



Iowa Institute for  
Cooperatives

# CO-OPVIEWS

News and information for the benefit of Iowa cooperatives.

Sept. 2023 Vol. 53, No. 3



## Fostering Iowa's Growth

### Co-op Month - Promoting Cooperatives & Their Benefits

To “foster” something is to promote its growth and development - a key value and focus of cooperatives. As we head into Co-op Month in October, we are bringing light to how cooperatives are *Fostering Iowa's Growth*.

Considered essential to Iowa's economy, cooperatives bring agricultural retail and commodities, electricity, capital, food, hardware, building supplies and other goods and services to rural communities where they often fill a gap in the market.

#### Fostering the Economy

Along with supplying goods and services, cooperatives make a substantial economic impact in the communities they serve.

Whether re-investing in infrastructures or resources that will benefit the community, providing employment, bringing savings or earning to its members, cooperatives can be the driving force in a community's economic prosperity.

Unlike other organizations and businesses, members direct future endeavors of cooperatives and how to reinvest profits. This ensures the community reaps those benefits, rather than a small group of shareholders acquiring the main share of profits. Ultimately, Iowans benefit from Iowa cooperatives.

The Iowa Credit Union League reports that besides contributing \$1.9 billion in total economic output in Iowa during 2020, the 75

Iowa Credit Unions dispersed \$19 billion in home and auto loans, provided 8,990 jobs and saved its members \$150 million through better rates and fewer fees.

The Iowa Association of Electric Cooperatives provides power to 650,000 Iowan homes throughout all 99 counties. During the past 10 years, Iowa's electric co-ops have invested more than \$120 million in energy efficiency measures, saving at least six billion kilowatt-hours. They have also created and retained more than 50,000 jobs in the past 30 years.

According to a 2021 USDA study, Iowa is the second ranked state with net business volume of \$20.5 billion from co-ops. Iowa also had 36 ag co-ops ranked in the Top 100 through conducting \$15.6 billion of net sales: a combination of \$10.4 billion in commodities marketed and \$5.2 billion in supplies.

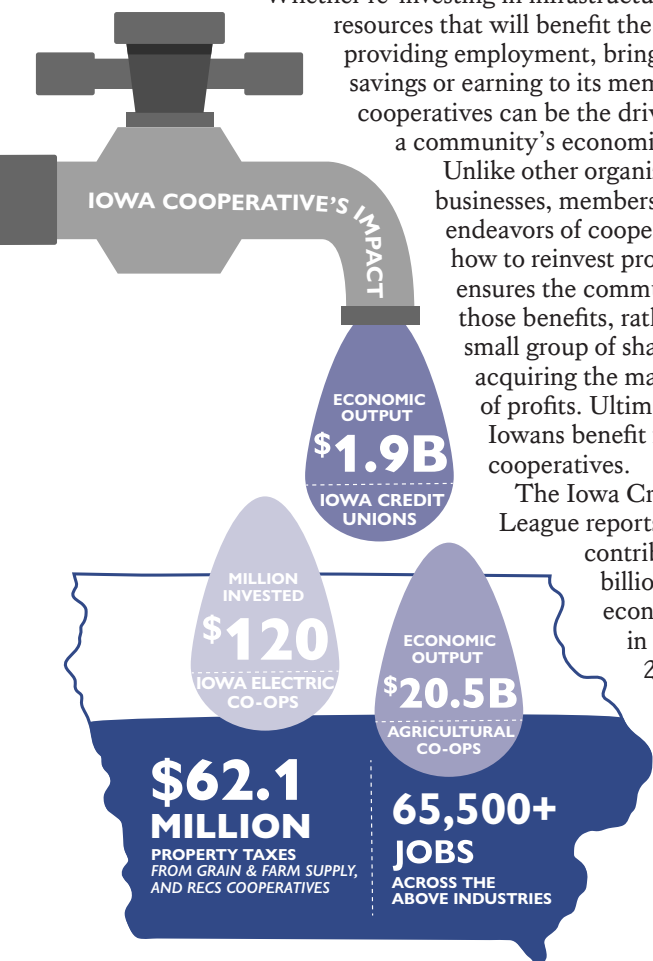
Also to consider is the amount of property taxes that support the communities they are a part of. Just grain and farm supply and RECs cooperatives alone, generate around \$62.1 million in property taxes. These taxes, especially in rural areas, play an important role in county budgets.

