

FORM OF AGREEMENT RE LIQUIDATED DAMAGES.

The _____ Co-operative Association, Limited.
 _____ Place _____ Date _____
 I, the undersigned, as a member of the _____ Co-operative
 Association, Limited, hereby agree to deliver to the said Association all the
 and _____ products grown (produced) by me for sale,
 and acceptable to the Association; and I further agree to pay to the said Association
 as liquidated damages (and not as a penalty) _____ cents for
 each _____ of _____ not so delivered without the written
 consent of the Manager (or Secretary).

Witness Signed

AUDITORS.

(17) The accounts of the Association shall be audited by an auditor or auditors who shall be appointed at the annual meeting in each year. No employee or Director of the Association shall act as its auditor.

Vacancies in the position of auditor may be filled by the Board of Directors.

The auditor shall present a statement of accounts in such form and for such purpose as the Board of Directors may decide. He shall also prepare the annual returns of the Association and shall duly fulfil all the obligations pertaining to the office.

NOTE: A proper audit of the accounts of the Association is extremely important and this importance is not sufficiently recognized by Co-operative Associations generally. Large business concerns carry on a continual audit at all times. It is recognized that too large a proportion of the failures of co-operative associations has been due to the fact that proper accounting has not been practised. When an Association starts, Directors should cause an audit to be made each month for the first few months. Usually one or two of the members are appointed as auditors and too often these members have no knowledge of how to properly audit books and slipshod methods of managers are allowed to pass. It is money well invested to acquire the services of an expert accountant to make an audit at least once every year. The annual audit should reveal the entire financial standing of the Association and should be clear enough to give every member a complete idea of the business transacted. Where a number of Co-operative Associations are carrying on business in the same district they might club together to hire the services of an expert accountant and the payment of the services divided in proportion to the time spent with each Association.

CHANGING BY-LAWS.

(18) These by-laws may be amended at any regular or special meeting by a two-thirds vote of the members present, in the affirmative.

Notice of such amendments must be given each member by letter at least _____ days previous to the meeting.

NOTE.—The by-laws should contain no more than enough to determine the general basis of organization. The details of running the business should be embodied in the rules and regulations which may be changed from time to time as occasion demands.