

* WHAT IS COOPERATIVE?

A cooperative is an autonomous and duly registered association of persons, with a common bond of interest, who have voluntarily joined together to achieve their social, economic and cultural needs and aspirations by making equitable contributions to the capital required, patronizing their products and services and accepting a fair share of risks and benefits of the undertaking in accordance with the universally accepted cooperative principles.

* WHAT ARE THE OBJECTIVES AND GOALS OF A COOPERATIVES?

The primary objective of every cooperative is to help improve the quality of life of its members. Towards this end, the cooperative shall aim to:

- (a) Provide goods and services to its members to enable them to attain increased income, savings, investments, productivity, and purchasing power, and promote among themselves equitable distribution of net surplus through maximum utilization of economies of scale, cost-sharing and risk-sharing;
- (b) Provide optimum social and economic benefits to its members;
- (c) Teach them efficient ways of doing things in a cooperative manner;
- (d) Propagate cooperative practices and new ideas in business and management;
- (e) Allow the lower income and less privileged groups to increase their ownership in the wealth of the nation; and
- (f) Cooperate with the government, other cooperatives and people-oriented organizations to further the attainment of any of the foregoing objectives.

* WHO CAN BE MEMBERS OF A COOPERATIVE?

A cooperative has two kinds of members: regular members and associate members.

A regular member is one who has complied with all the membership requirements and entitled to all the rights and privileges of membership as stated in the Cooperative Code and the cooperative by laws.

An associate member has no right to vote and be voted upon and is entitled only to such rights and privileges provided by the cooperative's by laws.

*** WHAT ARE THE PRIVILEGES OF A COOPERATIVE?**

Cooperative registered under R.A. 9520 can enjoy the following privileges:

- (1) Cooperatives shall enjoy the privilege of depositing their sealed cash boxes or containers, documents or any valuable papers in the safes of the municipal or city treasurers and other government offices free of charge, and the custodian of such articles shall issue a receipt acknowledging the articles received duly witnessed by another person;
- (2) Cooperatives organized among government employees, notwithstanding any law or regulation to the contrary, shall enjoy the free use of any available space in their agency, whether owned or rented by the Government;
- (3) Cooperatives rendering special types of services and facilities such as cold storage, ice plant, electricity, transportation, and similar services and facilities shall secure a franchise therefor, and such cooperatives shall open their membership to all persons qualified in their areas of operation;
- (4) In areas where appropriate cooperatives exist the preferential right to supply government institutions and agencies rice, corn and other grains, fish and other marine products meat, eggs, milk, vegetables, tobacco and other agricultural commodities produced by their members shall be granted to the cooperatives concerned;
- (5) Preferential treatment in the allocation of fertilizers and in rice distribution shall be granted to cooperatives by the appropriate government agencies;
- (6) Preferential and equitable treatment in the allocation or control of bottomries of commercial shipping vessels in connection with the shipment of goods and products of cooperatives;
- (7) Cooperatives and their federations, such as market vendor cooperatives, shall have preferential rights in management of public markets and/or lease of public market facilities, stall or spaces;
- (8) Credit cooperatives and/or federations shall be entitled to loans, credit lines, rediscounting of their loan notes, and other eligible papers with the Development Bank of the Philippines, the Philippine National Bank, the Land Bank of the Philippines and other financial institutions except the Central Bank of the Philippines;
- (9) Cooperatives transacting business with the Government of the Philippines or any of its political subdivisions or any of its agencies or instrumentalities, including government-owned and controlled corporations shall be exempt from pre-qualification bidding requirements; and
- (10) Cooperatives shall enjoy the privilege of being represented by the provincial or city fiscal or the Office of the Solicitor General, free of charge, except when the adverse party is the Republic of the Philippines.

(11) Cooperatives shall enjoy the privilege of being represented by the provincial or city fiscal or the Office of the Solicitor General, free of charge, except when the adverse party is the Republic of the Philippines;

(12) shall have the preferential right in the management of the canteen and other services related to the operation of the educational institution where they are employed: Cooperatives organized by faculty members and employees of educational institutions Provided, That such services are operated within the premises of the said educational institution; and

(13) The appropriate housing agencies and government financial institutions shall create a special window for financing housing projects undertaken by cooperatives, with interest rates and terms equal to, or better than those given for socialized housing projects. This financing shall be in the form of blanket loans to qualified cooperatives, without need for individual processing.

