

How to register primary cooperative



**ASSIGN
BUSTER**

Once you have organized your cooperative, your work does not end there. The cooperative now needs a legal personality so that it can do all the acts that a cooperative is supposed to perform. With a legal personality, the cooperative can borrow money, sell its goods and services, deliver goods and enter into all sorts of business transactions. So that your cooperative can do all these, you must register your cooperative. Here is how to do it.

Where Do You Register Your Cooperative?

The Cooperative Development Authority (CDA) is the only government agency mandated to register all types of cooperatives. Its main office is located at 827 Aurora Boulevard, Service Road, Barangay Immaculate Concepcion, Quezon City. To facilitate the flow of its services, extension offices have been set up. These are located in

- Dagupan City;
- Tuguegarao;
- Baguio City;
- San Fernando, Pampanga;
- NCR-Quezon City;
- Calamba, Laguna;
- Naga City;
- Iloilo City;
- Cebu City
- Tacloban City;
- Zamboanga City;
- Cagayan de Oro City;
- Davao City;

- Kidapawan City;
- Butuan City; and
- Cotabato City.

What Are The General Requirements For Registering 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. a. There are nine (9) steps suggested in setting up a cooperative.

- 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.

- Reserved 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.
- 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.
- Prepare the cooperative's by-laws. The by-laws contain the rules and regulations governing the operation of the cooperative.
- 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. . (i)

Arbitral Clause

- 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.
- 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. 0)..
- Complete the Pre-Membership Education Seminar (PMES). A prospective member of a primary cooperative must have completed a Pre-Membership Education Seminar (PMES). A Certificate of PMES must be secured from the training provider.
- 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; 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. 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 per CDA per Memorandum Circular 2004-07, Series of 2004: The initial registration fee to be imposed shall be 1/10 of 1% of the authorized share capital or the basic fee below whichever You will need four copies each of the Economic Survey, By-laws and Articles of Cooperation. The article of Cooperative should be duly notarized and accompanied by the following: a. Bonds of the accountable officers (any director, officer and employee) handling funds, securities or properties on behalf of the cooperative. The board of directors determine the amount of bonds required based on the initial net worth which shall include the paid-up capital, membership fees and other assets of the cooperative at the time of registration; and b. Sworn statement of the treasurer duly notarized showing that at least 25% of the authorized share capital has been subscribed, and at least 25% of the total subscription has been paid. The paid-up capital must not be less than PhP2, 000. 00 It must be noted that no member may own more than 20% of the subscribed share capital; and each share must not be less than PhP1.

Types And Categories of Cooperatives

Types of Cooperatives.

Cooperative may fall under any of the following types:

- Credit Cooperative is one that promotes and undertakes savings and lending services among its members. It generates a common pool of funds in order to provide financial assistance and other related financial services to its members for productive and provident purposes;
- Consumer Cooperative is one the primary purpose which is to procure and distribute commodities to members for productive and provident purposes;
- Producers Cooperative is one that undertakes joint production whether agricultural or industrial. It is formed and operated by its members to undertake the production and processing of raw materials or goods produced by its members into finished or processed products for sale by the cooperative to its members and non-members. Any end product or its derivative arising from the raw materials produced by its members, sold in the name and for the account of the cooperative, shall be deemed a product of the cooperative and its members;
- Marketing Cooperative engages in the supply of production inputs to members and markets their products;
- Service Cooperative is one which engages in medical and dental care, hospitalization, transportation, insurance, housing, labor, electric light and power, communication, professional and other services ;
- Multipurpose Cooperative is one which combines two(2) or more of the business activities of these different types of cooperatives ;

- Advocacy Cooperative is a primary cooperative which promotes and advocates cooperativism among its members and the public through socially-oriented project, education and training, research and communication, and other similar activities to reach out to its intended beneficiaries;
- Agrarian Reform Cooperative is one organized by marginal farmers majority of which are agrarian reform beneficiaries for the purpose of developing an appropriate system of land tenure, land development, land consolidation or land management in areas covered by agrarian reform;
- Cooperative Bank is one organized for the primary purpose of providing a wide range of financial services to cooperatives and their members;
- Dairy Cooperative is one whose members are engaged in the production of fresh milk which may be processed and/or marketed as dairy products;
- Education Cooperative is one organized for the primary purpose of owning and operating licensed educational institutions, notwithstanding the provisions of Republic Act No. 9155, otherwise known as the Governance of Basic Education Act of 2001;
- Electric Cooperative is one organized for the primary purpose of undertaking power generation, utilizing renewable energy sources, including hybrid systems, acquisition and operation of sub transmission or distribution to its household members;
- Financial Service Cooperative is one organized for the primary purpose of engaging in savings credit services and other financial services;

- Fishermen Cooperative is one organized by marginalized fishermen in localities whose products are marketed either as fresh or processed products are marketed either as fresh or processed products;
- HealthServices Cooperative is one organized for the primary purpose of providing medical, dental and other health services;
- Housing Cooperative is one organized to assist or provide access to housing for the benefit of its regular members who actively participate in the saving program for housing. It is co-owned and controlled by its members;
- Insurance Cooperative is one engaged in the business of insuring life and property of cooperatives and their members;
- Transport Cooperative is one which includes land and sea transportation, limited to small vessels, as defined or classified under the Philippine maritime laws, organized under the provisions of this Code;
- Water Service Cooperative is one organized to own, operate and manage water systems for the provision and distribution of portable water for its members and their households;
- Workers Cooperative is one organized by workers, including the self-employed, who are at the same time the members and owners of the enterprise. Its principal purpose is to provide employment and business opportunities to its members and manage it in accordance with cooperative principles;
- Other types of cooperative as may be determined by the Authority.

Categories of Cooperatives.

Cooperative shall be categorized according to membership and territorial considerations as follows:

- In term of membership, cooperative shall be categorized into: (i) Primary. The members of which are natural persons; (ii) Secondary. The members of which are primaries; and (iii) Tertiary. The members of which are secondary cooperatives; and
- In terms of territory, cooperatives shall be categorized according to areas of operations which may or not coincide with the political subdivisions of the country.

How Much is The Registration Fee?

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 per CDA per Memorandum Circular 2004-07, Series of 2004:.. The initial registration fee to be imposed shall be 1/10 of 1% of the authorized share capital or the basic fee below whichever is higher:.. BASIC FEES Primary Cooperatives Php 500. 00 Secondary Cooperatives Php 2, 000. 00 Tertiary Cooperatives Php 3, 000. 00 Laboratory Cooperatives Php 50. 00 .