



COOPERATIVE DEVELOPMENT AUTHORITY

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MEMORANDUM CIRCULAR NO. 2022 - 33
Series of 2022

SUBJECT : GUIDELINES ON THE RELEASE OF AUDIT AND REGISTRATION SUBSIDY TO COCONUT FARMER COOPERATIVES IN THE IMPLEMENTATION OF COCONUT FARMERS ORGANIZATION AND EMPOWERMENT THROUGH COOPERATIVES, CHAPTER 6.2 OF THE COCONUT FARMER AND INDUSTRY DEVELOPMENT PLAN (CFIDP)

Section 1. LEGAL BASIS

- a. Sec.4(g), RA 11524 mandates the Philippine Coconut Authority (PCA) to prepare the Coconut Farmers and Industry Development Plan (Plan) which shall, among others, take into account the distribution of the annual allocation of the trust fund to organization and empowerment of coconut farmer organization and their cooperatives, to be implemented by the Cooperative Development Authority (CDA) for farmers cooperatives and LGUs for coconut farmer organizations;
- b. Executive Order No. 172, issued on June 02, 2022, approved the Plan which provides, among others, national programs: (i) for the establishment of community-based enterprises; (ii) on the provision of social protection for coconut farmers, farmworkers, and their families; (iii) on the organization and development of coconut farmers; (iv) on the conduct of innovative research on coconut processing, production, and distribution, all for the purpose of developing the domestic coconut industry; and (v) on the integrated processing of coconut and downstream products;
- c. Article 2 of the Philippine Cooperative Code of 2008 (RA 9520), declares the policy of the state to foster the creation and growth of cooperatives as practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development, equity and social justice;
- d. RA No. 11364, Section 2, paragraph 4, **Declaration of Policy** - The government and all its branches, subdivisions, instrumentalities and agencies shall continue to provide technical guidance, financial assistance and other services to enable the cooperatives to develop into viable and responsive economic enterprises towards a strong cooperative movement, free from condition which infringes upon the objective and character of cooperatives.
- e. RA No. 11364, Section 4. **Powers, Functions and Responsibilities.** -The Authority shall have the following powers and functions:
 - (b) Formulate, adopt and implement integrated and comprehensive plans and programs on cooperative development consistent with the national policy on cooperatives and establish an integrated framework on cooperative development for all government agencies;

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- (m) Administer all grants and donations exclusively intended for cooperatives coursed through the Authority for cooperative development, without prejudice to the right of cooperatives to directly receive and administer such grants and donations upon agreement with the grantors and donors thereof;

Section 2. **QUALIFIED BENEFICIARIES**

The beneficiaries of the program shall have the following minimum qualifications:

For Audit Subsidy:

1. Duly registered cooperatives under RA 9520;
2. Accredited by the PCA;
3. With no unliquidated financial assistance with the CDA

For Registration Subsidy:

- Registering cooperative with the CDA which should be a:
 1. Coconut farmer organization/association accredited by the PCA which opted to convert into a cooperative; or
 2. Group of individual coconut farmers who organized themselves into a cooperative

Section 3. **PURPOSE OF THE SUBSIDY**

The subsidy shall be utilized by the cooperative for the following purposes:

1. Audit Subsidy:

Payment of audit fee for the conduct of financial audit by the CDA accredited cooperative external auditor;

2. Registration Subsidy:

Payment of registration fee and other incidental expenses in the registration of cooperative such as surety bond, notarial, transportation, photocopy, printing, and supplies.

Section 4. **APPLICATION FOR SUBSIDY**

The following documents shall be submitted in the application for Audit or Registration Subsidy:

1. Letter request duly signed by the Chairman and/or Chief Executive Officer/General Manager of the cooperative or by the President/Head of the association or group of individual coconut farmers addressed to the CDA Extension Office thru its Regional Director which has jurisdiction to the cooperative; and

2. Resolution of the Board of Directors of the Cooperative or Registering Cooperative approving the request for subsidy to the CDA.

Section 5. **PROCEDURES FOR THE RELEASE OF SUBSIDY**

The subsidy shall be granted to the cooperative/registering cooperative on a reimbursement basis. As such the following shall be the procedures on the release of subsidy:

1. CDA Regional Office verifies whether the cooperative or the registering cooperative is eligible as beneficiary of the subsidy.
2. If the cooperative/registering cooperative is eligible, the CDA shall inform the cooperative/registering cooperative to submit the following documents for the release of the subsidy:

For Audit subsidy:

- Official receipt issued by the Accredited Cooperative External Auditor; and
- Copy of the Audit Report

For Registration Subsidy:

- Photocopy of Certificate of Registration with the CDA;
- Official receipts of the registration fee and other incidental expenses in the registration of cooperative

3. Once completed, the CDA Regional Office shall process and release the subsidy to the cooperative;

Section 6. **AMOUNT OF SUBSIDY**

The following are the maximum amount to be granted to the cooperative subject to submission of documents specified in Section 5 (2) of this Guidelines:

- Audit Subsidy - Five Thousand Pesos (Php5,000.00)
- Registration Subsidy – Twenty Thousand Pesos (Php20,000.00)

The amount to be released shall correspond to the official receipts and all other evidence to be submitted by the cooperative, however, it should not exceed the amount as specified herein.


Section 7. **EFFECTIVITY**

This Circular shall take effect fifteen (15) days following the completion of its publication in the Official Gazette and the filing of the copy thereof with the Office of National Administrative Register (ONAR).

Approved by the CDA Board of Directors on November 16, 2022 per Board Resolution No. 957, S-2022.

Issued this 21st day of December 2022.

For the Board of Directors:


USEC. JOSEPH B. ENCABO
Chairman