#### Developing Personal Growth

Fostering a community also comes through learning. Many cooperatives throughout the state understand the benefits of helping members become successful in their operations through leadership development programs, classes and forums specific to their business or participating in community events. Knowledge and education lift not only individuals, but communities.

Because co-ops are member-owned, volunteering and giving back are always at the forefront of reinvesting profits. Coop News found that on average, cooperatives give back almost 12% of their profits, compared to non-cooperative businesses that only give back 5.9% of their profits.

We have a lot to be proud of with how much cooperatives impact Iowa's economy. When our focus is on growing and developing the communities and people we serve, we are Fostering Iowa's Growth. To learn more about Co-op Month please visit [iowacooperatives.com](http://iowacooperatives.com).



## Mark Your Calendar

### 2023 IIC Annual Meeting

November 21 | 9:00 AM - 4:00 PM

#### KEYNOTE SPEAKER

Ray Starling, Executive Advisor with Aimpoint Research and author of *Farmers versus Foodies, A Look at the Outside Forces Forging the Future of Farming and Food*.



# IIC Awards Annual Scholarships

## Providing Opportunities to Tomorrow's Leaders

For the past 10 years, Iowa Institute for Cooperatives Foundation has carried out Cooperative Principle #5 - Education, Training, & Information, by providing scholarships each year to students who have demonstrated leadership and participated in cooperative internships. This annual scholarship program is just one way Iowa Institute for Cooperatives focuses on developing future cooperative leaders.

This year, Iowa Institute for Cooperatives is pleased to announce 13 recipients of 2023 Iowa Institute Scholarships. The students will each receive a \$2,000 scholarship award for the 2023-24 school year. These students are full-time at two and four-year colleges or universities and who have work experience or an internship at an Iowa Institute for Cooperatives member cooperative.

As part of the application process, the students were asked to submit a short essay discussing how their cooperative supported their members' communities.

Congratulations to all our recipients, and thank you to our members for their generous support of the IIC scholarship program! We wish them all the best in their future career endeavors.



**MATTHEW BEISSWENGER**

Buena Vista University  
NEW Cooperative, Inc  
Audubon, IA



**EMMA DAVIDSON**

Iowa State University  
Viafield Cooperative  
Northwood, IA



**RYLAN HANSEN**

Iowa State University  
Farm Service Cooperative  
Manning, IA



**DYLAN HOSEK**

Morningside University  
NEW Cooperative, Inc  
Traer, IA



**DAYLYN HUPER**

South Dakota State University  
Northern Country Coop  
Wells, MN



**TANNER OLSON**

Ridgewater College  
NuWay-K&H Cooperative  
Hanska, MN



**OLIVIA PRICE**

Iowa State University  
Linn County REC  
Keystone, IA



**HAIDYN SNYDER**

Grand View University  
FCC, Readlyn  
Waverly, IA



**LUCAS TESCH**

South Dakota State University  
Ag Processing Inc  
Henderson, MN



**KYLIE TJERNAGEL**

Iowa State University  
Key Cooperative  
Roland, IA



**ALISHA PETERSEN**

Iowa State University  
Farm Service Cooperative  
Audubon, IA



**RILEY HISCOCKS**

Iowa State University  
NEW Cooperative, Inc  
Britt, IA



**BRADY VAN MEETEREN**

Dordt University  
Farmers Coop Society  
Sheldon, IA

*\* Students are listed with the college they are currently attending and their cooperative work experience.*



# Understanding the Ins & Outs of Co-op Operations

with Eric Eide, Nyemaster Goode PC

There are three primary governing documents that a cooperative board member needs to be familiar with. They are: the cooperative's Articles of Incorporation, bylaws, and written policies (*both company-wide policies and board-specific policies*). This article will provide a brief background on each of these documents.

## ARTICLES OF INCORPORATION

The Articles serve as evidence that the cooperative has been recognized by the state as a separate legal entity. They are the cooperative's "charter" or authority from the state to operate. Under Iowa's cooperative statute, the Articles are required to contain certain information:

- The cooperative's name (*which must contain the word "cooperative"*), address, duration, and purposes for which the cooperative is formed
- The name and address of each incorporator and the registered agent/office
- The number, terms, qualifications, and method for electing and removing the Board of Directors
- Eligibility requirements for membership and how memberships can be terminated
- How the earnings of the cooperative are to be distributed to members
- How the assets of the cooperative will be distributed in liquidation
- The capitalization of the cooperative, including the rights and limitations associated with all classes of stock, or membership

In addition, a cooperative's Articles typically contain provisions dealing with:

- Lien/right of set-off in members' stock and patronage.
- Right of expulsion for breach of contract with the cooperative
- Conversion from Class A (*voting*) to Class B (*non-voting*) for lack of patronage
- Annual meeting information (date/quorum)
- Indemnification of directors and employees (past and present)

The code requires a 2/3rd's vote of the members to amend the Articles.

