

## **Guide to Fill-up the 2010 Cooperative Model of Articles of Cooperation and By-laws**

### **A. ARTICLES OF COOPERATION**

1. *Introductory/Preamble* - Specify the type of primary cooperative in accordance with Article 23 (1) of RA 9520 in the blank provided consistent with the name and purpose/s of the proposed cooperative.
2. *Article I. Coop Name* - Fill-in the complete name of the cooperative as indicated in the approved Name Reservation Slip/Notice.
3. *Article II. Purpose/s* - The purpose(s) of the coop refers to the specific business/service to be undertaken by the cooperative. If applicable, allied/related undertakings should be specified. These undertakings are necessary and incidental to the specific business/service of the cooperative.
4. *Article V. Term of Existence* – Fill up the blank with words and the parenthesis *with* numeric value of the desired period, which should not exceed fifty (50) years.
5. *Article VI. Area and Business Operations* - Indicate in the first blank the place where the cooperative shall recruit members. Fill-up the second blank with the area where the cooperative shall operate business. Fill up the third blank with complete principal/head office address of the proposed coop indicating the number/unit/floor, street, barangay, city/municipality, district, province, and zip code. The principal office shall be within the area of operation. If applicable, include branches/satellite offices with complete address.
6. *Article VII. Names and Addresses of Cooperators* - Fill-up the complete names and postal addresses of all cooperators.
7. *Article VIII. Common Bond of Membership*
  - Indicate only one (1) bond of membership as enumerated below:
    - *Residential*, members working and/or residing in the same place
    - *Institutional*, members consist of employees, workers and/or officers of a particular institution
    - *Associational*, members come from a registered and/or recognized association, group, club, fraternity, and other similar aggrupation. Recognized association means legitimate aggrupation of persons which is publicly known in a particular community and able to present certification from applicable government entity.
    - *Occupational*, members come from same or allied profession or occupation

In case the common bond of membership is *associational* or *institutional*, the specific coverage of the association or institution must be indicated with certainty to ensure that the proposed cooperative shall recruit members only from the association or institution with identified area of operation.

**Example,** A Homeowners association within Blue Ridge Subdivision in Quezon City cannot recruit members beyond such subdivision. Also, the CDA Central Office Employees Cooperative cannot recruit members from CDA Extension Offices' Employees.

The cooperative may further opt to delimit their common bond of membership by specifying the appropriate field of membership.

8. *Article IX. Board of Directors*

- a. Fill-up the number of board of directors the minimum of which is five (5) but not more than fifteen (15). It is recommended to prescribe odd number in determining the number of member of the board of directors.
- b. Enumerate the names of the elected board of directors

9. *Article X. Capitalization*

- a. Indicate in the first blank (in words and figure) the total authorized capital as prescribed by the cooperative.
- b. Indicate in the second blank (in words and figure) the total number of shares
- c. Indicate the amount of par value (in words and figure) of each share. The par value of a share capital should not be more than One Thousand Pesos (Php 1,000.00). The par value shall be divisible by one peso (Php1.00). In case the cooperative opt to offer preferred share capital the wordings of Article X shall be as follows:

*"Article X  
Capitalization*

*That the Authorized Share Capital of this Cooperative is \_\_\_\_\_ PESOS  
(Php\_\_\_\_\_), divided into:*

*a) \_\_\_\_\_ (\_\_\_\_\_) common shares  
with a par value of \_\_\_\_\_ (Php \_\_\_\_\_) per  
share; and*

*b) \_\_\_\_\_ (\_\_\_\_\_) preferred shares  
with a par value of \_\_\_\_\_ (Php \_\_\_\_\_) per  
share."*

- d. When Preferred Shares is prescribed in the articles of cooperation, a corresponding provision on associate membership may be provided in the by-laws.

10. *Article XI. Subscribed and Paid-up Share Capital*

- a. Indicate in the first blank (in words and figure) the amount of total subscribed capital which should not be less than twenty five percent (25%) of the authorized capital
- b. Indicate in the second blank (in words and figure) the amount of total paid-up capital which should not be less than twenty five percent (25%) of the total subscribed share capital

- c. The schedule of subscribed and paid-up capital of cooperative with preferred share capital shall be as follows:<sup>1</sup>

**ARTICLE XI**  
**Subscribed and Paid-up Share Capital**

That the amount of \_\_\_\_\_ (Php \_\_\_\_\_) of the authorized share capital has been subscribed, and \_\_\_\_\_ (Php \_\_\_\_\_) of the total subscription has been paid, by the following members-subscribers:

A. Common Share Capital Subscribers

Names	No. of Subscribed Shares	Amount of Subscribed Shares	No. of Paid-up Shares	Amount of Paid-up Shares

B. Preferred Share Capital Subscribers:

Names	No. of Subscribed Shares	Amount of Subscribed Shares	No. of Paid-up Shares	Amount of Paid-up Shares

11. *Certification Clause* - The name of the elected treasurer shall be indicated in the first blank. Also, specify the date, month, year, and place of execution of the articles. The list of cooperators with their corresponding signature must likewise be completely provided.
12. *Witnesses* - Get two disinterested witnesses in the spaces provided indicating their printed name and signature to attest in the execution of the articles.
13. *Acknowledgment*- Just fill up the matrix with required information. Other blanks shall be accomplished by the notary public.

