

BYE-LAW



PPMC STAFF MULTI-PURPOSE
CO-OPERATIVE SOCIETY, ABUJA
PPMC/NNPC Towers, Central Business Area, Garki-Abuja



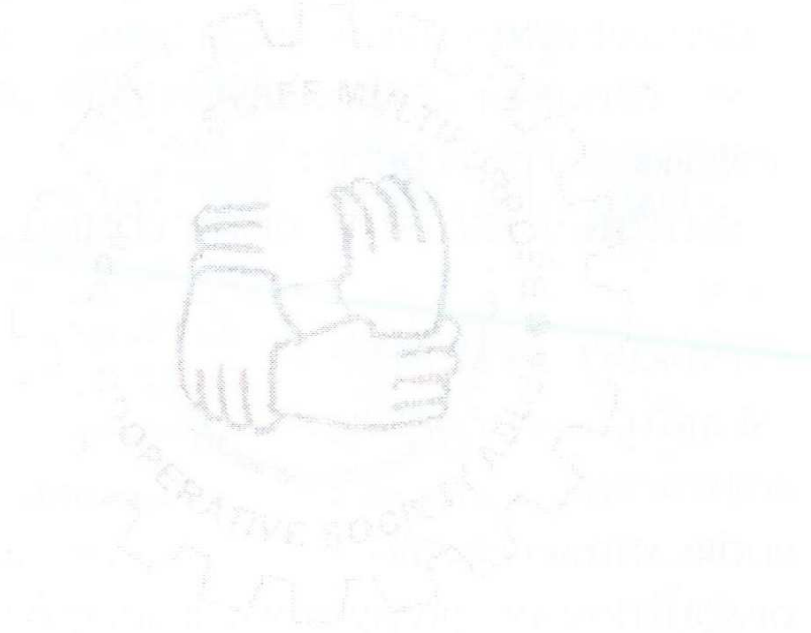
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BYE-LAW OF THE PPMC HQ. STAFF MULTI-PURPOSE COOPERATIVE SOCIETY, ABUJA

We the members of staff of the Pipelines & Products Marketing Company (PPMC) have resolved to come together as an organization for the promotion of the objectives stated herein and in order to provide enabling Laws and Rules for our guidance do hereby, enact and give to ourselves the following Laws and Rules.

1. **CITATION, APPLICATION AND COVENANT**
 - (i) This document may be cited as the Laws and Rules of PPMC HQ. Staff Multi-Purpose Cooperative Society, Abuja.
 - (ii) The said document shall be binding on all members of the society and shall take effect instant from such date as it is adopted by a simple' majority of members present during voting at the general meeting.
2. **INTERPRETATION**
 - (i) All words and expressions used in these Bye-Laws as defined in section 2 of the

Cooperative Societies Law Cap 26 of the Laws of Northern Region of Nigeria 1956 and the Regulations made here under shall have the meaning assigned to them in the above named sections and regulations.

- (ii) In addition, the following words or expressions shall have the meaning respectively assigned to them.
- (a) "PPMC" Pipelines & Products Marketing Company.
 - i. "FINANCIAL YEAR" means the period of twelve calendar months beginning 1st January and ending 31st December.
 - ii. The Law means the Cooperative Societies Laws (Cap 26 of Northern Region of Nigeria 1956).
 - iii. "Regulations/Rules" means rules made under the law and includes the amendment made from time to time;
 - iv. The Registrar means the Registrar of Cooperative Societies, FCT, Abuja.

- v. Committee means the governing body of a registered society to which management of its affairs is entrusted.
- vi. "Member" means a person admitted as a member of the society in accordance with the Bye-Laws and Regulations of the Society.

3. AREA (SCOPE) OF OPERATION:

The area of operations of the society shall be MULTI FACET, I.e. Loans, LPO Financing Property Development/ Acquisition/ Operating Consumer Shop, Savings, Withdrawals, etc.

