BY-LAWS
of
_______________________ Credit Cooperative

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned Filipino citizens, of legal age, and residents of the Philippines, representing at least majority of the members of this Credit Cooperative, do hereby adopt this By-laws.

Article I
Purposes and Goals

The purposes and goals of this Cooperative are those set forth in its Articles of Cooperation.

Article II
Membership

Section 1. Kinds of Membership. This Cooperative shall have regular and associate members. (Admission of associate member is optional)

Regular Members are those who have complied with all the membership requirements and are entitled to all the rights and privileges of membership.

Associate Members are those who have no right to vote nor be voted upon and are entitled only to limited rights, privileges and membership duration as provided in the By-laws of the Cooperative, the Philippine Cooperative Code of 2008, and its Implementing Rules and Regulation.

An associate member who meets the minimum requirements of regular membership and continues to patronize the Cooperative for two (2) years, and signifies his/her intention to remain a member shall be considered a regular member.

Section 2. Qualifications for Membership - The membership of this Cooperative is open to all natural persons, Filipino citizens, of legal age, with capacity to contract and, within the common bond and field of membership described as follows:

1. Regular Members
   a. 
   b. 
   c. 

2. Associate Members
   a. 
   b. 
   c. 

Section 3. Requirements for Membership.

A member must have complied with the following requirements:

a. Approved application for membership;
b. Certificate of completion of the prescribed Pre-Membership Education Seminar (PMES);
c. Subscribed and paid the required minimum share capital and membership fee; and
d. __________________________________________________________

Section 4. Application for Membership. An applicant for membership shall file a duly accomplished form to the Board of Directors who shall act upon the application within _________ (____) days from the date of filing. The Board of Directors shall devise a form for the purpose which shall, aside from the personal data of the applicant, include the duties of a member to participate in all programs including but not limited to capital build-up and savings mobilization of the Cooperative and, such other information as may be deemed necessary.

The application form for membership shall include an undertaking to uphold the By-laws, policies, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly. No application for membership shall be given due course if not accompanied with a membership fee of ___________ (Php ___), which shall be refunded to the applicant in case of rejection.

Section 5. Appeal. An applicant whose application was denied by the Board of Directors may appeal to the General Assembly and the latter’s decision shall be final. For this purpose, the General Assembly may opt to create an appeal and Grievance Committee/Membership Committee. The Appeal and Grievance Committee/ Membership Committee shall decide appeals on membership application within thirty (30) days upon receipt thereof.

Section 6. Minimum Share Capital Requirement. An applicant for regular membership shall subscribe at least ___________ (___) shares and pay the value of at least ________ (___) shares upon approval of his/her membership.

An applicant for associate membership shall subscribe at least ___________ (___) shares and pay the value of at least _____ ___ (___) shares upon approval of his/her membership.

However, no member shall own or hold more than ten percent (10%) of the total subscribed share capital of the Cooperative.

Section 7. Duties and Responsibilities of a Member. Every member shall have the following duties:

a) Pay the installment of his/her share capital subscription as it falls due and to participate in the capital build-up and savings mobilization activities of the Cooperative;

b) Patronize the Cooperative’s business(es) and services;

c) Participate in the membership education programs and other activities and affairs of the Cooperative;

d) Attend and participate in the deliberation of all matters taken during General Assembly meetings;
e) Observe and obey all lawful orders, decisions, rules and regulations adopted by the Board of Directors and the General Assembly.

Section 8. Rights and Privileges of Members. A member shall have the following rights and privileges:

Regular Members

a. Attend general membership meetings;
b. Avail himself of the services of the Cooperative, subject to certain conditions as may be prescribed by the Board of Directors;
c. Inspect and examine the books of accounts, the audited financial statements, the minutes books, the share register, and other records of the Cooperative during reasonable office hours;
d. Secure copies of Cooperative records/documents pertaining to the account information of the concerned member;
e. Participate in the continuing education and other training programs of the Cooperative; and
f. Such other rights and privileges as may be granted by the General Assembly.

Associate Members

a) Attend general membership meetings;
b) Avail themselves of the services of the Cooperative, subject to certain conditions as may be prescribed by the Board of Directors;
c) Inspect and examine the books of accounts, the audited financial statements, the minutes books, the share register, and other records of the Cooperative during reasonable office hours;
d) Secure copies of Cooperative records/documents pertaining to the account information of the concerned member;
e) Such other rights and privileges as may be granted by the General Assembly.

Section 9. Members Entitled to Vote. Any regular member who meets the following conditions is a member entitled to vote:

a. Paid the membership fee and the value of the minimum shares required for membership;
b. Not delinquent in the payment of his/her share capital subscriptions and other accounts or obligations;
c. Has completed the continuing education program prescribed by the Board of Directors;
d. Has participated in the affairs of the Cooperative and patronized its businesses in accordance with cooperative’s policies and guidelines; and

e. __________________________________________________________________________.
Failure of the member to meet any of the above conditions shall mean suspension of voting until the same have been lifted upon the determination of the Board of Directors.

Consequently, a member entitled to vote shall have the following additional rights:

a. Participate and vote on all matters deliberated upon during General Assembly meetings;

b. Seek any elective or appointive position, subject to the provisions of this By-laws and the Philippine Cooperative Code of 2008; and

c. Such other rights and privileges as may be provided by the General Assembly.

Section 10. Liability of Members. A member shall be liable for the debts of the Cooperative only to the extent of his/her subscribed share capital.

Section 11. Termination of Membership. Termination of membership may be automatic, voluntary or involuntary, which shall have the effect of extinguishing all rights of a member in the Cooperative, subject to refund of share capital contributions under Section 13 hereof.

a. Automatic Termination of Membership. The death or insanity of a member shall be considered an automatic termination of his/her membership in the Cooperative: Provided, however, that in case of death or insanity of a member of a Cooperative, the next-of-kin shall assume the duties and responsibilities of the original member.

