



COOPERATIVE DEVELOPMENT AUTHORITY

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MEMORANDUM CIRCULAR 2024- 03 Series of 2024



TO: ALL CONCERNED

SUBJECT: NEW GUIDELINES ON THE ESTABLISHMENT AND OPERATION
OF COOPERATIVE SATELLITE OFFICES

Pursuant to the powers vested by Republic Act No. 11364 and RA 9520, the Authority hereby promulgates the following amended Guidelines on establishing cooperative satellite offices.

Section 1. Legal Bases

This Memorandum Circular (MC) was issued on the following legal bases:

Article 2, paragraph 1 of RA 9520.

xxx to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people's power towards the attainment of economic development and social justice. xxx, and

Section 4 (d) of Republic Act No. 11364

(d) Authorize the establishment of branches and satellite offices of cooperatives;

Section 2. Objectives

This Guidelines shall provide a mechanism for a cooperative satellite office's systematic and orderly establishment.

Section 3. Scope

All cooperatives intending to establish satellite offices and those with existing satellite offices shall be covered by this Guidelines, except Credit Surety Fund Cooperatives and Cooperative Banks.

Section 4. Definition of Terms

- a. **Principal Office** – shall refer to the registered head office as indicated in the cooperative's articles of cooperation and bylaws where the business and cooperative activities are conducted and where central records and main books of accounts are kept. It is also where the cooperative's officers and key

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management staff direct, control, coordinate, and manage its entire operations.

- b. **Satellite Office** – shall refer to an office established by a cooperative outside its Principal Office but within its area of operation to provide limited services to its members but which does not, however, maintain books of accounts as this is done only by the Principal Office.
- c. **Letter of Authority** – shall refer to the official document issued by the Authority authorizing the establishment and operation of a cooperative satellite office.
- d. **Registering EO** – shall refer to the CDA Extension Office exercising jurisdiction over the place where the Principal Office of the cooperative is located
- e. **Issuing EO** – shall refer to the CDA Extension Office, other than the Registering EO, exercising jurisdiction over where the cooperative satellite office will be established.

Section 5. Documentary Requirements

The cooperative shall submit a letter application to establish a satellite office/s stating therein the specific services/activities to be undertaken by the proposed satellite office.

The following documents shall accompany it:

- a. Certified true copy of the Certificate of Compliance for the preceding year (2 copies);
- b. Oath of Undertaking signed by the Chairperson of the cooperative for the specific services/activities to be undertaken by the proposed satellite office (2 original copies); and
- c. Certification as to available space and workforce to manage the Office (2 original copies.)

Section 6. Jurisdiction

In case the cooperative satellite office is established within the area where the principal Office is located, the approval and issuance of the Letter of Authority shall be made by the Registering EO exercising jurisdiction over the said place. Applications of cooperatives under the supervision of the Head Office shall be approved and issued by the Head Office through the Administrator.

If the cooperative satellite office is to be established outside the jurisdiction of the Registering EO, the application shall still be filed with the said EO. The Registering EO shall then evaluate and determine compliance by the applicant cooperative with the documentary requirements set forth in Section 5 hereof.

Upon finding that all the documentary requirements have been completely complied with, the Registering EO shall forward the application with the supporting documents and its recommendation to the Issuing EO that exercises jurisdiction over the place where the cooperative satellite office will be established.

The Issuing EO shall issue a Letter of Authority only upon determination of the presence of the cooperative members in the area and their needs for the services to be provided by the cooperative. The issuing EO shall conduct an independent evaluation and validation.

The issuing EO shall notify the registering EO of its approval or denial of the application. The Issuing EO shall likewise furnish the Registering EO with a copy of the Letter of Authority. In like manner, the Registering EO and the applicant cooperative shall also be notified if the EO concerned denies the application for a Letter of Authority to establish a cooperative satellite office.

Section 7. Processing Fee

The processing fee for the issuance of a Letter of Authority for each cooperative satellite office shall be as follows:

Processing Fee	Category of Coop
Php 500.00	Primary
Php 1,000.00	Secondary
Php 2,000.00	Tertiary

Section 8. Services/Activities Allowed in a Cooperative Satellite Office

The cooperative satellite office shall render services and conduct business activities such as follows:

1. Acceptance of applications for membership;
2. Acceptance of loan applications;
3. Collection and acceptance of payments for share capital contributions, loans, and utility bills in the case of electric and water service cooperatives;

4. Release of loans, patronage refund, and interest on capital; and,
5. Other selected business transactions.

All applications for membership, loans, and other transactions accepted in the satellite office shall be endorsed to the Principal Office for appropriate action. In no case shall the satellite office exercise discretion on such matters.

Section 9. Conditions for Cooperative Satellite Office Operations

The following shall be the conditions that must be observed in operating a cooperative satellite office:

9.1 Display of the following at all times:

- 9.1.1 CDA Letter of Authority posted conspicuously in the satellite office.
- 9.1.2 List of transactions/services to be provided in the satellite office as approved by the cooperative's Board of Directors;
- 9.1.3. Barangay Permit
- 9.1.4 Mayor's Permit
- 9.1.5 Operational Structure

9.2. Presence of signage as a cooperative satellite office;

9.3 Maintenance of Accountable Forms (e.g., Cash Acknowledgement/ Provisional/ Official Receipt, vouchers, etc.);

9.4 Maintained record of daily transactions to be submitted to the Principal Office;

9.5 Submission of summary reports, including the record of daily transactions, to the Principal Office;

9.6 Availability of appropriate logistics (e.g., personnel complement, computer, tables, chairs, cash register, cash vault of the box, if applicable, etc.);

9.7 Presence of a minimum number of personnel as determined by the Principal Office to effectively discharge the functions of the satellite office;

9.8 Turn over or deposit all collections within the day to the account of the Principal Office and implement an imprest system of handling cash.

The Authority may determine other conditions.

Section 10. Satellite Office Inspection

In case of a satellite office outside the region where the Principal Office is located, the inspection report shall be forwarded to the EO having jurisdiction over the Principal Office of the cooperative for its consolidation of the inspection reports and appropriate action.

Section 11. Transfer and Closure of Cooperative Satellite Office

The transfer and closure of cooperative satellite offices shall be governed by MC No. 2020-17 and any amendments thereto.

Section 12. Change of Name and/or Address of the Cooperative

In case the cooperative amends its name and/or address, said cooperative shall immediately apply for the change of a new Letter of Authority within fifteen (15) working days upon receipt of the Certificate of Registration of Amendment.

Section 13. Sanctions

Any violation of this Guidelines shall be grounds for the cancellation of the Letter of Authority after due notice and hearing.

Section 14. Repealing Clause

This Memorandum Circular repeals MC No. 2016-05, dated October 11, 2016, and Section 3 of Memorandum Circular 2020-17, "Guidelines Governing the Closure, Transfer, and Conversion of Cooperative Branch or Satellite Offices," is hereby amended accordingly.

Section 15. Effectivity.

This MC shall take effect fifteen (15) days following its publication with the official gazette or newspapers of general circulation and completion of the filing with the Office of the National Administrative Register.

Approved by the CDA Board of Directors pursuant to Resolution No. 871, s-2023 dated December 5, 2023.

Issued this 5th day of January, 2024

For the Board of Directors

By:

USEC. JOSEPH BAENCABO
Chairman