4. OBJECTIVES:

The objectives of the society include promoting socio-economic well being of its members and especially to:-

- (a) Encourage and facilitate stocking of good quality products and to organize sales of such products for the maximum benefit of members.
- (b) Encourage thrift amongst members and to

establish a fund from which members can be granted loans.

- (c) Provide facilities for regular thrift savings by members without such savings being removed from their control.
- (d) Procure consumer goods at reasonably affordable prices for sale to members.
- (e) Promote any other services designed on cooperative principles to encourage its members; the spirit and practice of thrift, mutual help and self-help.
- (f) Engage in any other economic activities that may lead to increased earning capacity and ultimately improve the standard of living of the members.
- (g) Engage in transportation and other related ancillary ventures.

5. MEMBERSHIP:

The members shall consist of:-

- (a) Willing staff of the Corporation (NNPC)
- (b) Persons who join on application for

registration, having paid the non-refundable registration fee of =N=1,000.00 subject to periodic review by the Management Committee.

- (c) Persons admitted in accordance with these Bye-Laws.
- (d) Staff of the PPMC HQ. Multi-Purpose Cooperative Society Limited, Abuja.

6. QUALIFICATION:

- (a) Every member of the society must be ordinarily resident in Abuja and in towns where PPMC offices are located but a member who leaves the area of this society may retain his or her membership therein and may not borrow there from in excess of his savings and share capital.
- (b) Members must be of attestable good character.
- (c) Must not be less than 18 years of age except in the case of a minor, heir of a deceased member and where the registrar grants exceptions from this qualifications.

7. **ADMISSION:**

Application for membership shall be made in writing or designated applicant form with prescribed registration fee to the General Secretary and shall be disposed of by the Management Committee who may grant or refuse admission. Any applicant refused admission shall be informed so that he/she may appeal through a member of the society at the next general meeting of members which may take such decisions as it deems fit.

8. **DECLARATION OF OBLIGATION:**

Every member shall on joining the society render to the Management Committee a true and complete statement of his/her indebtedness outside the society.

9. **LIABILITY:**

The liability of members for the debts of the society is limited to two times the nominal value of one's contributions/shares. The value of a share is N1.00

10. **TERMINATION OF MEMBERSHIP:**

Membership shall be terminated by any event of:

- * Death
- * Permanent insanity
- * Ceasing to hold five hundred (500) fully paid up shares. Withdrawal after six (6) months notice conveyed in writing to the Secretary provided that the member withdrawing is neither indebted to the society nor sureties for unpaid debt.
- * Expulsion under the Bye-Law.
- * Disengagement from the services of the Corporation and where the member has indicated interest not to continue as a retiree.

11. **EXPULSION:**

- (a) A member may be expelled for:
- (b) Repeated failure to make thrift savings as laid down in the Bye-law.

- (c) Repeated failure to pay share installments or debts due from him to the society.
- (d) Conviction on a criminal offence involving dishonesty and misconduct or other acts contrary to the stated objectives of the society or the interest of the Cooperative Society.

12. LIABILITY OF PAST MEMBERS:

- (i) A past member shall be, liable for the debts of the society as they existed at the date when he ceased to be a member for a period of two years from the date on which he ceased to be a member.
- (ii) The estate of a deceased member shall be liable for the debts due by the society as they existed at the date of his demise for a period of two years after his death.

13. DUES TO MEMBERS:

Any money due on any account from this society to a member or past member shall be set off in payment of any sum which he owes or for which he stands surety.

14. SOURCES OF FUNDS:

- a) The funds of the society shall be made up of:-
 - (i) Registration fees
 - (ii) Members' savings
 - (iii) Share capital
 - (iv) Surplus accruing from the business of the society
 - (v) Miscellaneous sources approved by the Registrar
- (b) Ordinary Saving
- (c) Deposits
- (d) Interest on loans

15. APPLICATION OF FUNDS:

The funds of the society shall not be applied only for the furtherance and promotion of the earlier stated objectives but other objectives as may be permitted by the Bye-laws as well as any other purpose approved by the General Meeting and the Registrar.