Failure of the associate member to meet the minimum requirement of regular membership, to continue to patronize the products and services of the Cooperative for two (2) years, and signify his/her intention to become regular member shall automatically terminate his/her membership.

b. Voluntary Termination. A member may, for any valid reason, withdraw his/her membership from the Cooperative by giving a sixty (60) day notice to the Board of Directors.

c. Involuntary Termination. A member may be terminated by a vote of the majority of all the members of the Board of Directors for any of the following causes:

i. Has not patronized the service(s)/business(es) of the Cooperative as provided for in the policies of the cooperative;

ii. Has continuously failed to comply with his/her obligations as provided for in the policies of the Cooperative;

iii. Has violated any provision of this By-laws and the policies of the Cooperative; and

iv. For any act or omission injurious or prejudicial to the interest or the welfare of the Cooperative, as defined by the General Assembly.
Section 12. *Manner of Involuntary Termination.* The Board of Directors shall notify in writing the member who is being considered for termination and shall give him/her the opportunity to be heard.

The written decision of the board of directors shall be communicated in person or by registered mail to said member and is appealable within thirty (30) days from receipt thereof to the General Assembly or Appeal and Grievance Committee/Membership Committee, as the case may be, whose decision shall be final.

Section 13. *Refund of Share Capital Contribution.* A member whose membership is terminated shall be entitled to a refund of his/her share capital contribution and all other interests in the Cooperative. However, such refund shall not be made if upon payment the value of the assets of the Cooperative would be less than the aggregate amount of its debts and liabilities exclusive of his/her share capital contribution. In which case, the member shall continue to be entitled to the interest of his/her share capital contributions, patronage refund and the use of the services of the Cooperative until such time that all his/her interests in the Cooperative shall have been duly paid.

**Article III**
**Administration**

Section 1. *The General Assembly (GA).* The General Assembly is composed of all the members entitled to vote, duly assembled and constituting a quorum and is the highest policy-making body of the Cooperative.

Section 2. *Powers of the General Assembly.* Subject to the pertinent provisions of the Cooperative Code and the rules issued thereunder, the General Assembly shall have the following exclusive powers which cannot be delegated:

a) To determine and approve amendments to the Cooperative Articles of Cooperation and By-laws;

b) To elect or appoint the members of the Board of Directors, and to remove them for cause; and

c) To approve developmental plans of the Cooperative;

Section 3. *Meetings.* Meetings of the General Assembly, may be regular or special. All proceedings and business(es) undertaken at any meeting of the General Assembly, if within the powers or authority of the Cooperative, there being a quorum, shall be valid.

Regular and associate members are required to attend the meetings for the purpose of exercising all the rights and performing all the obligations pertaining to them, as provided by the Code, Articles of Cooperation and By-Laws.
Section 4. Regular General Assembly Meeting. The General Assembly shall hold its annual regular meeting every ______________ (shall not be beyond ninety (90) days after the close of its calendar year) at the principal office of the Cooperative or at any place as may be determined by the Board.

Section 5. Special General Assembly Meeting. The Board of Directors may, by a majority vote of all its members, call a Special General Assembly meeting at any time to consider urgent matters requiring immediate membership decision. The Board of Directors must likewise call a Special General Assembly meeting within one (1) month from receipt of a written request from:

a. at least ten percent (10%) of the total number of members entitled to vote;
   b. the Audit Committee; or
   c. the Federation or Union to which the Cooperative is a member; or
   d. upon Order of the Cooperative Development Authority.

Section 6. Notice of Meeting. All notices of meetings shall be in writing and shall include the date, time, place, and agenda thereof stated therein.

a. Regular General Assembly Meeting. Notice of the annual Regular General Assembly meeting shall be served by the Secretary, personally or his/her duly authorized representative, by registered mail, or by electronic means to all members of record at his/her last known postal address, or by posting or publication, or through other electronic means, at least one (1) week before the said meeting. It shall be accompanied with an agenda, minutes of meeting of the last General Assembly meeting, consolidated reports of the Board of Directors and Committees, audited financial statements, and other papers which may assist the members to intelligently participate in the proceedings.

b. Special General Assembly Meeting. Notice of any Special General Assembly meeting shall be served by the Secretary personally or his/her duly authorized representative, by registered mail, or by electronic means upon each members who are entitled to vote at his/her last known postal address, or by posting or publication, or through other electronic means, at least one (1) week before the said meeting. It shall state the purpose and, except for related issues, no other business shall be considered during the meeting.

c. Waiver of Notice. Notice of any meeting may be waived, expressly or impliedly, by the member concerned.

Section 7. Order of Business. As far as practicable, the order of business of a Regular General Assembly meeting shall be:

a. Call to Order;
   b. Proof of due notice;
   c. Roll Call;
   d. Reading, consideration and approval of the minutes of the previous meeting;
   e. Presentation and approval of the reports of the Board of Directors, officers, and the committees, including Cooperative Annual Progress Report and all other required reports;
f. Unfinished business;
g. New business;

i. Election of directors and committee members;
ii. Approval of Development and/or Annual Plan and Budget;
iii. Hiring of External Auditor; and
iv. Other related business matters

h) Announcements; and
i) Adjournment

Section 8. Quorum for General Assembly Meeting. During Regular or Special General Assembly meeting, ________ (at least twenty-five percent) of the total number of members entitled to vote shall constitute a quorum.

Section 9. Voting System. Only members entitled to vote shall be qualified to participate and vote in any General Assembly meeting. A member is entitled to one vote only regardless of the number of shares he/she owns.

