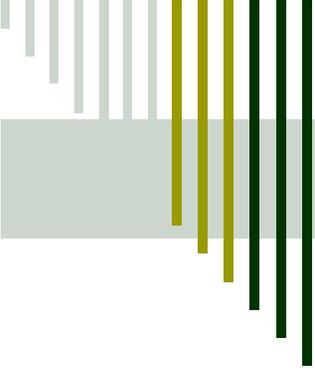


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# Agricultural Society By-Laws

## **Agricultural Societies Program**

201, 7000-113 Street  
EDMONTON AB T6H 5T6

Phone: 780-427-4221

Fax: 780-422-7722

## **HOW TO USE THIS BOOKLET**

This booklet provides an outline of the material that **MUST** be included in your by-laws as well as suggestions for other areas that could be covered.

The first section is general comments about by-laws. These, along with the example, will help your committee start a discussion. Remember that every agricultural society will have unique clauses or sections.

## **WHAT ARE BY-LAWS?**

Every agricultural society is a legal entity under the *Agricultural Societies Act* of Alberta. As defined in that Act, each agricultural society is responsible for drafting their own by-laws.

By-laws are the basic rules of the organization. They are written to improve the operation of your organization. They provide clear statements that all members can understand.

When a disagreement occurs, the by-laws are the major mechanism used to clarify what will happen. By-laws that are well written, are one tool that will help an organization avoid or settle a conflict.

## **BY-LAWS ARE NOT POLICY AND PROCEDURES**

Often agricultural societies operate facilities, plan numerous events and cooperate with various community organizations. A policy and procedures manual outlines some of the agreements and procedures for committees involved in these events. This should be a separate document from the by-laws.

## **WRITING THE BY-LAWS**

By-laws are the rules your organization will run by.

Consider carefully what your organization needs to be effective and efficient. You do not require a legal expert to write the by-laws. However, they should be easily understood by anyone who reads them. Having an outside person read the proposed by-laws is a way of ensuring that the meaning is clear.

Please contact Alberta Agriculture and Food if you need assistance. Use the sample by-laws, in this booklet, as a guide for your revision process.

## **SUBMITTING BY-LAWS**

Once your by-law changes are passed at your Annual General Meeting, or a special meeting called for that purpose, a signed and dated copy needs to be submitted to:

Alberta Agriculture and Food  
Agricultural Societies Program staff  
Room 201, J.G. O'Donoghue Bldg.  
7000- 113 Street, EDMONTON AB  
T6H 5T6

Upon receiving your by-law changes we will make sure they are in compliance with the *Agricultural Societies Act* of Alberta. You will receive notification if changes need to be made to your bylaws.

## **LET'S GET STARTED**

The following categories are common to most agricultural society by-laws:

- Name of the Society
- Definitions
- Objectives
- Membership
- Board of Directors
- Terms of Office
- Executive
- Meetings of Members and Directors
- Annual Meetings
- Notice of Meetings
- Order of Business
- Agenda of the Annual Meeting
- Director's Meetings
- Special Meetings
- Quorum
- Annual Reports
- Responsibilities of Directors
- Committees
- Duties of The Executive
- Financial Responsibilities
- Amendments
- Fiscal Year
- Dissolution
- Date and Signature
- Agricultural Societies Act

## **NAME OF THE SOCIETY**

The introduction to your by-laws should indicate the full name of the agricultural society and the date you were originally chartered.

The full name of your agricultural society is printed on your charter document. If a name change has been made, there should be a certificate signed by the Minister of Agriculture, or designate, which indicates a date and the acceptance of a new name. **All** Agricultural Societies should have names ending in "agricultural society".

## **DEFINITIONS**

Definitions help the reader to clearly identify the terms used in your by-laws. The terms listed should be used consistently to avoid confusion. For example you can use agricultural society throughout the document to refer to your organization. However, you should use only one term. The board can be used to refer to the directors who were elected at the annual meeting. Common definitions are listed in the example by-laws which follow.

## **OBJECTIVES**

The overall objective of all agricultural societies is specified in the *Agricultural Societies Act* of Alberta article three, "The object of a society is to encourage improvement in agriculture and in the quality of life of persons living in an agricultural community by developing programs, services and facilities based on needs in the agricultural community."