16. **WITHDRAWALS:**

(a) **Ordinary Savings:**

A member shall have the right to withdraw a maximum of 112 of his ordinary savings in six months except on termination or final withdrawal of membership from the society.

(b) **Special Deposit:** Special deposits shall be withdrawable provided a notice in writing of at least 7 days is given to the Management Committee. This shall not attract any interest.

(c) **Share Capital:** Share capital shall not be withdrawable but the Management Committee may repay to any member whose membership has terminated during the year a sum not exceeding the amount paid by him on shares and the accrued dividend. Provided that not more than five percent (5%) of the total paid share capital shall be paid out in any one year with the Registrar's permission.

17. **PAYMENT FOR SHARES:**

Shares shall be paid up in full in multiples of e.g. five hundred (500).

18. **LIMIT OF SHARE HOLDING:**

No member shall hold more than one fifth (1/5) of the number of share actually authorized and paid up. If any member by inheritance, possesses more than the maximum holding permitted, the Management Committee may sell the excess or buy them on behalf of and for disposal by the society.

19. **NOMINEES:**

A member shall nominate in writing in the event of death or insanity; person or persons to whom the amount standing to his credit shall be paid. A member may at any time change his nominee by paying a nominal fee of one hundred naira (N100). This requirement is however, subject to NNPC policy on death benefit.

20. **CONSTITUTION AND DUTIES OF GENERAL MEETING:**

The ultimate authority under the Law in all the affairs of the society shall be general body of members who shall meet from time to time, and at least once in three months (every quarter) to review and direct the work/affairs of the society. However the necessity for such meeting shall be at the instance of the management executive committee of the society.

(i) **Quorum:**

The presence of at least one fourth of the members, shall be necessary for the disposal of any business at a general meeting provided that where the total number of members exceeds one hundred, twenty-five members shall suffice.

(ii) If no quorum is present at a meeting, an adjournment may be made for a date not less than 7 days or more than 15 days thereafter, the number of members present at any such adjourned meeting shall form a quorum regardless of the number present.

21. **ANNUAL GENERAL MEETING:**

The Annual General Meeting of the society shall be held not later than one month after the annual statement of accounts has been prepared. The business to be conducted at the Annual General Meeting shall include but not limited to:

- (a) To adopt the minutes of the previous Annual General Meeting shall be:
- (b) To consider the report of the Management Committee, the annual accounts and the balance sheet as approved by the Registrar.
- (c) To decide on the disposal of the society's surplus funds in accordance with the procedure laid down by the Management committee.
- (d) To conduct elections into the various offices of the society.
- (e) To transact any other general business of the society.

22. **ORDINARY GENERAL MEETING:**

The duties of the Ordinary General Meeting shall be:

- (a) To elect, suspend or remove officers and members of the Committee.
- (b) To confirm the admission or expulsion of members.
- (c) To amend, repeal any existing bye-laws or enact any new one in accordance with bye-law (No. 53)
- (d) To fix the rate of interest to be charged on loans to members.
- (e) To ratify the appointment or dismissal of any Management Committee member on the recommendation of the Management Committee.
- (f) To dispose of any other business brought before it.

23. **SPECIAL GENERAL MEETING:**

A special general meeting may be called at any time by the Registrar, a majority of the

Management Committee or Supervisory Committee or the President on the written request of at least fifteen members.

24. **ELECTION OF OFFICERS:**

A member wishing to vie for an elective post shall:

- (a) Must be registered for a minimum of 2 years.
- (b) Obtain a nomination form from the General Secretary with the prescribed fee.
- (c) Be sponsored by a minimum of 3 members of the society.
- (d) Return duly completed form at least one week to the AGM.

25. **ELECTIONEERING CAMPAIGN:**

Electioneering campaigns into all elective posts shall cease at least a day to the date fixed for the AGM. The Registrar or his representative shall be responsible for conducting elections into all elective posts and declaring the elected members.

26. **VOTING OF MEMBERS:**

All matters shall be decided by majority votes of members present by voting. Each member shall have only one vote.