Election or removal of Directors and Committee members shall be by secret ballot. Action on all matters shall be in any manner that will truly and correctly reflect the will of the membership. No proxy and/or cumulative voting shall be allowed.

Article IV
Board of Directors

Section 1. Composition of the Board of Directors (BOD). The Board of Directors shall be composed of _______ (it should be odd number, not less than 5 nor more than 15) members.

Section 2. Functions and Responsibilities. The Board of Directors shall have the following functions and responsibilities:

a. Provide over-all policy direction;
b. Formulate development plan;
c. Review the annual plan and budget and recommend for the approval of the General/Representative Assembly;
d. Evaluate the capability and qualification and recommend for the approval of the General/Representative Assembly the engagements of the services of an External Auditor;
e. Appoint and terminate, based on just cause, the General Manager or Chief Executive Officer (CEO);
f. Review, monitor and evaluate the effectiveness of the programs, projects and activities;
g. Formulate and review the vision, mission and goals of the Cooperative;
h. Establish risk management system;
i. Establish performance evaluation system at all levels;
j. Review and approve the organizational and operational structures;
k. Establish policies and procedures for the effective operation and ensure proper implementation of such;
l. Appoint the members of the Mediation and Conciliation Committee, Ethics Committee, Education and Training Committee and other Officers as specified in the Code and By-laws of the Cooperative;
m. Decide election-related cases involving the Election Committee and its members;

n. Act on the recommendation of the Ethics Committee on cases involving violations of the Code of Governance and Ethical Standards;

o. Ensure compliance by the Cooperative with the regulations of the Authority and other statutory requirements of appropriate government agencies;

p. Report to the General/Representative Assembly the performance and achievements of the Cooperative;

q. Present to the General/Representative Assembly policies which require confirmation as provided under the law, the Cooperative By-laws, and regulations;

r. Present to the General/Representative Assembly the financial, social and performance reports; and

s. Perform such other functions as may be authorized by the General/Representative Assembly.

Section 3. Qualifications. Any member who is entitled to vote and has the following qualifications can be elected or continue as member of the Board of Directors:

a. Has paid the minimum capital requirement;

b. Has no delinquent account with the Cooperative;

c. Has continuously patronized the Cooperative services;

d. A member in good standing for the last two (2) years;

e. Completed or willingness to complete within the prescribed period the required education and training whichever is applicable; and

f. (Other qualifications)

Section 4. Disqualifications. Any member who is under any of the following circumstances shall be disqualified to be elected as a member of the Board of Directors, or to continue as such:

a. Holding any elective position in the government, except that of a party list representative being an officer of a Cooperative he/she represents;

b. Members holding any other position directly involved in the day-to-day operation and management of the Cooperative;

c. Having direct or indirect personal interest with the business of the Cooperative;

d. Having been absent for_______ consecutive meetings or in more than_______ percent (%) of all meetings within the twelve (12) month period unless with valid excuse as approved by the Board of Directors;

e. Being an official or employee of the Cooperative Development Authority, except in a Cooperative organized among themselves;

f. Having been convicted by final judgement in administrative proceedings or civil/criminal suits involving financial and/or property accountability; and

g. Having been disqualified by law.

Section 5. Procedure for Disqualifications.

The procedure for disqualification shall be provided in the election guidelines or policy of the Cooperative.
Section 6. Election of Directors. The members of the Board of Directors shall be elected by secret ballot by members entitled to vote during the annual Regular General Assembly meeting or Special General Assembly meeting called for the purpose. Unless earlier removed for cause, or have resigned or become incapacitated, they shall hold office for a term of ______ ( ) years or until their successors shall have been elected and qualified; Provided, that majority of the elected directors obtaining the highest number of votes during the first election after registration shall serve for two (2) years, and the remaining directors for one (1) year. Thereafter, all directors shall serve for a term of two (2) years. The term of the cooperators-directors shall expire upon the election of their successors in the first Regular General Assembly after registration.

Section 7. Election of Officers within the Board. The Board of Directors shall convene within ten (10) days after the General Assembly meeting to elect by secret ballot from among themselves the Chairperson and the Vice-Chairperson, and to elect or appoint the Secretary and Treasurer from outside of the Board.

For committees elected by the General Assembly and/or appointed by the Board of Directors, procedural process of electing the Chairperson, Vice-Chairperson or other positions among themselves should be in accordance with the process mentioned above.

Section 8. Meeting of the Board of Directors. The regular meeting of the Board of Directors shall be held at least once a month. However, the Chairperson or majority of the directors may at any time call a Special Board meeting to consider urgent matters. The call shall be addressed and delivered through the Secretary stating the date, time and place of such meeting and the matters to be considered. Notice of special meetings of the Board of Directors, shall be served by the Secretary in writing or through electronic means to each director at least one (1) week before such meeting.

Majority of the total number of Directors constitutes a quorum to transact business. Any decision or action taken by the majority members of the Board of Directors in a meeting duly assembled shall be a valid cooperative act.

Section 9. Vacancies. Any vacancy occurring in the Board of Directors by reason of death, incapacity, removal or resignation may be filled-up within thirty (30) days by a majority vote of the remaining directors, if still constituting a quorum; otherwise, such vacancy shall be filled by the General Assembly in a regular or special meeting called for the purpose. The elected director shall serve only for the unexpired term of his/her predecessor in office.

In the event that the General Assembly failed to muster a quorum to fill the positions vacated by directors whose term have expired and said directors refuse to continue their functions on a hold-over capacity, the remaining members of the Board together with the members of the Audit Committee shall designate, from the qualified regular members of the General Assembly, their replacements who shall serve temporarily as such until their successors shall have been elected and qualified in a Regular or Special General Assembly meeting called for the purpose.

