

Challenges of Implementing On-Line Voting in a Cooperative

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In my last newsletter I discussed the concept of expanding voting procedures to also include the option of voting on-line. Additional voting options, encourages participation, promotes transparency, appeals to younger demographic segments of the membership and can be more accurate and easier to tabulate. The most important advantage of on-line participation is that it can enhance the connection between the members and the cooperative. Systems for on-line voting can also be used for non-binding on-line polls and surveys, so the concept crosses over both governance and member communication. As with any change there are challenges to consider.

The first obvious challenge is the legal implications. I would never pretend to give legal advice (some question whether I should give economic advice). Boards and CEOs considering adding on-line voting options should consult their legal counsel. Based on my investigation the Oklahoma corporate statutes (like many states) are silent on the specifics of voting procedures. It appears that on-line voting is neither explicitly prohibited nor explicitly authorized. The national trend has been to expand transparency and voting options. Colorado passed legislations requiring Rural Electric Cooperatives to expand voting options. Assuming there are no statutory prohibitions on on-line voting a cooperative would also need to amend its bylaws to authorize on-line voting options. The bylaw change would need to be approved under the existing voting system.

Not all segments of the cooperative membership are likely to prefer, or even be capable of participating in on-line systems. A cooperative would therefore want to consider adding an option of on-line voting and not attempt an overall transition. All of the steps of creating the membership roll, establishing member ID and pass code procedures and publishing the process would need to be thought out. There is good resource material available, so while the process sounds intimidating it is not that difficult. A cooperative implementing a hybrid system (supplementing in person ballots with on-line voting) would also need to think through procedures to prevent a member from voting through both processes. If the on-line system is used for non-binding polls (for example preference for the annual meeting format) the security concerns are greatly diminished. In that case, you may want to bypass the member identification and pass code process so that the responses can be anonymous. Numerous on-line survey systems are available free of charge so a cooperative could experiment with an on-line poll with little time investment. The level of participation in an on-line survey might give an indication in the level of interest in on-line voting.

The most common response to considering an on-line voting option is “why should we fix something that is not broken?” I discuss that perspective in my next newsletter..

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