27. **TENURE OF OFFICE:**

Executive members shall hold office for two years and shall be eligible for re-election for another term after which he/she shall not be eligible for re-election to that same post, but could be elected for other positions.

28. **OFFICERS AND THEIR DUTIES:**

PRESIDENT:

The President shall preside over all the General/ Executive meetings of the society and shall have the power to convene such meetings. In the absence of the President, the Vice President or the Secretary of the Management Committee may preside.

29. **GENERAL SECRETARY:**

The duties of the Secretary shall be:

- (a) To summon meetings
- (b) To receive applications for membership

(c) To take minutes of all meetings; and

(d) The general administration of the society and any other duty as may be assigned to him by the President/Management Committee.

30. **ASSISTANT GENERAL SECRETARY:**

He shall perform the duties of the Secretary in his/her absence.

31. **TREASURER:**

It shall be the responsibility of the Treasurer to:

- (a) Keep custody of all monies received;
- (b) Keep records of all such money on the prescribed form as per the directives of the Management Committee;
- (c) Lodge all society money in a bank approved by the general house;
- (d) To open petty cash register for such transaction.

32. **ASSISTANT TREASURER:**

He shall perform similar functions to that of the Treasurer in his absence.

33. FINANCIAL SECRETARY:

It is the duty of the Financial Secretary to:

- (a) Prepare the annual statement of account and balance sheet of the society;
- (b) Sign member's passbook;
- (c) Advance money to any member as approved by the Management Committee;
- (d) To open, keep and update the various financial registers.

34. EX-OFFICIO MEMBERS:

There shall be two (2) ex-officio members.

35. TRUSTEES/SIGNATORIES:

The President, General Secretary and Treasurer shall be the Trustees of the society. Cheques and all other legal document including transfer of funds must be signed by the Trustees to bind the society.

36. MANAGEMENT COMMITTEE:

The President, Vice President, General Secretary, Assistant General Secretary, Treasurer, Assistant Treasurer, Financial Secretary elected at the Annual General Meeting shall constitute

the Management Committee of the society. They shall hold office for two years and shall be eligible for re-election. There shall be in addition to the above two ex-officio members to be elected at the Annual General Meeting. The Management Committee by a majority decision at its General Meeting can co-opt other credible members of the society into the Committee in advisory capacity and on Ad-Hoc basis, where the need arises. These co-opted members shall not have any casting vote at any Management Committee Meeting but are only to serve in advisory capacity. In the event of any vacancy in the Committee as a result of death, removal, withdrawal or transfers, the affected position shall be occupied by the Assistant or in the absence of such, by a temporary appointment of the majority votes of the General Meeting pending the election of such post at the Annual General Meeting provided however, that the temporary appointee shall not be eligible to contest at the election.

37. CONSTITUTION AND DUTIES OF THE COMMITTEE:

The Management Committee of the society shall consist of the following:-

- (a) The President
- (b) The Vice President
- (c) The General Secretary
- (d) The Assistant General Secretary
- (e) The Treasurer
- (f) The Assistant Treasurer
- (g) The Financial Secretary
- (h) Two Ex-officio members

38. DUTIES OF THE MANAGEMENT COMMITTEE

The Management Committee shall be charged with the responsibility of running the day to day affairs of the society. In this regard, it shall meet from time to time to review and direct the affair of the society.

39. CODE OF CONDUCT OF MANAGEMENT COMMITTEE MEMBERS:

- (a) A Management Committee member shall not, in the performance of his/her function, use his/her position for financial or any other gain to the detriment of the society.
- (b) An executive member shall not without cause absent himself/herself from three consecutive meetings of the society.
- (c) Contravention of either (a) or (b) may cause an executive to lose his/her seat if at the subsequent meeting of the Management Committee two third of members present at the meeting vote for his/her removal.

40. STANDING COMMITTEES:

There shall be established Standing Committees for the society as follows:-

- (a) Credit Committee.
- (b) Supervisory Committee

(c) Any other Committee decided by members.