If a vacancy occurs in any elective committee it shall be filled by the remaining members of the said committee, if still constituting a quorum,
otherwise, the Board, in its discretion, may appoint or hold a special election to fill such vacancy.

Section 10. Removal of Members of the Board of Directors and Committee Members. All complaints for the removal of any elected officer shall be filed with the Board of Directors and such officer shall be given the opportunity to be heard. Majority of the Board of Directors may place the officer concerned under preventive suspension pending the resolution of the investigation. Upon finding of a prima facie evidence of guilt, the Board of Directors shall present its recommendation for removal to the General Assembly. For this purpose, the Board of Directors shall provide a policy on suspension in consultation with the Ethics Committee subject to the approval of the General Assembly.

An elective officer may be removed by three-fourths (¾) of the regular members present and constituting a quorum, in a Regular or Special General Assembly meeting called for the purpose. The officer concerned shall be given the opportunity to be heard at said assembly. The decision of the General Assembly on the matter is final and executory.

In cases where the officers sought to be removed consist of the majority of the Board of Directors, at least 10% of the members with voting rights may file a petition with the Cooperative Development Authority to call a Special General Assembly meeting for the purpose of removing the Board of Director/s upon failure of the Board of Directors to call an assembly meeting to commence the proceeding for their removal.

An officer appointed by the Board of Directors may be removed from office for cause by a majority vote of all the members of the Board of Directors.

Section 11. Prohibitions. Any member of the Board of Directors shall not hold any other position directly involved in the day-to-day operation and management of the Cooperative nor engage in any business similar to that of the Cooperative or who in any way has a conflict of interest with it.

The extent of conflict of interest shall be clearly defined in the policy of the Cooperative.

Article V
Committees

Section 1. Audit Committee. An Audit Committee shall be composed of three (3) members to be elected during a General Assembly meeting and shall hold office for a term of one (1) year or until their successors shall have been elected and qualified. Within ten (10) days after their election, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the Cooperative during his/her term of office. The Committee shall provide internal audit service, maintain a complete record of its examination and inventory, and submit an audit report quarterly or as may be required by the Board and the General Assembly.

The Audit Committee shall be directly accountable and responsible to the General Assembly.
Section 2. Functions and Responsibilities. The Audit Committee shall:

a. Audit the performance of the cooperative and its various responsibility centers;

b. Monitor the adequacy and effectiveness of the Cooperative's management and internal control system;

c. Review continuously and periodically the books of account, financial records, and policies governing internal control, accounting and risk management to ensure that these are in accordance with the Cooperative principles and generally accepted accounting procedures;

d. Review the internal audit report of the Cooperative;

e. Follow up actions on the internal and external audit recommendations;

f. Discuss the result of the internal audit with the Board of Directors;

g. Submit reports on the result of the internal audit and recommend necessary changes on policies and other related matters on operation to the General/Representative Assembly;

h. Review, approve or amend the report and recommendation of the Ethics Committee involving violations of the Code of Governance and Ethical Standards if the remaining members of the Board of Directors fail to act on said report and recommendation within a period of thirty (30) days, or the violation is committed by the majority of the Board of Directors; and

i. Perform such other functions as may be prescribed in the By-laws or authorized by the General/Representative Assembly.

Section 3. Election Committee. An Election Committee shall be composed of three (3) members to be elected during a General Assembly meeting and shall hold office for a term of one (1) year or until their successors shall have been elected and qualified. Within ten (10) days after their election they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary. No member of the committee shall hold any other position within the Cooperative during his/her term of office.

Section 4. Functions and Responsibilities. The Election Committee shall:

a. Formulate election rules and guidelines and recommend to the General/Representative Assembly for approval;

b. Recommend necessary amendments to the election rules and guidelines, in coordination with the Board of Directors, for the General/Representatives Assembly's approval;

c. Implement election rules and guidelines duly approved by the General/Representative Assembly;
d. Supervise the conduct, manner and proceedings of election and other election-related activities and act on the changes thereto;

e. Canvass and certify the results of the election;

f. Proclaim the winning candidates;

g. Decide election and other election-related cases except those involving the Election Committee or its members; and

h. Perform such other functions as prescribed in the By-laws or authorized by the General/Representative Assembly.

Section 5. Education and Training Committee. An Education and Training Committee shall be composed of three (3) members to be appointed by the Board of Directors and shall serve for a term of one (1) year, without prejudice to their reappointment. Within ten (10) days after their appointment, they shall elect from among themselves a Vice-Chairperson and a Secretary. The Vice-Chairperson of the Board of Directors shall act as the Chairperson of the Committee.

The committee shall be responsible for the planning and implementation of the information, educational and human resource development programs of the Cooperative for its members, officers and the communities within its area of operation.

Section 6. Functions and Responsibilities. The Education and Training Committee shall:

a. Keep members, officers, staff well-informed regarding Cooperative’s goals/objectives, policies & procedures, services, etc.;

b. Plan and implement educational program for coop members, officers and staff;

c. Develop promotional and training materials for the Cooperative; and

d. Conduct/Coordinate training activities.

Section 7. Mediation and Conciliation Committee. A Mediation and Conciliation Committee shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of one (1) year or until their successors shall have been appointed and qualified and without prejudice to their reappointment. No member of the Committee shall hold any other position in the Cooperative during his/her term of office.