**General Instruction:** The Articles of Cooperation being a contract between the cooperative and the Authority, the following must be observed:

1. All interim board of directors must affix their signatures on the margin of every page thereof except the page where the names and signatures of cooperators are provided;
2. All four (4) copies of the articles of cooperation shall bear original signatures;
3. No photocopy of documents shall be accepted;
4. The paper must be in 8.5"x 13" or 8.5"x 14" and the font type and size is Bookman Old Style 12;
5. Four (4) copies of documents must be submitted in separate folders; and
6. The use of metallic objects in fastening the documents is not allowed.

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**B. TREASURER'S AFFIDAVIT**

1. Indicate the complete name of the treasurer, name of cooperative, capitalization which must tally with the figures provided in the articles of cooperation and total membership fees received;
2. The Treasurer should indicate the date, place of execution and affix his/her signature in the document; *and*
3. The *jurat is to be filled-up by the notary public.*

**C. BY-LAWS**

1. *Introductory/Preamble* – The first blank should indicate the full name of the cooperative as indicated in *the approved Name Verification Slip/Reservation Notice*. The second blank should specify the type of cooperative consistent with the pertinent provision of the articles of cooperation.
2. Article II, Section 2 – Indicate in the space the field of membership of the cooperative which should be consistent with the common bond as provided for in the articles of cooperation.  
  
*Ex. For residential, field of membership should be residents of Barangay 103; For institutional, field of membership should be employees of ABC Corporation; For Associational, field of membership should be members of CDE Association; and for occupational, field of membership should be merchandiser/promodiser, etc..*
3. Article II, Section 3.d, the blank should indicate other requirements the cooperative may deem necessary, otherwise delete the blank. Note: it is required to prescribe Preferred Shares in the Articles if the cooperative provides for associate membership in these bylaws.
4. Article II, Section 4, indicate in words and number the days within which the BOD can approve or deny the application for membership in the cooperative. Likewise, indicate in the succeeding paragraph the required membership fee by stating the amount in words and in pesos.
5. Article II, Section 6, indicate the *number of shares* subscribed *and the corresponding number of shares* to be paid by the member upon approval of application for membership. It is recommended that the paid up shares is at least 25% of the subscribed share.
6. Article III, Section 4, indicate the desired day and month of general assembly meeting which shall be within ninety (90) days after the close of each calendar year.
7. Article III - Section 9, indicate the *minimum percentage of members* entitled to vote required to *muster a quorum in a general assembly* which should not be less than twenty five percent (25%). However, in *case of electric cooperative* and, unless otherwise provided in the by-laws, the minimum should be at least be five percentum (5%) of all the members entitled to vote.
8. Article IV - Section 1, indicate in words and numerals the number of Board of Directors in the cooperative. The number must be consistent with the provision of the Articles.

9. Article IV - Section 4(b), indicate the number of consecutive terms a BOD member may be disqualified as such in running for the same office, if applicable. Otherwise, the same portion providing term limits should be deleted.
10. Article IV - Section 5, indicate in the first and second blank the *number of years* the elected BOD shall serve which should not exceed two (2) years, in the third blank the cooperative may prescribe *term limits* for the BOD otherwise delete the last sentence.
11. Article V - Section 1, indicate the *number of members* which should be three (3) or five (5) of the Audit Committee.
12. Article V - Section 3, indicate the *number of members* which should be three (3) or five (5) of the Election Committee.
13. Article V - Section 5, indicate the *number of members* which should be three (3) or five (5) of the Education and Training Committee.
14. Article V - Section 7, indicate the *number of members* which should be three (3) or five (5) of the Mediation and Conciliation Committee.
15. Article V - Section 7, indicate the *number of members* which should be three (3) or five (5) of the Ethics Committee
16. Article VII - Section 2, indicate the a. *percentage and its peso value* of the monthly income, b. the *minimum percentage* in the interest on capital and patronage refund, and c. *minimum percentage of the value* of the goods/service acquired from the cooperative, will be allocated to the provision on continuous capital build-up in the cooperative.
17. Article VIII Section 1.a, indicate the primary business/services of the cooperative in accordance with the purpose stated in the articles of cooperation of the cooperative.

Proponent may also provide additional sections to indicate the *specific operational concepts and procedures* that will be undertaken by the cooperative. The same should highlight the significant terminology and framework that will be prescribed.

18. Article XII - Indicate the *day, month, year and, place* the By-laws was executed and adopted and indicating the names and signatures of those who took part in the adoption thereof. It is suggested that the list of other adopting members must be provided in separate sheet of paper as proof majority adopted thereon.

- Note:**
- a. The authorized officer must initial all items with erasure or super imposition to validate changes made thereon.
  - b. At least majority of members including the cooperators shall sign on the certification portion.