Note: These Committees will be constituted as the need arises.

41. CREDIT COMMITTEE:

The Credit Committee shall consist of all members of the Management Committee. It is the duty of the Credit Committee to consider and;

- (a) Approve loans' disbursement to applicants;
- (b) Decide on the terms of repayment;
- (c) Ascertain the credit worthiness of applicants;
- (d) Consider special/emergency request from members;
- (e) Determine the maximum loan limit to a single borrower.

42. SUPERVISORY COMMITTEE:

It shall be the responsibility of the General Assembly of the Co-operators to appoint at least three people to serve as members of the Audit

committee with one of the members acting as chairman. The committee when appointed shall meet at least once every three months. It shall be the responsibility of the Committee to:

- (a) Examine the affairs of the society which includes auditing of all books of accounts;
- (b) Inspect all securities as well as cash and loan accounts;
- (c) Scrutinise the activities of the Management Committee to ensure compliance with laid down rules and regulations;
- (d) Submit annual and an audit report to the Management Committee;
- (e) Ascertain the number of loans overdue for repayment within the stipulated period as approved by the Credit Committee and the steps taken to recover same;
- (f) Ensure that all officers handling cash are duly bonded.

- (g) Ensure that Auditor's Report has been prepared and passed to the Management Committee with clear observations in 'good time, and
 - (h) Ensure whether members' ledgers are being updated.
 - (i) The Supervisory Committee shall also have the power to recommend the suspension of any member to the Registrar of the Cooperatives, or report to the General Meeting any violation of the ordinance or the bye-laws of the society by a member.
43. **LOAN:**
- (a) **Purpose of Loan:**
Loans of the society are to be extended to members upon such terms and conditions as the Credit Committee may approve.
 - (b) **Application for Loans:**
A member desirous of obtaining loan shall submit an application to the Credit Committee through the General Secretary

stating the amount and the purpose for which the loan is required, the terms of repayment, and security being offered for the loan. Satisfied, the loan may be approved by at least two Trustees authorizing disbursement in line with laid down rules and regulations.

- (c) **Administrative Charges on Loan:**
Rates of administrative charges on loan shall be fixed from time to time at the AGM on the recommendation of the Management Committee. In case of default in repayment, penal amount at twice the normal rate may be charged.
- (d) **Maximum Credit limit:**
The credit limit shall be twice the Savings of a member subject to a determinable maximum and revisable from time to time. The loan shall be collateralized by the member's savings of not less than 50% of the amount so granted.

(e) **Payment Period and Interest Rate:**

Loan shall be repayable in 12, 18 or 24 months agreed from the month following the collection of the loan at an agreed simple interest rate per annum.

(f) Every borrower shall execute a bond and shall furnish two sureties who must be members of the society. It is the duty of the sureties to repay the loan in full, if the borrower defaults.

(g) **Recall of loans:**

All loans shall be subject to the right of the society to immediately recall such facility, if;

(i) The borrower indicates his/her intention of resigning from the society or on leaving the service of the Corporation on whatever ground.

(ii) The borrower persistently defaults in repayment for a period of more than three months.

(iii) The borrower is transferred to another

(iv) In event of a demise of a borrower.

(h) **Loan to Another Society:**

Subject to the approval of the Registrar of Cooperative, and recommendation of the Management Committee, a loan may be granted to another registered Cooperative Society.

44. **COMMITMENT AS SURETY:**

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

45. **WITHDRAWAL OF MEMBERSHIP:**

A member wishing to withdraw his/her membership of the society shall give at least 1 month notice to the General Secretary of his/her intention to withdraw.

46. **USE AND CUSTODY OF FUNDS:**

The funds of the society may, with the approval of the general assembly of members, be lodged either in a cooperative bank, commercial bank,

merchant bank, states bank or trust companies registered in Nigeria.

47. INVESTMENTS:

The funds of the society that are not required for immediate use shall be invested in accordance with the rules and regulations governing investment of funds of the society.