As this is a very broad objective, each society is encouraged to outline their specific objectives in this section.

These objectives should provide the reader with a clear idea of the types of activities and events that the society will provide or support.

## **MEMBERSHIP**

Articles of membership should clearly define who is a member, how to become a member and the privileges and responsibilities of each member. Any person who pays their membership fee is entitled to all privileges of membership. A board or organization cannot vote to accept or decline member applications.

Different categories of membership should be noted, for example, lifetime members. Junior members, under age 18, can be agricultural society members. However because of the legal responsibilities of directors, they can not have full voting rights or serve as directors.

The Act states that each member should pay an annual fee. The **minimum annual fee is \$1.00.**

The by-laws should note when the fee can be paid by to be eligible to vote at the annual general meeting.

## **BOARD OF DIRECTORS**

Each society may determine their own number of directors, **the minimum number being twelve.** It is advisable not to make this number too large as the meetings become inefficient. With a large number of directors, the commitment to attend meetings and participate decreases.

The election process for directors and the executive should be written in this section. Some by-laws indicate a full membership vote on the executive positions and some indicate that following the election of all the directors, the executive will be chosen from within that group, by that group.

## **TERMS OF OFFICE**

By indicating the term of office for directors the board will rotate membership. Many by-laws indicate the term of the directors' service with a maximum of two terms before the individual must step down.

Set terms are an opportunity to maximize the number of members that can serve on the board, rotate positions and maintain continuity. For example, twelve directors serving three year terms, would have only four positions elected at each annual meeting. However a section should also outline procedures for filling vacancies and un-expired terms.

## **EXECUTIVE**

Who is part of the executive and what powers do they have? The whole agricultural society should consider what they feel the executive can do, without taking the matter to the directors or the agricultural society membership.

Each executive position can be outlined with the individual responsibilities noted. If there are staff positions, these job descriptions should also be briefly outlined.

The *Agricultural Societies Act* of Alberta indicates that directors should serve without remuneration. The by-laws may indicate if expenses for directors should be reimbursed and the method of dealing with that expense.

If the agricultural society wishes to provide an honorarium to a director for their expenses beyond those outlined, a special motion would have to be passed.

## **MEETINGS OF MEMBERS AND DIRECTORS**

This section should clarify the procedures for annual, special or regular meetings. Outline how notification of meetings will be made, who can call a meeting and who can attend the meetings.

### **ANNUAL MEETINGS**

The Act states that every agricultural society must hold an annual meeting. The date of the annual meeting should be appropriate and allow maximum input and attendance from the membership.

### **NOTICE OF MEETINGS**

Notice of the annual meeting or for a special meeting must be at least two weeks, section 19 (1) of the Agricultural Societies Act of Alberta. The by-laws should indicate how to call the meeting and provide notice. Consider the appropriate form of letting all members know about the meeting. Mail may be the most efficient, however a notice in the local paper may reach prospective members as well. It is often wise to consider the increased communication abilities of computer and fax.

The one exception for notice deals with real property. Section 28(2) states: "The directors shall not sell, mortgage, lease for over one year, or otherwise dispose of any real property owned by the society, unless authorized to do so at a special meeting of the society called for that purpose for which at least one month's notice must be given in the manner provided for calling special meetings".

## **ORDER OF BUSINESS**

The Agricultural Societies Act provides an outline of the agenda for the annual meeting. The annual meeting should adhere to formal rules of procedure and handling of business.

It is wise to consider specifying the items acceptable for discussion and the format for the discussion in your by-laws.

### **AGENDA OF THE ANNUAL MEETING**

The order of business at the annual meeting includes:

- reading minutes of previous annual meeting;
- reports of officers;
- reports of committees;
- unfinished business;
- new business;
- election of officers;
- adjournment

### **DIRECTOR'S MEETINGS**

The by-laws can provide the description of a regular meeting of the directors and the format these will take. The by-laws should describe who can vote and how decisions will be made. It would be important to provide a clause that describes who can call a directors meeting if there is no clear regular pattern to the meeting schedule, e.g. monthly.