* HOW TO ORGANIZE A COOPERATIVE?

Organizing a cooperative can be complex and simple. It requires an understanding of the basic needs of the prospective cooperative members. It demands patience from the organizer who must make the cooperative's long-term goals and objectives, and its visions a real part of the members' lives.

But it can be too easy because the Cooperative Code of the Philippines (RA 6938) has devised very clear-cut steps for the cooperative organizer and members. The following are the basic information that the prospective members should understand before organizing a cooperative.

There are nine (9) steps suggested in setting up a cooperative.

FIRST. Get organized. You must have at least 15 members to do that. At once determine the common problems you would want solved and the basic needs you would want provided for through a cooperative. You may want to include increasing your production, marketing your produce, credit assistance, power generation, banking or insurance and other similar needs. Determining your problems and needs will also help you classify the kind of cooperative you will be organizing. Even before a cooperative is set up, a dedicated core group people who will do all the organizational and paper works is a must. From this core group, working communities may be formed to set things moving. These committees may include membership, finance, executive, secretariat to name a few.

SECOND. Reserve your proposed cooperative name. Secure and fill up Cooperative Name Reservation Request Form (CNRRF). This must be submitted to CDA Central Office or any of its Extension Office. A reservation fee shall apply. Please click Name Reservation button.

THIRD. Prepare a general statement called an economic survey. Economic Survey is a general statement describing, among others, the structure and purposes of the proposed cooperative. The structure and actual staffing pattern shall include a bookkeeper. This should indicate the area of operation, the size of membership and other pertinent data in a format provided by the Authority.

FOURTH. Prepare the cooperative's by-laws. The by-laws contain the rules and regulations governing the operation of the cooperative.

FIFTH. Prepare the articles of cooperation. Mandatory contents of the articles of cooperation are the following:

- (a) the name of the cooperative, which must include the word "cooperative";
- (b) the purpose or purposes and scope of business for which the cooperative is to be registered;
- (c) the term of existence of cooperative;
- (d) the area of operation and the postal address of its principal office;
- (e) the names, nationality and the postal addresses of the registrants;
- (f) the common bond of membership;
- (g) The list of names of the directors who shall manage the cooperative; and
- (h) The amount of its share capital, the names and residences of its contributors, and a statement of whether the cooperative is primary, secondary or tertiary. The articles of cooperation shall be signed by each of the organizers and acknowledged by them if natural persons, and by the chairpersons or secretaries, if juridical persons, before a notary public. .

SIXTH. Secure bond of accountable officer(s). A surety bond should be secured from a duly registered insurance or bonding company. Every director, officer and employee handling funds, securities or property on behalf of the cooperative shall be covered by this. The board of directors shall determine the adequacy of such bonds.

SEVENTH. Execute Treasurers Affidavit. A sworn statement of the treasurer elected by the subscribers showing that at least twenty-five per centum (25%) of the authorized share capital has been subscribed, and at least twenty-five per centum (25%) of the total subscription has been paid should be executed and to be attached to the articles of cooperation. The paid-up share capital shall not be less than Fifteen thousand pesos (P15,000.00)..

EIGHTH. Complete the Pre-Membership Education Seminar (PMES). A prospective member of a primary cooperative must have completed a Pre-Membership Education Seminar (PMES). You may contact the Regional or Extension Office which has jurisdiction over your proposed cooperative for technical assistance.

NINTH. Register your cooperative with the Cooperative Development Authority (CDA).. Submit the following required documents in four (4) copies:

Four (4) copies each of the Economic Survey, Articles of Cooperation and By-Laws duly notarized;

1. Economic Survey;

2. Articles of Cooperation and By-Laws;
3. Surety bond of accountable officers;
4. Treasurer's Affidavit;
5. Approved Cooperative Name Reservation Slip;
6. Certificate of PMES;

* WHERE DO WE REGISTER COOPERATIVE, AND HOW MUCH SHOULD BE PAID FOR THE REGISTRATION OF COOPERATIVE?

The Cooperative Development Authority (CDA) is the sole government agency mandated to register all types of cooperatives. Its main office is located at 827 Aurora Blvd., Immaculate Conception, Quezon City. For registration of primary cooperatives, this power has been delegated to the Regional or Extension Offices.

Prospective cooperatives must submit their application to the CDA Extension Office where the principal office of the cooperative is located.

The following are the amount of fees to be paid for the registration of cooperatives.