

## **Documents that define your co-op**

### **Articles of Incorporation - or - Articles of Organization**

The Articles are filed with the Massachusetts government. They list the names and addresses of the directors and officers of the co-op, and those are public information available on the Massachusetts website, <http://www.mass.gov/>. This is the document that establishes your co-op as either an LLC or a cooperative corporation, both of which protect the members from individual liability, as long as good governance is practiced. A corporation files Articles of Incorporation, and an LLC files Articles of Organization.

### **Bylaws - or - Operating Agreement**

The Bylaws or Operating Agreement (OA) is not filed with the state, but might be reviewed by the IRS to determine whether you can be taxed as a cooperative. Corporations file Bylaws, and LLC's file Operating Agreements. Whichever one you choose, this is the document that defines you as a cooperative, not just any old corporation or LLC. It defines the rights and responsibilities of membership, how decisions will be made in the co-op, and how any profits or losses will be distributed.

### **Membership Agreement, Certificate of Stock**

The Membership Agreement is a contract signed by individuals, which makes them members of the cooperative. In a cooperative corporation, the member might also receive a Certificate of Stock when becoming a member.

### **Annual Report**

An Annual Report must be filed with the Massachusetts Secretary of the Commonwealth every year, in order to keep the cooperative corporation or LLC in good standing and keep the liability protections in place for the co-op members.

### **Business Plan**

The Business Plan describes how the co-op intends to make a profit. It describes the products or services the co-op will sell, and describe the operations, equipment, buildings, technology, and financing that will be needed for the co-op to succeed financially. The Business Plan includes a projected budget for the first 3-5 years of the co-op's operation, and should be updated every year.

### **Employee/Member Policies**

The Policies describe how each member or employee will be treated as a worker in the co-op, including policies about time off, benefits, when a member can be fired and asked to leave the cooperative, and grievance procedures, among other issues.

### **Operating Procedures**

The Operating Procedures describe the business systems used by the cooperative. The Operating Procedures should make it easy for new members to learn how things are done in the co-op.