## BYLAWS

Under the Code, bylaws may deal with "any fiscal or internal affairs" of the cooperative.

The Code **requires** certain things to be in the bylaws:

- Geographical director district boundaries – if Directors are elected using formal Districts
- The manner of payment of deferred dividends or preferred stock

You would also expect to find the following in the bylaws of a cooperative:

- Procedures for conducting Board and member, meetings and elections (*including the use of electronic voting methods*)
- Rules for equity redemption
- "Look through" provisions for members who are entities (e.g. corporations, partnerships, LLCs)
- Member termination/withdrawal provisions
- Director duties
- Officer duties
- Quorum requirements
- Fiscal year.
- Term limits.
- Electronic voting authorization and procedures.

The bylaws can be amended by a 75% vote of the Board; OR by a 75% vote of the members.

## COMPANY POLICIES

Policies are internal guidelines and rules that concern both the Board and the cooperative at large. They provide a standard of conduct for the Board and employees.

### A. Typical Board Policies include:

- Meeting procedures (*agenda and order of business*) (*per diem*)
- Board committees and duties/power (*e.g. executive, audit, nominating*)
- Open grain positions
- Credit policy
- Election policies
- Membership listings (*e.g. joint tenancies, entities*)
- Estate and retirement pay-out policies
- Capital expenditure and check-writing authorities
- Gifts to Board Members or staff
- Code of conduct for Board members (*attendance, confidentiality*)
- Procedure for providing information to members (*see Iowa Code 499.80*)
- Conflicts of interest
- Succession planning (*for Board and key staff*)

### B. Typical Company Policies include:

- Employment benefits (*eligibility, vesting*)
- Nepotism
- Use of company vehicles, cellphones, computers at work
- Sexual harassment policy
- Disciplinary policy
- Document retention policy
- Cyber security procedures

Policies can be adopted or amended by the Board by a simple majority vote.

Best practices would be for the Board to have a copy of the cooperative's current Articles, bylaws, and policies available at every meeting, and for the Board to review them periodically. The Institute suggests an annual review for the policies, and at least once every other year for the Articles and bylaws.

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Planning to attend one of these events? Scan the QR code with your phone's camera or visits our website, [iowainstitute.coop](http://iowainstitute.coop), and register under the "Events" tab. For more information, please contact our main office at 515-292-2667.



## Save the Date!

### 2023 IIC LEGISLATIVE COMMITTEE MEETING

November 3 | 9:00 AM - Noon

IIC Office 2515 University Blvd, Ames

During this IIC legislative committee meeting, committee members review current and proposed legislative policy resolutions to present to full membership at the IIC annual meeting. All new policy resolutions must go through the legislative committee. Please contact Rebecca Boyer, Director of Government Affairs, for questions on the policy resolution process.

### 2023 COOP HUMAN RESOURCES WORKSHOP

November 16 | 12:00 PM & November 17 | 1:00 PM

The Rewind Hotel 6075 Mills Civic Parkway, West Des Moines

Join us for a hands-on workshop around *The Art & Science of Influence*. We will also learn from speakers on relevant HR matters. The day of learning and networking will culminate with dinner at the hotel bar.

*Dinner is included in the registration fee.*

### 2023 IIC ANNUAL MEETING

November 21 | 9:00 AM - 4:00 PM

Iowa State Center Sheman Building, Ames

Join us in November for Iowa Institute for Cooperative's 73rd Annual Meeting. Ray Starling, Executive Advisor with Aimpoint Research and author of *Farmers versus Foodies, A Look at the Outside Forces Forging the Future of Farming and Food*, will be our keynote speaker.

We will also:

- Induct two individuals into the Iowa Cooperative Hall of Fame;  
**Don Miller**, CEO of Northwest Communications, Havelock IA  
**Chuck Schafer**, General Manager of North Iowa Cooperative, Thornton IA
- Discuss and vote on legislative resolutions for the 2024 legislative session
- Network and reconnect with industry leaders and peers
- Hear from industry experts in breakout sessions