48. OPERATION OF BANK ACCOUNT:

The accounts of the society shall be operated by the Board of Trustees and the trustees are to be responsible for opening, closing and withdrawal of money from such accounts.

49. DISPOSAL OF SURPLUS:

The annual net surplus of the society shall be appropriated in the following manner:

(i) Not less than 25% to the reserved fund, unless a lower rate is prescribed by the Registrar under the law.

(ii) $2\frac{1}{2}$ % to the Education Fund.

(iii) Such honorary donations or other

appropriations may be decided upon by the general meeting. e.g. NHIS

(iv) Dividend on members savings and loan, rebate of interest.

(v) General reserve.

50. RESERVE FUND:

The reserve fund of the society, created in accordance with the provision of section 28 of the Cooperative Societies Act shall be indivisible and no member shall be entitled to claim a specified share from it.

(a) Be utilized in the business of the society or;

(b) Be applied to meet the operational expenses of the society.

51. AUDIT AND SUPERVISION FEES:

The society shall pay annually such audit and supervision fees, if any, as the Registrar may direct.

52. **DIVIDENDS:**

Dividends at a rate fixed by the Management Committee and approved by members at the AGM shall be paid based on members' saving as at 31st December of the preceding year.

53. **BORROWING:**

(a) **Purpose of Loan:**

The society can borrow from financial institution or other societies for the advancement of the business of the society, finance projects or expansion of business.

(b) **Borrowing Powers:**

The management committee shall have the power to borrow on behalf of the society with the approval of members at the AGM at prevailing/reasonable rates.

The management committee shall ensure that there is no default in payment terms. The loan must be in the interest of the society.

(c) **Terms of Borrowing**

The terms of conditions of borrowing must be clearly defined.

54. **BOOKS AND ACCOUNTS:**

Accounts and records shall be maintained in the form and manner as prescribed by the Registrar and shall include the following:

- (a) Membership and attendance register showing the name, address and occupation of every member, the date of admission, the nominee, and members' attendance of meeting of the society;
- (b) A cashbook showing the receipts, expenditure and balance of each day's business;
- (c) General ledger;
- (d) Personal ledger with accounts of each depositor or creditor;
- (e) Loan Register showing instalment repayment of loans;

(f) Minutes book of proceedings of general/ Executive Committee meetings;

(g) Loan bond file containing bonds for all loans issued;

(h) Such other records as may be proscribed by the Registrar.

55. PASSBOOK:

Every member shall keep and maintain a passbook showing particulars of his accounts with the society. The passbook shall be submitted to the Financial Secretary at six months intervals for update.

56. DISSOLUTION AND DIVISION OF THE SOCIETY/SPLITTING UP OF THE SOCIETY:

The Registrar may, on the written request of not less than one third of members, the member not being less than 25 or where the membership exceeds 90 on the written request of at least 30 members, authorize such members to form themselves into society of a type and to this

shall be transferred the total savings of those members.

57. DISPUTES AND LIQUIDATION:

(a) **Disputes:**

Any disputes arising from the day to day running of the society, its members past or present, or persons claiming through them shall be referred to the Registrar for settlement by arbitration and the decision of the Registrar shall be final.

(b) **Liquidation:**

The society shall not be liquidated except in accordance with the provision of this Bye-Law. The surplus' fund of the society after meeting all its liabilities including those of its members shall be distributed in accordance with the guidelines approved by members at a general meeting specifically summoned for that purpose.

58. MISCELLANEOUS PROVISIONS:

The society may, with the approval of the Registrar unless there are reasons to the

contrary, affiliate itself with any local multiple purpose cooperative union in its area of operation.

59. SEAL

The Secretary shall be the custodian of the seal and shall ensure its safe custody. The seal shall be fixed on all documents requiring sealing and shall be authenticated by the President and Secretary.

60. AMENDMENT OF BYE-LAW

This Bye-Law shall not be amended except by a resolution of at least two-third of the registered members of the society at a meeting specifically convened for that purpose.