Section 8. Functions and Responsibilities. The Mediation and Conciliation Committee:

a. Conduct mediation-conciliation proceedings and services;

b. Formulate, develop and improve the Conciliation-Mediation policies, guidelines and program and ensure its proper implementation;
c. Monitor Conciliation-Mediation program and processes;

d. Submit semi-annual reports of cooperative cases to the Authority within fifteen (15) days after the end of every semester;

e. Accept and file Evaluation Reports;

f. Submit recommendations for improvement to the Board of Directors;

g. Recommend to the Board of Directors any member of the cooperative for Conciliation-Mediation Trainings as Cooperative Conciliator-Mediator;

h. Issue the Certificate of Non-Settlement (CNS);

i. Act as conciliator-mediator during their term, provided the persons who will mediate are mutually selected by both parties; and

j. Perform such other functions as may be prescribed in the By-laws or authorized by the Board of Directors.

**Section 9. Ethics Committee.** An Ethics Committee shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of one (1) year or until their successors shall have been appointed and qualified and without prejudice to their reappointment. No member of the Committee shall hold any other position in the Cooperative during his/her term of office.

**Section 10. Functions and Responsibilities.** The Ethics Committee shall:

a. Formulate, develop, implement and monitor the Code of Governance and Ethical Standards (CGES) to be observed by the members, officers and employees of the cooperative subject to the approval of the Board of Directors and ratification by the General/Representative Assembly;

b. Conduct initial investigation or inquiry, upon receipt of a complaint involving violations of the Code of Governance and Ethical Standards;

c. Submit report on its recommendation together with the appropriate sanctions, to the Board of Directors for its proper action, or to the remaining members of the Board of Directors, if the violation is committed by any members of the Board of Directors. Provided, that if the remaining members of the Board of Directors fail to act on the report within a period of thirty (30) days, or the violation is committed by the majority of the Board of Directors, the Audit committee shall act on the same; and

d. Perform such other functions as may be prescribed in the By-laws or authorized by the Board of Directors.

**Section 11. Credit Committee.** A Credit Committee shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their appointment, they shall elect from among themselves a Chairperson, Vice-Chairperson and a Secretary who shall serve for a term of one (1) year or until their successors shall have been appointed and qualified.
and without prejudice to their reappointment. No member of the Committee shall hold any other position in the Cooperative during his/her term of office.

**Section 12. Functions and Responsibilities.** The Credit Committee shall:

a. Assist the Board of Directors in the formulation of sound lending and collection policies, systems and procedure.

b. Responsible for the credit management of the Cooperative.

c. In the performance of its functions, it shall process, evaluate and act upon loan application and withdrawal of deposits, except when the applicant is a member of the committee, in which case, the application shall be acted upon by the Board of Directors; and exercise general supervision including collection over all loans to members.

d. Responsible for the formulation and conduct of financial and credit risk management training program.

**Section 13. Gender and Development (GAD) Committee.** – A Gender and Development (GAD) Committee shall be composed of three (3) members to be appointed by the Board of Directors provided that at least one member shall come from the Board. The Committee shall elect from among themselves a Chairperson. The Committee members shall hold office until replaced by the Board.

**Section 14. Functions and Responsibilities.** The Gender and Development (GAD) Committee shall:

a. Conduct gender analysis;

b. Develop and recommend Gender and Development (GAD) and Gender Equality (GE) policies and programs/activities/projects to the Board;

c. Monitor and assess progress in the implementation of Gender and Development (GAD) programs/activities/projects towards achieving Gender Equality (GE);

d. Submit report to the Board; and

e. Provide directional guidance.

**Section 15. GAD Focal Person.** A GAD Focal Person (GFP) shall be designated by the Board upon recommendation of the management. He or she must be an employee of the cooperative and shall perform GFP roles as additional function.

**Section 16. Functions and Responsibilities of GAD Focal Person (GFP).**

a. Coordinates and reviews implementation of GAD programs/activities/projects based on approved plans and budget;

b. Prepares performance reports and recommends policy improvements to the GAD Committee;

c. Gathers and analyzes gender-related information and other data; and

d. Provides administrative services to the GAD Committee.

**Section 17. GAD Education and Training Program.** The Cooperative shall identify GAD and GE-related education and training programs. These shall be included in the annual education and training plan.
Section 18. **GAD Support Systems and Services.** The Cooperative shall implement other services that address GAD and GE issues and concerns. It shall also develop and establish necessary support systems that will enhance implementation of the GAD and GE services of the Cooperative.

Section 19. **Other Committees.** The Board of Directors may create such other committees as may be deemed necessary for the operation of the Cooperative.

Section 20. **Qualification and Disqualification of Committee Members.** The qualification and disqualification of the Board of Directors shall also apply to all the members of the committees.

### Article VI
**Officers and Management Staff of the Cooperative**

Section 1. **Officers and their Duties.** The officers of the cooperative shall include the Members of the Board of Directors, Members of the Different Committees, General Manager/Chief Executive Officer, Secretary and Treasurer who shall serve according to the functions and responsibilities of their respective offices as follows:

a. Chairperson – The Chairperson shall:

   i. Set and prepare the agenda for board meetings in coordination with the other members of the Board of Directors;

   ii. Preside all meetings of the Board of Directors and General/Representative Assembly;

   iii. Sign contracts, agreements, certificates and other documents on behalf of the cooperative as authorized by the Board of Directors or by the General/Representative Assembly as prescribed in their By-laws; and

   iv. Perform such other functions as may be authorized by the Board of Directors.

b. Vice-Chairperson – the Vice-Chairperson shall:

   i. Perform all duties and functions of the Chairperson in the absence of the latter; and

   ii. Perform such other duties as may be delegated to him/her by the Board of Directors.

c. Treasurer – The Treasurer shall:

   i. Ensure that all cash collections are deposited in accordance with the policies set by the Board of Directors;

   ii. Have custody of funds, securities, and documentations relating to assets, liabilities, income and expenditures;
iii. Monitor and review the financial management operations of the cooperative, subject to such limitations and control as may be prescribed by the Board of Directors;

iv. Ensure the maintenance of full and complete records of cash transactions;

v. Ensure maintenance of a Petty Cash Fund;

vi. Maintain a Daily Cash Position Report; and

vii. Perform such other functions as may be prescribed in the By-laws or authorized by the Board of Directors.

