

# **ASEC. VIDAL SPEARHEADS VISITATION TO BILLIONAIRE COOPERATIVES IN METRO MANILA**

*"Crafting policies based on the experience of the receiver is more effective than creating based on one's perception"*



On July 14 and 16, 2020, visitations were made to 7 billionaire cooperatives in Metro Manila. In doing so, Asec. Vidal Villanueva, NCR Regional Director Pedro T. Defensor Jr., and Acting Sr. CDS Vincent Bassig seemed to be taking a dangerous path since the cases of COVID-19 continue to rise and instill fear nationwide. But risky as they may be, the danger was overshadowed by the wisdom gained during the visits. Significant policies were given to the regulatory agency provide an enabling environment for the cooperative sector.

As all of the cooperatives visited claimed, it was the first time that a high ranking official of the Cooperative Development Authority took time to

get out of his room and consult the sector in the field. What makes it more commendable is that it was conducted amidst the danger posed by the pandemic crisis.

The visits were well appreciated and they showed the relevance of the Authority's mission to make the cooperatives "safe and sound".

Significant inputs made by the cooperatives that may possibly result in an issuance of guidelines as committed by Asec. Villanueva were as follows:

- Prescribing an organizational structure that would clarify the relationship of the Election and Audit committee with the Board of Directors. The board to note that though these are elected committees, both still need to report to the board either for their information or approval;
- Coming-up with an issuance allowing cooperatives to book the Allowance for Probable Losses on Loans (APLL) for a period of 3 years;
- Should there be another pandemic or similar incident that would occur, separate treatment should be accorded to the government-institutional type of cooperatives on a moratorium of collection of remittance because the salary of the members of the cooperatives in this institution are commonly not disrupted;
- Issuance of policy on the possible hold-over capacity of external auditors who rendered 5 years of continuous audit, which is currently restricted by the current circular of CDA. This is because the ripple effect of not calling a general assembly would mean non-approval of members in hiring a new external auditor;
- Clarificatory issuance of June 9 and June 10 memorandum of CDA on the grace period extension of deduction on member's loans for it tends to create confusion on the effectivity of the 30 days grace period;
- Possible issuance of guidelines allowing cooperatives to adopt a community. Spending of CDF should not be limited in the cooperative's area of operation because there are circumstances that warrant the assistance of cooperatives to those outside the area;
- Lobbying for the amendment of some of the provisions of RA 9520 on proxy voting for cooperatives organized and registered by the military and other frontliners so as not to disrupt the government's efforts regarding national security and emergency crises. Also, to exclude

federations as recipients of Cooperative Education and Training Funds (CETF) for the main intent and purpose of the federation is to engage in business that will complement the business of its members;

- Lobbying for the merger of 2 registered insurance cooperatives to provide better services to cooperative members and show the force of cooperativism among other insurance players;
- Provision of insurance benefits to the cooperative senior citizen members who had been in service for a reasonable period of time;
- Encourage cooperatives to engage in online banking transactions;
- To act as mediator to settle issues confronted by cooperatives with the Bureau of Internal Revenue (BIR)

Special thanks were given to the officers and employees of the following cooperatives for accepting the challenge of meeting the group and providing inputs to further strengthen the sector:

1. PLDT Employees Multi-purpose Cooperative (PECCI);
2. San Dionisio Credit Cooperative
3. ACDI Multi-purpose Cooperative
4. Philippine Army Finance Center Producers and Integrated Cooperative (PAFCPIC)
5. BJMP Multipurpose Cooperative
6. Holy Cross Savings and Credit Cooperative; and
7. Novaliches Development Cooperative (NOVADECI)

Amidst all the turmoil surrounding the COVID-19 pandemic, the cooperative sector and the Authority remain steadfast in helping the members and community. Hand in hand, they deal with the new normal.

By: CDA-NCR Regional Office