

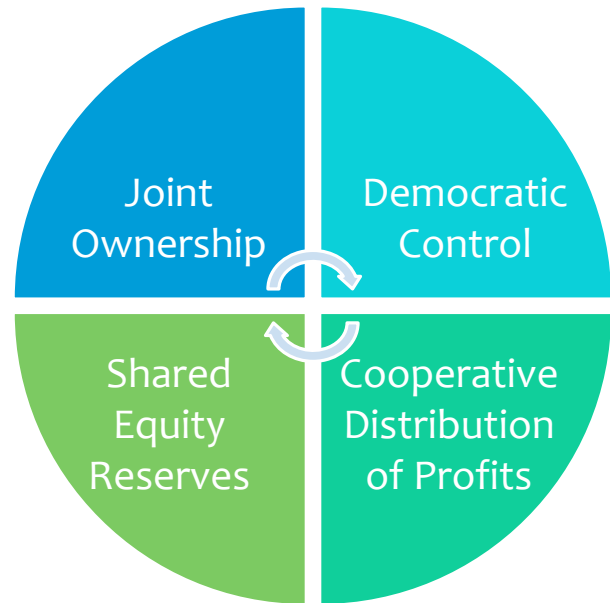
# Orientation for Prospective Coop Members

A Yard & A Half Landscaping Cooperative, Inc.



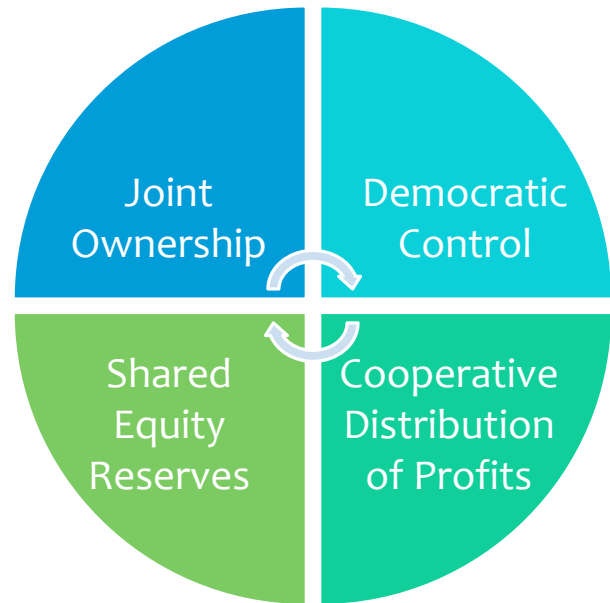
# What is a Worker-Cooperative?

“A co-operative is an **autonomous** association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a **jointly-owned** and **democratically-controlled** enterprise.”

