

USFWC Member Classes and Criteria

The USFWC has six (6) member classes with specific membership criteria, voting status, & annual dues:

Voting Members

1. Worker Cooperative
2. Democratic Workplace
3. Cooperative Developer
4. Federation Partner

Non-Voting Members

5. Startup
6. Associates & Individuals

Please review the member class descriptions and criteria before applying for membership.

Membership application available here: <https://usworker.coop/usfwc-membership-application>

WORKER COOPERATIVE

Workplaces that are democratically owned and governed by paid workers, USFWC criteria builds off the definition set forth in the CICOPA World Declaration on Cooperative Worker Ownership.

Criteria to join as 'Worker Cooperative' member:

- ✓ The enterprise is operational, generating revenue, and providing paid work for at least two workers for a minimum of one year.
- ✓ Worker-members are the legal owners of the enterprise, each owning one member share that reflects initial capital contribution of equal value
- ✓ Decision-making is done utilizing 'one member, one vote' principle.
- ✓ Worker-owners are the only member class, OR the worker-owner member class maintains a controlling interest in the enterprise.
- ✓ More than 50% of workers are worker-members or on track for membership consideration.
- ✓ The enterprise is formed as a legal entity (e.g. corporation, LLC) with Board approved bylaws / operating agreement
- ✓ The enterprise has a documented path to membership available to all workers with defined membership eligibility criteria, member capital contribution, and patronage formula.
- ✓ The enterprise adheres to the 7 Cooperative Principles

Annual Dues Formula:

0.1% of worker wages paid 1/1/2015 through 12/31/2016

Example: \$500,000 in 2015 wages = \$500 in 2016 annual dues

Do not include patronage distributions when calculating worker wages paid.

USFWC Voting Status:

Voting Membership – weighted 3

DEMOCRATIC WORKPLACE

Workplaces that are democratically managed and/or governed, but do not fully meet USFWC's criteria for worker cooperative membership. Generally this class includes workplaces with democratic management or governance, but no worker ownership, such as democratically managed non-profits, multi-stakeholder cooperatives with worker member class, volunteer collectives, democratically-run 100% ESOPs, and businesses with <50% worker-ownership but that are actively transitioning to >51% worker-ownership.

Criteria to join as 'Democratic Workplace' member:

- ✓ The enterprise is operational, generating revenue, and providing paid work for at least two workers for a minimum of one year.
- ✓ The enterprise is formed as a legal entity (e.g. corporation, LLC) with Board approved bylaws / operating agreement
- ✓ Governance-level decision-making is done utilizing some form of democracy
- ✓ Day-to-day operations are democratically managed by the workers
- ✓ Worker-owners are a member class, though not necessarily the controlling class (e.g. consumer cooperatives with democratic staffing)
- ✓ The enterprise has a documented path to membership available to all workers with defined membership eligibility criteria

Annual Dues Formula:

0.1% of worker wages paid 1/1/2015 through 12/31/2016

Example: \$500,000 in 2015 wages = \$500 in 2016 annual dues

Do not include patronage distributions when calculating worker wages paid.

USFWC Voting Status: Voting Membership – weighted 2

COOPERATIVE DEVELOPER

Organizations that develop worker cooperative as part or all of their activities (newly formed cooperative developers can apply as Startup members). Cooperative Developers that are organized as worker cooperatives or democratic workplaces have the option to join in one of those member classes.

Criteria to join as a 'Cooperative Developer' member:

- ✓ The enterprise is operational, generating revenue, and providing paid work for at least one staff. for a minimum of one year.
- ✓ The enterprise is formed as a legal entity with Board approved bylaws / operating agreement
- ✓ The enterprise is responsible for supporting the development and successful launch of at least 1 operational worker cooperative within the last 5 years

Annual Dues: \$250 - \$1,000 Sliding Scale, based on guiding formula of 0.1% of organizational budget spent on cooperative development services or community and economic development.

Voting Status: Voting Membership – weighted 1

NEW in 2016 To increase membership from early-stage coop enterprises and converting businesses, USFWC now offers discount 'Startup' membership (\$100 annual dues) to any democratic workplace receiving primary technical assistance from a current USFWC Coop Developer.

FEDERATION PARTNER

Associations of three or more democratic workplaces joined together for purposes of mutual aid. Cross-sector cooperative associations are invited to join. However USFWC voting rights must be designated to an individual representing the democratic workplaces within the cross-sector association.