d. Secretary– The Secretary shall:
   i. Keep an updated and complete registry of all members;

   ii. Record, prepare and maintain records of all minutes of meetings of the Board of Directors and the General/Representative Assembly;

   iii. Ensure that the necessary actions and decisions of the Board of Directors are transmitted to the management for compliance and implementation;

   iv. Issue and certify the list of members who are entitled to vote as determined by the Board of Directors;

   v. Prepare and issue Share Certificates and maintain the share and transfer book;

   vi. Serve notice of all meetings called and certify the presence of quorum in the conduct of all meetings of the Board of Directors and the General/Representative Assembly;

   vii. Keep copies of the Treasurer’s reports and other reports;

   viii. Serve as custodian of the cooperative seal; and

   ix. Perform such other functions as may be prescribed in the By-laws or authorized by the Board of Directors.

e. General Manager. The General Manager shall:
   i. Oversee the overall day to day business operations of the cooperative by providing direction, supervision, management and administrative control over all the operating departments subject to such limitations as may be set forth by the Board of Directors or the General/Representative Assembly;

   ii. Assist the Board of Directors in the formulation of the Cooperative’s Development Plan including Annual Plan and Budget, Programs and Projects, for approval of the General/Representative Assembly;
iii. Provide systems and procedures in the implementation of policies;

iv. Implement the duly approved plans and programs of the cooperative and any other directive or instruction of the Board of Directors;

v. Provide and submit to the Board of Directors monthly reports on the status of the cooperative’s operation vis-à-vis its targets and recommend appropriate policy or operational changes, if necessary;

vi. Represent the cooperative in any agreement, contract, business dealing, and in any other official business transaction as may be authorized by the Board of Directors;

vii. Ensure compliance with all administrative and other requirements of regulatory bodies; and

viii. Perform such other functions as may be prescribed in the By-laws delegated by the Board of Directors or authorized by the General/Representative Assembly.

Section 2. Liabilities of Directors, Officers and Committee Members. Directors, officers and committee members, who willfully and knowingly vote for or assent to patently unlawful acts, or who are guilty of gross negligence or bad faith in directing the affairs of the Cooperative or acquire any personal or pecuniary interest in conflict with their duties as Directors, officers or committee members shall be liable jointly and severally for all damages resulting therefrom to the Cooperative, members and other persons.

When a director, officer or committee member attempts to acquire, or acquires in violation of his/her duties, any interest or equity adverse to the Cooperative in respect to any matter which has been reposed in him/her in confidence, he/she shall, as a trustee for the Cooperative, be liable for damages or loss of profits which otherwise would have accrued to the Cooperative.

Section 3. Management Staff. The core management team of the cooperative composed of manager, cashier, bookkeeper, accountant, and other position as provided for in the Human Resource Manual shall take charge of the day-to-day operations of the cooperative. The Board of Directors shall appoint, fix their compensation and prescribe for the functions and responsibilities.

Section 4. Qualifications of the General Manager. No person shall be appointed to the position of general manager unless he/she possesses the following qualifications and none of the disqualifications herein enumerated:

a. Must be familiar with the business operation of the Cooperative;
b. Must have at least two (2) years experience in the operations of Cooperative or related business;
c. Must not be engaged directly or indirectly in any activity similar to the business of the Cooperative;
d. Must not have been convicted of any administrative, civil or criminal cases involving moral turpitude, gross negligence or grave misconduct in the performance of his/her duties;
e. Must be of good moral character;
f. Must not have been convicted of any administrative, civil or criminal case involving financial and/or property accountabilities at the time of his/her appointment; and
g. Must undergo pre-service and/or in-service trainings.

Section 5. Duties of Cashier. The Cashier of the Cooperative, who shall be under supervision and control of the General Manager shall:

a. Handles monetary transactions;
b. Receives/collects payments and deposits;
c. Be responsible for money received and expended;
d. Prepares reports on money matters; and
e. Perform such other duties as the Board of Directors may require.

Section 6. Duties of the Accountant. The Accountant of the Cooperative, who shall be under supervision and control of the General Manager shall:

a. Install an adequate and effective accounting system within the Cooperative;
b. Render reports on the financial condition and operations of the Cooperative monthly, annually or as may be required by the Board of Directors and/or the General Assembly;
c. Provide assistance to the Board of Directors in the preparation of annual budget;
d. Keep, maintain and preserve all books of accounts, documents, vouchers, contracts and other records concerning the business of the Cooperative and make them available for auditing purposes to the Chairperson of the Audit Committee; and
e. Perform such other duties as the Board of Directors may require.

Section 7. Duties of the Bookkeeper. The bookkeeper of the Cooperative who is under supervision and control of the Accountant shall:

a. Record and update books of accounts;
b. Provide assistance in the preparation of reports on the financial condition and operations of the Cooperative monthly, annually or as may be required by the Board of Directors and/or the General Assembly;
c. Keep, maintain and preserve all books of accounts, documents, vouchers, contracts and other records concerning the business of the Cooperative and make them available for auditing purposes to the Chairperson of the Audit Committee; and
d. Perform such other duties as the Board of Directors may require.