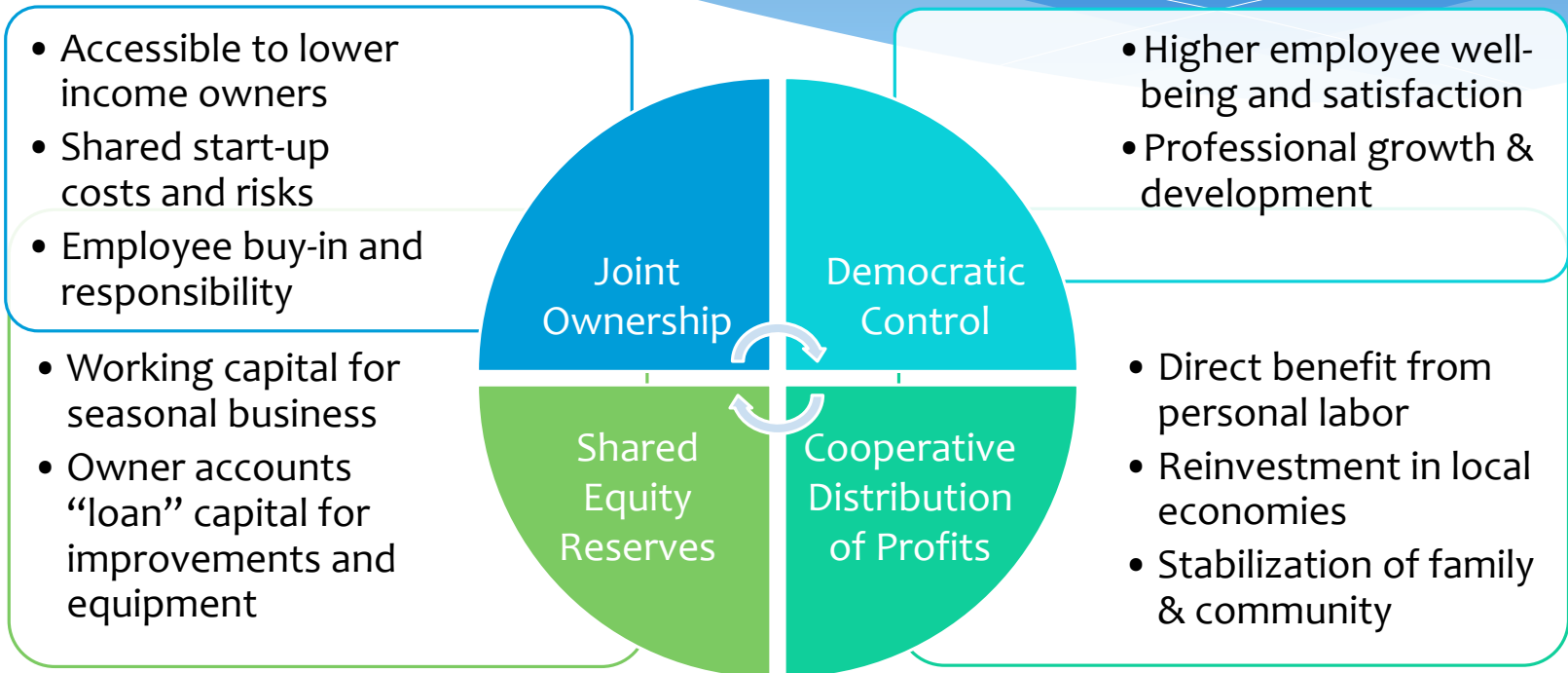


# What is a Worker-Cooperative?

- **Worker-owned** – workers finance the coop together through an initial buy-in
- **Worker-controlled** on basis of “One worker, one vote”
- **Workers share surplus**
- **Worker-owner equity** stays in the coop as working capital



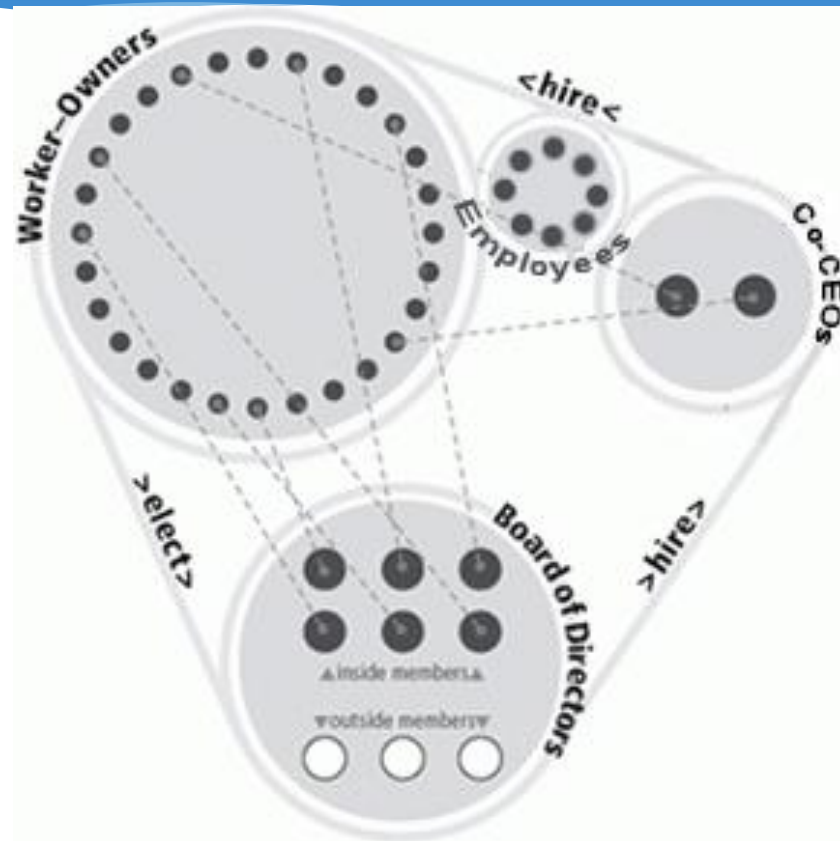
# Why Worker-Cooperatives?