Criteria to join as a 'Federation Partner' member:

- ✓ Three or more democratic workplaces are organized as a joint entity.
- ✓ The joint entity is democratically governed by workplace members
- ✓ The joint entity has a formal structure, such as legal entity formation (coop, non-profit, etc) or fiscal sponsorship; or is actively applying for entity status
- ✓ The joint entity renews an annual agreement with the USFWC where the Federation Partner agrees to (a) provide a written charter or mission statement and annual goals/objectives to USFWC and (b) act as liaison between USFWC's national work and local/regional work. USFWC agrees to offer direct benefits and support to help achieve the Federation Partner's annual goals/objectives.

Read more on how the USFWC and our Federation Partners work together to build local capacity and a national network advocating for worker cooperatives. www.usworker.coop/join/federation-partners

Annual Dues: Federation Partners dues are optional, but greatly appreciated.
Guiding Formula: 0.1% of organizational budget spent on cooperative development services or community and economic development.

Voting Status: Voting Membership – weighted 3

STARTUP

Groups that are in the process of creating a new worker cooperative or democratic workplace or transitioning an existing business into a worker cooperative; and worker cooperatives and democratic workplaces that have been operational for less than one year; and newly formed cooperative developers that have not yet developed a worker cooperative but are in the planning process.

If your workplace does not meet the membership eligibility criteria listed above for Worker Coop, Democratic Workplace, or Cooperative Developer member, your workplace can be considered for Startup membership.

All Startup members can submit a request for member reclassification during a review period held annually in the spring. Members can join the Federation as a Startup member and maintain this member class for three years before being required to renew as either a voting member or an Associate member.

Criteria to join as a 'Startup' member:

- ✓ The enterprise has been operating and/or incorporated for less than one year
- ✓ The enterprise (or enterprise-to-be) has established a steering committee or initial membership group, drafted a preliminary business plan, and preliminary bylaws
- ✓ The enterprise has governance documentations to complete (i.e.: bylaws, operating agreement, new member criteria and path to join, peer accountability and grievance process, patronage formula)

Annual Dues: \$250 flat membership fee per year *or*
\$100 flat membership fee per year – coops receiving primary technical support from a USFWC Cooperative Developer member.

Voting Status: Non-Voting Membership

ASSOCIATES & INDIVIDUALS

Organizations and individuals that support, in theory and practice, the worker cooperative model and the US Federation. If your organization or enterprise does not meet the criteria for other USFWC member classes, you are encouraged and welcome to join the USFWC as an Associate member. Your support provides USFWC with the additional support we need to support the growing worker cooperative community.

Annual Dues:

Organizations: \$100 - \$1,000, sliding scale, based on guiding formula of 0.1% of organizational budget the prior year spent on cooperative development services or community/economic development.

Individuals: Sustainer Member: \$10+ per month (auto-pay setup)
Friend of the Federation: \$25 Annual Contribution

Voting Status: Non-Voting Membership

7 Cooperative Principles:

1. Cooperatives are voluntary organizations, open to all people able to use its services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.
2. Cooperatives are democratic organizations controlled by their members—those who buy the goods or use the services of the cooperative—who actively participate in setting policies and making decisions.
3. Members contribute equally to, and democratically control, the capital of the cooperative. This benefits members in proportion to the business they conduct with the cooperative rather than on the capital invested.
4. Cooperatives are autonomous, self-help organizations controlled by their members. If the co-op enters into agreements with other organizations or raises capital from external sources, it is done so based on terms that ensure democratic control by the members and maintains the cooperative's autonomy.
5. Cooperatives provide education and training for members, elected representatives, managers and employees so they can contribute effectively to the development of their cooperative. Members also inform the general public about the nature and benefits of cooperatives.
6. Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.
7. While focusing on member needs, cooperatives work for the sustainable development of communities through policies and programs accepted by the members.

Source: <https://www.nca.coop/7-cooperative-principles>

CICOPA - Basic Characteristics of a Worker Cooperative:

- A. They have the objective of creating and maintaining sustainable jobs and generating wealth, in order to improve the quality of life of the worker-members, dignify human work, allow workers' democratic self-management and promote community and local development.
- B. The free and voluntary membership of their members, in order to contribute with their personal work and economic resources, is conditioned by the existence of workplaces.
- C. As a general rule, work shall be carried out by the members. This implies that the majority of the workers in a given worker cooperative enterprise are members and vice versa.
- D. The worker-members' relation with their cooperative shall be considered as different to that of conventional wage-based labour and to that of autonomous individual work.
- E. Their internal regulation is formally defined by regimes that are democratically agreed upon and accepted by the worker-members.
- F. They shall be autonomous and independent, before the State and third parties, in their labour relations and management, and in the usage and management of the means of production.

Source: http://www.cicopa.coop/IMG/pdf/Declaration_approved_by_ICA_EN-2.pdf