Section 8. Qualifications of Accountant, Cashier, and Bookkeeper. No person shall be appointed to the position of accountant and bookkeeper unless they possess the following qualifications and none of the disqualifications herein enumerated:

a. Bachelors degree in accountancy must be required for Accountant, however, Cashier and Bookkeeper must be knowledgeable in handling monetary transactions, accounting and/or bookkeeping, respectively;
b. Must have at least two (2) years experience in Cooperative or related business;
c. Must not be engaged directly or indirectly in any activity similar to the business of the Cooperative;
d. Must not be convicted of any administrative, civil or criminal case involving moral turpitude, gross negligence or grave misconduct in the performance of his/her duties;
e. Must be of good moral character;
f. Must be willing to undergo pre-service and/or in-service trainings in accounting; and
g. Must not have been convicted of any administrative, civil or criminal case involving financial and/or property accountabilities at the time of his/her appointment.

Section 9. Compensation. Subject to the approval of the General Assembly, the members of the Board of Directors and Committees may, in addition to per diems for actual attendance to board and committee meetings, and reimbursement of actual and necessary expenses while performing functions in behalf of the Cooperative, be given regular compensation; Provided, further, that the directors and officers shall not be entitled to any per diem when, if in the preceding calendar year, the Cooperative reported a net loss or had a dividend rate less than the official inflation rate for the same year.

Article VII
Capital Structure

Section 1. Source of Funds. The Cooperative may derive its funds from any or all of the following sources:

a. Member’s share capital contribution;
b. Loans and borrowings including deposits;
c. Revolving capital build-up which consist of the deferred payment of patronage refund or interest on share capital;
d. Subsidies, grants, legacies, aids, donation, awards and winnings and such other assistance from any local or foreign institution, public or private;
b. Retentions from the proceeds of services acquired /goods procured by members; and
c. Other sources of funds as may be authorized by law.

Section 2. Continuous Capital Build-Up. Every member shall have invested in any or all of the following:

a. At least ___________Pesos (P_________)per month;
b. At least _____ percent (___%) of his/her annual interest on capital and patronage refund; and
c. At least ______ percent (___%) of each good procured /service acquired from the cooperative.

Section 3. Borrowing. The Board of Directors, upon approval of the General Assembly, may borrow funds from any source, local or foreign, under such terms and conditions that best serve the interest of the Cooperative.

Section 4. Revolving Capital. To strengthen the capital structure of the Cooperative, the General Assembly may authorize the Board of Directors to raise a revolving capital by deferring the payment of patronage refunds and
interest on share capital, or such other schemes as may be legally adopted. To implement this provision, the Board of Directors shall issue a Revolving Capital Certificate with serial number, name, rate of interest, date of retirement and such other privileges or restrictions as may be deemed just and equitable.

Section 5. Share Capital Contribution. Share Capital Contribution refers to the value of the paid subscription by a member in accordance with its Articles of Cooperation.

Section 6. Share Capital Certificate. The Board of Directors shall issue a Share Capital Certificate only to a member who has fully paid his/her subscription. The Certificate shall be serially numbered and contain the shareholder’s name, the number of shares owned, the par value, and duly signed by the Chairperson and the Secretary, and bearing the official seal of the cooperative. All certificates issued and/or transferred shall be registered in the cooperative’s Share and Transfer Book.

The number of paid share required for the issuance of Share Capital Certificate shall be determined by the Board of Directors.

The shares may be purchased, owned or held only by persons who are eligible for membership. Subject to existing government rules or laws, interests shall be paid only to paid-up shares which may be in cash; or credited as payment of unpaid subscriptions, outstanding accounts, or additional shares or to the revolving fund of the cooperative.

Section 7. Assignment of Share Capital Contribution or Interest. Subject to the provisions of the Code, no member shall transfer his/her shares or interest in the cooperative or any part thereof unless:

1. He/she has held such share capital contribution or interest for not less than one (1) year;

2. The assignment is made to the cooperative or to a person who falls within the field of membership of the Cooperative; and

3. The Board of Directors has approved such assignment.

The assignment of shares shall not be binding to the Cooperative until such transfer has been registered in the share and transfer book. No transfer shall be completed until the old certificate has been endorsed and surrendered to the Cooperative and a new certificate is issued in the name of the member-transferee. The corresponding transfer fee shall be collected from the transferee as prescribed in the Cooperative policy.

In case of lost or destroyed share certificate, the Board of Directors may issue a replacement after the owner thereof executes a sworn affidavit, setting forth the following:

a. Circumstances as to how, when and where said certificate was lost or destroyed;

b. The serial number of the certificate; and the number of shares it represents;

c. The lost or destroyed certificate has never been transferred, sold or endorsed to any third party, provided, that should the same be found, the owner shall surrender it to the Cooperative; and
d. That any false representation or statement made in the aforesaid affidavit shall be a ground for expulsion from the Cooperative.

**Article VIII**

**Allocation and Distribution of Net Surplus**

**Section 1. Allocation** - At the end of its calendar year, the Cooperative shall allocate and distribute its net surplus as follows:

a. Reserve Fund. ______ percent (____%) shall be set aside for Reserve Fund. Provided, that in the first five (5) years of operation after registration, this amount shall not be less than fifty per centum (50%) of the net surplus. The reserve fund shall be subjected to the following rules:

i. The reserve fund shall be used for the stability of the Cooperative and to meet net losses in its operations. The General Assembly may decrease the amount allocated to the reserve fund when it has already exceeded the authorized share capital. Any sum recovered on items previously charged to the reserve fund shall be credited to such fund.

ii. The reserve fund shall not be utilized for investment, other than those allowed in the Cooperative Code. Such sum of the reserve fund in excess of the authorized share capital may be used at any time for any project that would expand the operations of the Cooperative upon the resolution of the General Assembly.

iii. Upon the dissolution of the Cooperative, the reserve fund shall not be distributed among the members. However, the General Assembly may resolve:

A. To establish a usufructuary trust fund for the benefit of any federation or union to which the Cooperative is affiliated; or

B. To donate, contribute or otherwise dispose of the amount for the benefit of the community where the Cooperative operates. If the member could not decide on the disposition of the reserve fund, the same shall be given to the federation or union to which the Cooperative is affiliated.

b. Education and Training Fund. ______ percent (____%) shall be set aside for Education and Training Fund.

i. Half of the amount allocated to the education and training fund annually under this subsection may be spent by the cooperative for education and training purposes; while the other half may be remitted to a union or federation chosen by the Cooperative or of which it is a member.

ii. Upon the dissolution of the cooperative, the unexpended balance of the education and training fund pertaining to the Cooperative shall be credited to the Cooperative education and training fund of the chosen union or federation.
c. Community Development Fund. _______ percent (___%) shall be used for projects and activities that will benefit the community where the Cooperative operates.

d. Optional Fund, Land and Building and any other necessary fund. _______ percent (___%) shall be set aside for this purpose.