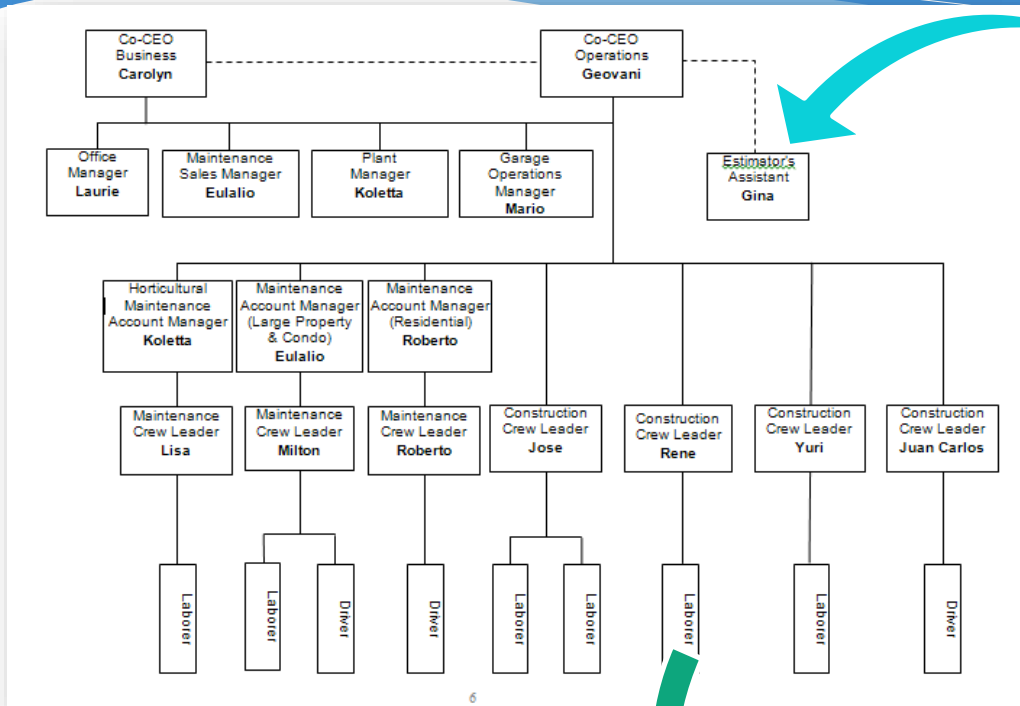
# 7 Cooperative Principles

1. Voluntary and open membership
2. Democratic member control
3. Members' economic participation
4. Autonomy and independence
5. Education, training, and information
6. Cooperation among cooperatives
7. Concern for community

# Democratic Control



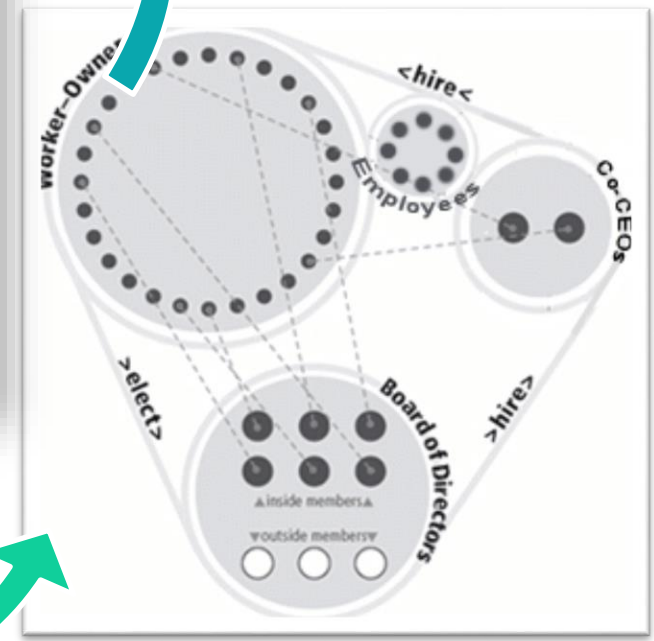
# Governance vs. Management



Management



Governance



# Who Does What?

D – Decision-maker

R – Ratifier, must approve final decision

I – Input-giver, opinion must be sought out by decision-makers

| Decision                    | CEO(s) | Worker-Owners | Mgmt Team | Who can I give input to? |
|-----------------------------|--------|---------------|-----------|--------------------------|
| Create Annual Budget        | D      | R             | I         | CEOs, Worker-Owners      |
| Allocate Patronage          | I      | D             |           | Worker-Owners            |
| Set Pay Ranges & Benefits   | D      | R             | I         | CEOs, Worker-Owners      |
| Set Compensation Philosophy | I      | D             | I         | Worker-Owners            |
| Amend Bylaws                |        | D             |           | Worker-Owners            |
| Elect Board Officers        |        | D             |           | Worker-Owners            |
| Evaluate/Hire co-CEOs       |        | D             | I         | Worker-Owners            |
| Evaluate/Hire Employees     | D      | I             | I         | CEOs, Mgmt Team          |

