

Appendix B: Comparison of Co-operatives and Other Organizational Structures

	Purpose	Ownership	Control	Distribution of Surplus Earnings	Liability
Collective	Benefits to members or society in general.	Members.	One member, one vote.	Determined by members.	Unincorporated. Collective members have full liability.
Non-profit Society	Benefits for clients or society in general.	Really has no owners; seeks funding from members and the general public.	Members generally entitled to one vote, but many have multiple votes or no votes.	Used to increase or improve services to clients.	Directors' liability limited. Members not liable.
Co-operative	Benefits for the members (ie. service, cost savings and/or dividends).	Members.	One member, one vote. Proxy voting limited.	To members in proportion to use of service.	Members limited to share subscription. Directors have limited liability.
Sole Proprietorship	Profit for proprietor.	Sole proprietor.	Controlled by sole proprietor.	Income to the sole proprietor.	Unlimited liability of sole proprietor.
Partnership	Profit for partners.	Partners.	Controlled by partners, typically according to time or money invested.	Allocated among partners, typically according to time or money invested.	Unlimited liability of partners.
Corporation	Profit for shareholders on investment of time or money.	Shareholders.	Based on number of voting shares held per shareholder, directly or by proxy.	To shareholders paid in proportion to investment.	Shareholders limited to share subscription. Directors have limited liability.

Source: *Co-operatives by Design: Building Blocks for Co-operative Development*, Copyright 2001, British Columbia Institute for Co-operative Studies. A simplified comparison of co-operatives and other businesses can be found at http://www.sask.coop/how_co-ops_differ.html