## **SPECIAL MEETINGS**

A statement about who can demand a special meeting and the circumstances that would create the need for a special meeting could be outlined. Examples would include major capital projects, revising the by-laws or concerns raised by a large group of members.

## **QUORUM**

Each agricultural society should determine the acceptable minimum number of people required to make a decision. There are often two numbers used, quorum for directors meetings and quorum for all member meetings.

Section 25 of the Act states the ***minimum quorum for a society meeting is 10 members and for a directors meeting is 5, this number may be greater but not less.*** Your quorum will be based on the expectations of the community for the group required to provide good consideration and cross section of opinions.

## **ANNUAL REPORTS**

Agricultural societies are required to file an annual report with Alberta Agriculture and Food. The report consists of a list of elected directors, report of the previous year's activities and a financial statement. These reports are due **January 15** of each year.

The by-laws should provide a clause on the annual reports required by government as well as an outline of the reports that the members would like as part of their annual report.

## **RESPONSIBILITIES OF DIRECTORS**

The by-laws describe the responsibilities that directors have to the members. For example, how directors maintain communication and participate in the concerns of the agricultural society.

A clause covering conflict of interest situations provides clear direction to any director. It protects the agricultural society from problems when decisions need to be made that directly impact the private interests of a director.

Definitions: "A conflict of interest is any situation in which the private interests of individual members may interfere with his/her responsibility to carry out his/her duties in an official capacity with objectivity and integrity." Such situations may involve the individual directly or indirectly through a family member, business partner or involvement with a corporation.

Board members are encouraged to disclose any conflict of interest situation to the board chair at the earliest opportunity and in any case prior to participation in any board discussions or receipt of confidential information which may give rise to a conflict of interest.

## **COMMITTEES**

By-laws can specify how a committee will be set up. The directors should provide clear direction for all committees on their purpose, authority, responsibility and accountability. A list of the standing committees can be made in the by-laws. Ad hoc committees would only be created upon need, therefore they are not usually listed in the by-laws.

By-laws usually note the relation that all committees have to the board. The chair being an ex officio member of all committees could be written in the by-laws.

## **DUTIES OF THE EXECUTIVE**

Each position should have a job description. The signing authority is often designated as an executive responsibility.

Caution should be used in defining executive meetings. The members and other directors need to understand the limits and scope of the executive in acting on behalf of the agricultural society.

## **FINANCIAL RESPONSIBILITIES**

Agricultural society funds can only be spent in areas consistent with the *Agricultural Societies Act* of Alberta and the objectives of the agricultural society. The by-laws should provide the outline of how funding decisions will be made, the banking instructions and the procedures for appointing signing authority.

Section 29(5) of the Act states: “The cheques of a Society must be signed by **any 2** of the following:

- (a) the president;**
- (b) the vice-president;**
- (c) the treasurer or the secretary-treasurer, as the case may be.**

You may also want to include a statement that limits family members from signing the same cheque.

There should have a clause covering the expenditures that may require special membership approval.

In the case of borrowing funds, procedures should be described.

Alberta Agriculture and Food grant deadlines and procedures should be listed including information on the financial statement.

Agricultural Societies Financial Statement Regulation states: “The financial statement referred to in Section 21 of the Act must be a review engagement report or audit report prepared by a

- (a) Certified General Accountant;**
- (b) Certified Management Accountant, or**
- (c) Chartered Accountant.”**

## **AMENDMENTS**

The procedure that the organization follows to amend their by-laws should be outlined here. Note that any amendments should be forwarded to Alberta Agriculture and Food in the form of a new set of bylaws signed and dated.

## **FISCAL YEAR**

Each agricultural society can determine the best twelve month operating period for their activities. The by-laws should also consider the other impacts of required reports and deadlines.

## **DISSOLUTION**

The procedure for dissolution of any agricultural society is outlined in the Agricultural Societies Act of Alberta.