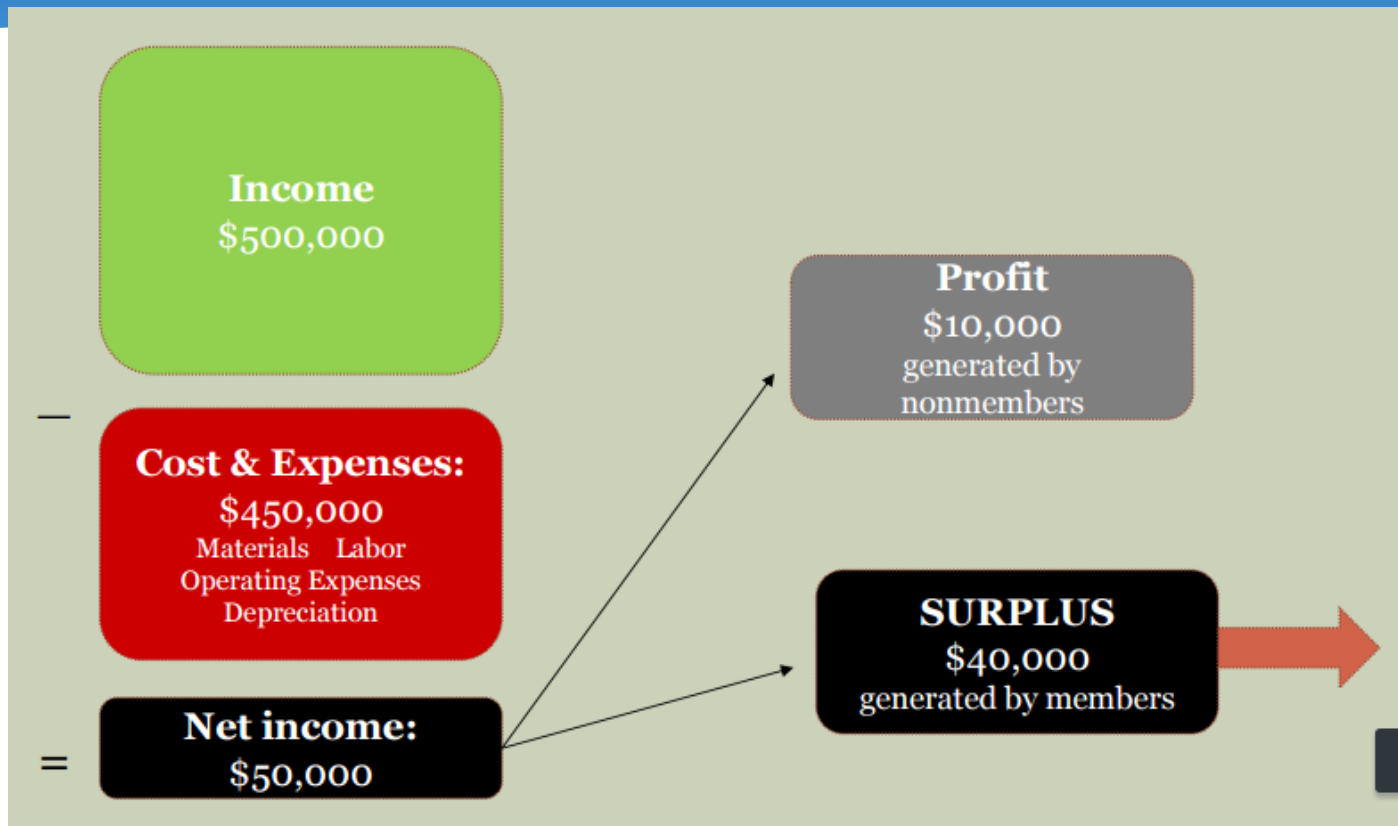




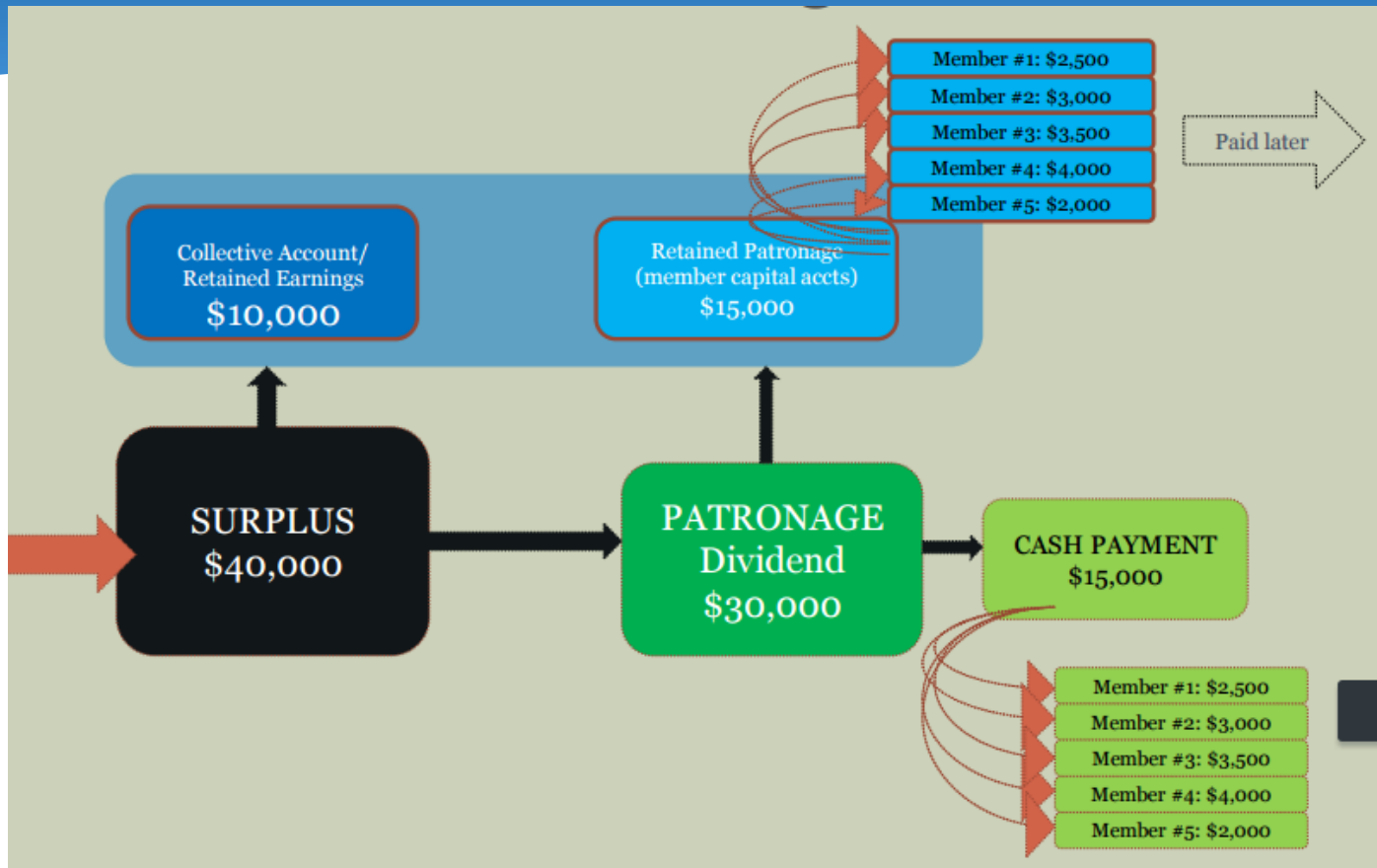
# Rights & Responsibilities

| Rights   | Responsibilities  |
|--|---|
| Share in profits                               | Buy 1 share of stock                                      |
| Make nominations for Board                     | Pay taxes on patronage and bear portion of any losses     |
| Propose items & speak at Worker-Owner meetings | Attend monthly Worker-Owner meetings                      |
| Vote for Board officers & change to Bylaws     | Recruit and mentor new & prospective worker-owners        |
| Serve on board and committees                  | Learn about operations of the coop to make good decisions |

# Surplus



# Surplus



# Things to Think About

- Ownership is a commitment of money, but also of **time and energy**.
- Owners share in the profit, but also in the **risk**. Individual owner accounts will lose value if the company loses money.
- You may become ineligible for some forms of **public assistance** due to increased income.
- You are responsible for what happens in the company. You may face **personal legal & financial liability** if good financial controls and governance structures are not maintained.

# Becoming a Member

- **Current employee**
- **Sponsorship by current Member**
- **3 seasons of employment (>20 hrs/wk)** – past employment with AY&AH may be considered
- **Sign Member Agreement** agreeing to Bylaws, including to pay taxes using a government-issued tax ID number (SSN/ITIN)
- **Sign Share Purchase Agreement** to purchase 1 share at \$7,000
- **Approval by vote** of majority of Board Members

NOTE: Shares cannot be sold, gifted, or inherited. On separation, shares will be paid out within 3 years.