**Section 2. Interest on Share Capital and Patronage Refund.** The remaining net surplus shall be made available to the members in the form of interest on share capital not to exceed the normal rate of return on investment and patronage refunds. Provided, that any amount remaining after the allowable interest and the patronage refund have been deducted shall be credited to the reserved fund. The sum allocated for patronage refund shall be made available at the same rate to all patrons of the Cooperative in proportion to their individual patronage, provided that:

a. In the case of a member patron with paid-up share capital contribution, his/her proportionate amount of patronage refund shall be paid to him/her unless he/she agrees to credit the amount to his/her account as additional share capital contribution;

b. In the case of member patron with unpaid share capital contribution, his/her proportionate amount of patronage refund shall be credited to his/her account until the share capital contribution has been fully paid;

c. In the case of non-member patron, his/her proportionate amount of patronage refunds shall be set aside in a general fund for such patron and shall be allocated to individual non-member patron and only upon request and presentation of evidence of the amount of his/her patronage. The amount so allocated shall be credited to such patron toward payment of the minimum capital contribution for membership. When a sum equal to this amount has accumulated at any time within _____ ( ) years, such patron shall be deemed and become a member of the Cooperative if he/she so agrees or requests and complies with the provisions of the bylaws for admission to membership; and

d. If within the period specified hereof, any subscriber who has not fully paid his/her subscribed share capital or any non-member patron who has accumulated, the sum necessary for membership, but who does not request nor agree to become a member or fails to comply with the provisions of this bylaws for admission to membership, the amount so accumulated or credited to their account together with any part of the general fund for non-member patron shall be credited to the Reserve Fund or to the Education And Training Fund of the Cooperative, at the option of the Cooperative.

**Article IX**

**Settlement of Disputes**

**Section 1. Mediation and Conciliation.** All inter and intra-cooperative disputes shall be settled within the cooperative in accordance with the pertinent Guidelines issued by the Cooperative Development Authority, Art. 137 of Republic Act No. 9520 and its Implementing Rules and Regulations, Alternative Dispute Resolution Act of 2004 and its suppletory laws.
Section 2. Voluntary Arbitration. Any dispute, controversy or claim arising out of or relating to this By-laws, the cooperative law and related rules, administrative guidelines of the Cooperative Development Authority, including disputes involving members, officers, directors, and committee members, intra-cooperative disputes and related issues shall be exclusively referred to and finally resolved by voluntary arbitration under the institutional rules promulgated by the Cooperative Development Authority, after compliance with the conciliation or mediation mechanisms embodied in the bylaws of the Cooperative, and in such other applicable laws.

Article X
Miscellaneous

Section 1. Investment of Capital. The Cooperative may invest its capital in any or all of the following:

a. Shares or debentures or securities of any secondary cooperative;
b. Any reputable bank including Cooperative Banks or any secondary cooperative;
c. Securities issued or guaranteed by Government;
d. Real Estate primarily for the use of the Cooperative or its members; or
e. In any other manner approved by the General Assembly.

Section 2. Accounting System. The Cooperative shall keep, maintain and preserve all its books of accounts and other financial records in accordance with the Standards Charts of Accounts (SCA) for Cooperatives and the Philippine Financial Reporting Framework (PFRF) for Cooperatives.

Section 3. Financial Audit, Performance Audit, and Social Audit. At least once a year, the Board of Directors shall, in consultation with the Audit Committee, cause the audit of the books of accounts of the Cooperative, performance audit and social audit in accordance with the Guidelines issued by the Cooperative Development Authority.

Section 4. Annual Report. During the annual Regular Assembly meeting, the Officers shall submit a report of the operation to the General Assembly together with the audited financial statements, performance audit, social audit reports and list of officers and trainings undertaken/completed. The annual report shall be certified by the Chairperson and Manager of the Cooperative as true and correct in all aspects to the best of their knowledge.

The Cooperative shall submit the web-based Cooperative Annual Progress Report (CAPR) together with the following attachments to the Authority within (120) days from the end of every calendar year;

a. Social Audit Report;
b. Performance Report including semi-annual Mediation and Conciliation Report;
c. Audited Financial Statement; and
d. List of officers and trainings undertaken/completed.
Article XI
Amendments

Section 1. Amendment of Articles of Cooperation and By-laws.
Amendments to the Articles of Cooperation and this By-Laws may be adopted by at least two-thirds (2/3) votes of all members with_________(voting rights/members entitled to vote), present and constituting a quorum.

The amendment/s shall take effect upon approval by the Cooperative Development Authority.

Voted and adopted this _____ day of ________, 20___ in ____________, Philippines.

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We, constituting the majority of the Board of Directors of the __________________________ do hereby certify that the foregoing instrument is the Code of By-laws of this Cooperative.

Signed this of ____________, 20__, in ____________.

_________________________  __________________________
Chairperson                Vice Chairperson

_________________________  __________________________
Director                   Director                    Director
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**Credit Cooperative By-Laws**