Agricultural Societies may want to make a statement concerning their asset distribution. Here are a couple of examples:

- 1) Assets of the Merrytown Agricultural Society
  - (a) An attempt will be made to sell all assets including but not limited to land, building, equipment owned and operated by the Merrytown Agricultural Society. The existing board will decide if the assets are sold individual or as a package. All cash raised will be donated to organization(s) that will use the funds to enhance the residents of the Merrytown and surrounding areas.
  - (b) If attempts to liquidate the assets through sale do not work then the present acting board may donate the existing land, building, equipment and cash to organization(s) that will use the assets as a way to enhance the residents of Merrytown and surrounding areas.
- 2) In the event the Society shall be dissolved for any reason, all monies/funds owned by the society, including Gaming proceeds, shall be handed over/donated to the Merrytown Community Association. The Merrytown Community Association is a not for profit organization with a similar

Mission statement to that of the Merrytown Agricultural Society and is an advocate and supporter of the Society.

- 3) When the society chooses to dissolve on reasonable grounds, the Merrytown County in the Province of Alberta, shall become the owner of the property of the Society and operate and Control the property, services and programs as conditions permit.

## **AGRICULTURAL SOCIETIES ACT**

The Act is the legal document under which all agricultural societies achieve their status. The by-laws provide the specific detail to each agricultural society but the terms of the Act provide the authority. In the case of any unclear matter the *Agricultural Societies Act* of Alberta is considered to have final authority.

## **DATE AND SIGNATURE**

By-laws should always be dated to ensure that the most recent copy is always in the hands of the members. When amendments are made to the by-laws, the amendments should always be incorporated into the official copy of the by-laws, and kept by the secretary with the official documents. The amendments need to be signed and dated so that no confusion exists about the clause which is currently in place.

## **Example By-Laws**

### *By-laws of The Merrytown Agricultural Society*

The **Merrytown Agricultural Society** was chartered on the 10<sup>th</sup> day of April, 1981, by law under the authority of the Agricultural Societies Act of Alberta and will be governed by the following regulations in compliance with the Agricultural Societies Act of Alberta.

#### **Definitions:**

1. Society shall mean, "*The Merrytown Agricultural Society*".
2. The Board shall mean The Board of Directors of *The Merrytown Agricultural Society*.
3. Officers shall mean the elected executive of *The Merrytown Agricultural Society*.
4. The Department shall mean Alberta Agriculture and Food.
5. "Director" means the Director of Rural Programs Branch.
6. "Minister" shall mean the Minister of Alberta Agriculture and Food.

#### **Objectives:**

As stated in the Agricultural Societies Act of Alberta:

1. The object of a Society is to encourage improvement in agriculture, and in the quality of life of persons living in an agricultural community by developing programs, services and facilities based on needs of the agricultural community.

Further specific objectives include:

2. To sponsor meetings and short courses on agricultural topics that will benefit the members and the *Merrytown* community.
3. To sponsor an annual community fair.
4. To assist in the development of leadership in our community through sponsoring training activities and opportunities for 4-H clubs, youth groups and volunteers.
5. To provide an opportunity for local producers to display and market products through sponsoring a Farmers' Market.
6. To improve the quality of life in our community by sponsoring or supporting cultural events.

#### **Memberships:**

1. Any person may become a member who:
  - a) is interested in the objectives of the Society.
  - b) Is 18 years of age or over and a resident of the Province of Alberta.
2. Membership fee in the Society shall be \$5.00 per annum payable at the annual meeting.
3. Lifetime members are presented at the annual meeting. These memberships are not required to pay an annual membership fee.

**Board of Directors:**

1. Board of directors of the Society shall consist of 12 members.
2. Only those members of the Society who have paid their membership for the ensuing year shall be qualified to be elected as a director or to vote at an election for a director of the Society.
3. A board meeting shall be held within one month of the last annual meeting to provide an orientation for all directors.
4. The election may use secret ballot voting at the discretion of the nominating committee and the chair of the annual meeting.

**Term of Office:**

1. Each director of the Society will be elected for a term of three years with four directors elected at each annual meeting.
2. Additional directors to be elected at the annual meeting, if necessary to complete the un-expired term of any vacancies.
3. A director may serve two consecutive terms, maximum six years, then must have at least one year absence from the board.

**Executive of Society:**

1. The executive of the Society shall consist of a President, Vice-President, a Secretary and Treasurer.
2. The Vice-President may be declared President for the balance of the term, if the President resigns or is unable to complete his /her term.
3. The executive may call a directors meeting when an item requiring immediate attention needs a decision.

