the Co-operative Society may be held in the form of:
- (a) A Reserved Fund.
 - (b) An Insurance Fund.
 - (c) Development, Education, Publicity or other Funds approved by the General meeting, and
 - (d) Current or Savings Bank Account or Investments or Cash.
30. The Reserve Fund of the Co-operative Society shall be indivisible and no member shall be entitled to claim specific share from it. The reserve fund, may, with the approval of the Registrar of Co-operative be utilized for the business of the Co-operative Society or be applied to meet operational expenses of the Co-operative Society.
31. The Funds of the Co-operative Society shall be applied only to the furtherance of its stated objects in accordance with the provisions of these Bye Laws.
32. The overhead expenses of the Co-operative Society shall be the first line charge on the current revenue, namely funds derived from annual subscriptions, levies, fines, refunds of expenses and or remuneration.
33. The cash retained in the office shall be no more than is required for immediate working capital and shall not exceed such limit as shall be

- fixed from time to time by the General Meeting or by the Registrar of Co-operatives.
34. With the exception of the immediate working capital, the liquid funds of the Co-operative Society shall be kept in the Current or Savings Bank Account of the Co-operative Society.
 35. Any Cash not invested or deposited in Bank Accounts shall be kept in a strongbox or built in safe of a type approved by the Registrar of Co-operatives. The contents of the safe shall be accessed with two keys, one of which shall be kept by the Secretary and the other key by the Treasurer. The Treasurer shall be held responsible for the cash.
 36. Evidence of the cash balance as shown in the Cash Book shall be produced at all General Meeting and Management Committee Meetings and on request by the Registrar or any person authorized by him on that behalf.

PART VII:

MANAGEMENT COMMITTEE

37. A Management Committee is hereby established for the Co-operative Society. The President, Vice President, General Secretary, Assistant General Secretary, Treasurer, Assistant Treasurer, Financial Secretary and Internal Auditor shall constitute the Management Committee. They shall hold office for two (2) years and shall be eligible for re-election for another term of two (2) years and no more. There shall be in addition to the above, three ex-officio members elected at Annual General Meeting.
38. The Management Committee, may by a majority decision of members of the committee, co-opt other credible members of the Co-operative Society into the Committee in advisory capacity and on Ad-Hoc basis where the need arises. These co-opted persons shall not have any voting right at any Management Committee Meetings but only serve in advisory capacity.
39. In the event of any death, removal, withdrawal or transfer, the affected position shall be occupied by the Assistant or in the absence of such, by a temporary appointment by majority votes of members of the

Committee pending the election to such position at the Annual General Meeting, provided that the temporary appointee shall not be eligible to contest at the election.

40. The duties of the Management Committee shall include the following:
 - (a) To run the day to day affairs of the Co-operative Society. In this regard, it shall meet from time to time to review and direct the affairs of the Co-operative Society.
 - (b) Comply with the Law and the regulations thereunder and the Bye Laws of the Co-operative Society and to see that the business of the Co-operative Society is conducted properly.
 - (c) To ensure that true and accurate accounts are maintained and that a true account of assets and liabilities is kept.
 - (d) To ensure that a correct register of members is maintained.
 - (e) To lay before the annual general meeting an Income and Expenditure account, or a final Revenue and Expenses account and a Balance Sheet.
 - (f) To assist the inspection of books by any person authorized to see them.
41. The President of the Committee shall preside at the Annual General Meeting or Special General Meeting unless a special resolution of members supported by two thirds of members present appoints one of the members to preside over such meeting. Such special resolution shall be required where action of the President or Committee forms part of the Agenda at such meeting.
42. The Committee shall have power to determine its meeting and place of meeting. The agenda of such meeting shall be prepared by the Secretary.
43. Members of the Management Committee shall observe the following code of conduct:
 - (a) A member shall not use his position for financial or any gain at the detriment of the Co-operative Society.
 - (b) Shall not be absent (without cause) from meeting for two consecutive meetings.

- (c) Any contravention of either (a) or (b) may cause the member to lose his seat, if at the subsequent meeting, two thirds of members of Committee present at the meeting approve his removal.
44. There shall be standing committees for the Co-operative Society and same shall be constituted by the Management Committee as the need arises.
45. A member of the Management Committee or any Standing Committee shall cease to hold office if:
- (a) He is less than 18 years
 - (b) Becomes of unsound mind or
 - (c) He is convicted of any offence involving dishonesty or is imprisoned for three months or longer, or
 - (d) He acts in a manner prejudicial to the interest of the Co-operative Society.

PART VIII:

OFFICERS AND DUTIES

46. **President:**

The President shall preside over all General Meetings, Management Committee meetings and any Executive Meetings of the Co-operative Society and shall have the power to convene such meetings. In the absence of the President, the Vice President or any member of the Committee may preside.

47. **General Secretary:**

The duties of the General Secretary shall be:

- (a) To send out notice of meetings.
- (b) To receive applications for membership.
- (c) To take minutes of all meetings
- (d) To control other employees of the Co-operative Society
- (e) The general administration of the Society and any other duties assigned to him by the President or Management Committee.

48. **Assistant General Secretary:**

To perform the duties of the General Secretary in his/her absence.

49. **Treasurer:**

The duty of the Treasurer shall be to do the following:

- (a) Prepare the annual statement of Account and balance sheet of the Co-operative Society.
- (b) Sign members Passbook.
- (c) Advance money to any member as approved by the Management Committee
- (d) Open, keep and update various financial registers.

50. **The Internal Auditor**

The Internal Auditor shall audit the account of the Co-operative Society and present audit report to the Management Committee and General Meeting annually.

PART IX:

AUDIT AND SUPERVISION FEES

51. The President, General Secretary and the Treasurer shall be joint signatories to the Bank Account and any other Account held by the Co-operative Society.

PART X:

AMENDMENT

52. This Bye Law shall be amended by a special resolution of members at General Meetings supported by two thirds of all the members of the Co-operative Society present at the General Meeting.

PART XI:

POWER TO MAKE REGULATIONS

53. The Co-operative Society shall have power to make regulations and the power may be exercised by the Management Committee or members at General Meeting as the case may be and such regulations or any other regulations from the Registrar of Co-operative shall be binding on members.

PART XII:

COMMENCEMENT OF OPERATION

54. This Bye Law shall take effect from the date a resolution for the adoption of this Bye Law is passed by members of the Co-operative Society at the first General Meeting of members after it has been presented, certified, signed and sealed by the Director Co-operatives/Chief Registrar, Co-operative Societies as the case may be.

Made this day of

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