**Meetings of the Society:**

**Annual Meeting:**

1. The Society shall hold an annual meeting on or before the twentieth day of December in each year. The date of next year's meeting will be determined at the annual meeting.
2. Notice of the annual meeting shall be published in the local newspaper at least four weeks prior to the meeting. Any special item of business will require notice and a mailing to all members. The directors will review items for the agenda at the meeting one month prior to the annual meeting.
3. The order of business shall be as follows:
  - a) Reading minutes of previous meeting
  - b) Reports of Officers
  - c) Reports of Committees
  - d) Unfinished Business
  - e) New Business
  - f) Elections of Directors
  - g) Adjournment
4. All reports of officers and committees will be provided in written form to the secretary.
5. The treasurer will ensure that an independently reviewed financial statement is available for all members. Copies of this report will be available upon request.

**Special Meetings:**

Special general meetings must be called by the Directors to receive authorization from the membership before selling, mortgaging, leasing for over one year or otherwise disposing of any real property owned by the Society.

1. A special meeting may be called to amend the by-laws.
2. The director may not borrow over \$3,000 without member approval at a special meeting or at the annual meeting.
3. A concern of 10 members of the Society may be brought to the consideration of all members thorough a request for a special meeting for that purpose.
4. One month's notice of meeting will be submitted to members in writing and will be published in the local newspaper stating time, place and purpose of meeting.

**Meeting of the Directors:**

1. Director's meetings shall be held monthly at a convenient time determined at the annual meeting.
2. These meetings shall be open to all members for their information and input. The directors however have the responsibility and authority to make motions and vote.
3. Any member of the board who shall be absent from three consecutive meetings of the Board shall (unless authorized by resolution of the Board entered upon the minutes) forfeit the office and another member of the society may be appointed in his/her place until the next annual meeting.
4. Directors may hold a closed meeting, in camera, for discussion of matters considered by the majority of directors as sensitive. Any discussion of personnel will be considered a closed meeting.

**Quorum:**

1. One quarter of the paid members at a meeting of the Society constitute a quorum for general meetings. (Minimum 10)
2. Seven (7) directors at a Director Meeting of the Society.

**Responsibilities of Officers and Directors:**

1. Directors shall serve on a voluntary basis without remuneration by the Society for their directorship. Expenses for board approved travel will be reimbursed after approval.
2. The affairs of the Society shall be administered by the Board as directed at an annual or general meeting by the membership and as required under the regulations of the Society and the Agricultural Societies Act of Alberta.
3. The Board will develop a budget to present to the membership at the annual meeting for approval.
4. Directors will receive a financial statement from the treasurer and approve payment of outstanding accounts. Signing authority will be designated after election of the directors.
5. The Board will appoint those standing committees required to meet the objectives of the Society. Special committees may take action as the Board may require. The Board will provide the committee with the necessary detailed direction as to it's responsibility.

6. The Board will assure that all necessary records, whether of a financial or program nature, are kept to be able to inform the membership of activities of the Society.
7. The Board shall be responsible to see the duties of officers, employees, and volunteers are properly performed.
8. The Board shall be responsible for providing policy and guidelines to all committees of the agricultural society.

**Committees:**

1. Committees must be authorized by the Board.
2. Each committee will have at least one Director to maintain a liaison between committee and board.
3. Each committee shall follow policy guidelines as approved by the Board.
4. Each committee will set up the necessary organization to carry out the task.
5. Each committee will have the power to develop sub-committees as the need arises.

**Duties of the Executive:**

**President:**

1. Preside at all meetings of the Society  
Provide leadership to the Society that will result in attaining the objectives of the Society.
2. Exercise general supervision and direction over the business of the Society.
3. Delegate tasks and responsibilities to other Board members so they may take an active part in the affairs of the Society.
4. Provide an orientation of new board members immediately after the election.
5. Provide an opportunity for First or Second Vice-Presidents to share responsibilities for assuming the position in the new term of office.
6. Initiate appropriate workshops or other in-service training for Board members and the total membership that will improve the functioning of the Society.  
Represent the Society in the community and with other community organizations.

**Vice-President:**

1. Act in the absence of the President.
2. Perform such duties as may be directed by the President or Board.
3. Become the public relations designate responsible for keeping the public informed about the functions of the agricultural society.
4. Chair the nominating committee.

**Secretary:**

1. Keep minutes of all meetings of the Executive, Directors and general membership of the Society.
2. Notify the membership of meetings as required by the regulations.
3. Receive and respond to all correspondence as directed by the Board.
4. On or before the 15<sup>th</sup> of January each year, return to the Farm and Rural Programs Branch, a list of officers elected at the annual meeting for the ensuing year and a report of the year's activities, and a complete financial statement reviewed by a designated accountant.
5. Perform such other duties as may be directed by the Board of Directors.
6. Circulate information of interest to the general membership.
7. Keep an orderly record and history of the operations of the agricultural society.
8. Provide the incoming Secretary with an in-service prior to turning over the records.

**Treasurer:**

1. Maintain such records as are required by the Directors of the Society.
2. Present the records to designated accountant for review and preparation of a certified statement for the annual meeting. Prepare the annual financial statements required by the Agricultural Society Act of Alberta for submission by the 15<sup>th</sup> day of January each year.
3. Receive and deposit all funds of the Society in the bank designated by the Board of Directors.
4. Receive and deposit all funds of the Society in the bank designated by the Board of Directors.
5. Submit all bills for approval of payment to the Board of Directors.
6. Prepare cheques in payment of accounts for signatures.
7. Be available at the annual meeting at least one hour prior to the meeting to receive membership feed for the ensuing year.
8. Prepare the necessary documentation required for application for any grants that may be available to the Society and submit to the Secretary for submission before deadlines.

**Society Funds:**

1. The funds of the Society, however derived, shall not be expended for any objects inconsistent with those of the Society or authorized by the Agricultural Societies Act of Alberta.
2. The funds shall be deposited to the credit of the Society in a chartered bank or other institution as directed by the Board.
3. Cheques of the Society shall be signed by at least two Executive Director's as designated by the Directors.

**Borrowing by the Society:**

1. The Society may for the purpose of capital expenditures, from time to time borrow sums of money and may issue notes, bonds, debentures and other securities.
2. The Board may not borrow more than \$3,000 without the authorization of the member of the Society.

**Amendments to the By-laws:**

1. At the annual meeting of the Society or at a special meeting called for that purpose, the members of the Society may make, alter and repeal by-laws and regulations for the general management of the Society.
2. A copy of the amended by-laws and regulations will be sent to the Farm and Rural Programs Branch, Alberta Agriculture, Food and Rural Development.
3. Subject to the by-laws and regulations of the Society, the Directors may act for and on behalf of the Society and all grants and other funds of the Society shall be received and expended under their direction.
4. The by-laws and regulations shall be reviewed annually by the Board prior to the next annual meeting and any changes approved by the membership at the annual meeting.

**Fiscal Year:**

1. The fiscal year of the Society shall be a twelve month period commencing on the first day of September each year.

**Dissolution of the Society:**

1. When the Director is satisfied that the Society is no longer in operation, the regulations in the Agricultural Societies Act of Alberta, 1996, in sections 39, 40, 41 will apply.
2. When the Society chooses to dissolve on reasonable grounds, the MERRYTOWN Community Association shall become the owner of the property of the Society and operate and control the property, services and programs as conditions permit.

**All Other Matters:**

1. In the event that these regulations do not adequately cover any situation or time of concern to the executive, directors or members, reference shall be made to the Agricultural Societies Act of Alberta which shall be the supreme authority whereby the actions and activities of the Society are managed and controlled.

Acknowledgement of By-laws and Regulations:

These by-laws and regulations were acknowledge before a general meeting or special meeting called for the purpose of approval of these documents consisting of members of the **MERRYTOWN Agricultural Society**.

Signed before the people at this meeting at **Merrytown in the Province of Alberta this 20 day of May, 2007.**

President: \_\_\_\_\_

Vice-President: \_\_\_\_\_

Secretary: \_\_\_\_\_

Treasurer: \_\_\_\_\_