



OPERATIONS MANUAL

Office of Transportation Cooperatives

FOREWORD

To respond to the demands of a globalizing clientele, the bureaucracy must continuously adopt to the modern world it provides services to. As the Filipino people demands more accountability, transparency and responsibility to the social services government provides, we – the public servants – must level-up and assume greater responsibilities in our work.

As an initial step to standardizing the operations of the Office of Transportation Cooperatives, may this manual of operations serves as a cornerstone for which this agency may begin to build a world-class and premier reputation of delivering relevant, timely, responsive and dynamic development services to the transportation cooperative sector.

This are but baby steps, just the beginning of the long journey ahead of us. Let us join hands and together take the straight path towards full and genuine transformation.

MELCHOR V. CAYABYAB
Chairman

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I. INTRODUCTION

1.1 PURPOSE OF THE MANUAL

This Manual of Operations contains the policies and procedures of the Office of Transportation Cooperatives (OTC), with respect to its functions as mandated by law. OTC's functions are the following promotion/organization, accreditation, monitoring, supervision and development of transportation cooperatives.

The Manual has been designed to:

- a. Instruct OTC personnel in the systematic and efficient performance of their duties and responsibilities.
- b. Define the responsibilities of specific OTC personnel, section, division and offices in relation to the front line services and other functions of agency.
- c. Provide a standard reference for newly hired OTC staff on the operating functions of OTC.

1.2 SCOPE AND CONTENTS OF THE MANUAL

The Manual has been organized and presented to facilitate understanding of the operating system of OTC. It therefore specifies the policies and the corresponding procedures. The related forms and checklists, as well as pertinent rules, are attached to this Manual as exhibits. The major parts of the Manual include the following:

Major Functions:

Promotion and Organization- provides the operating policies and procedures for effectively carrying out the **advancement/cascading to the transport cooperative program and** formation of new transport service cooperatives.

Accreditation- presents the policies and procedures for receiving, processing and approving applications for accreditation of transport service cooperatives.

Monitoring and Supervision- provides the policies and procedures for monitoring the performance of cooperatives compliance with mandatory responsibilities, and conducting investigations, hearings and appeals, in special circumstances.

Developmental Services:

Cooperative Education on Transportation Operation Seminar – Capacity Building Trainings/ Seminars -

Frontline Services:

Endorsement of Franchise and Petitions- presents the policies and procedures for endorsing franchise applications and petitions for dropping, substitution, legal action, extension of franchise validity and other petitions.

1.3 SYSTEM OF DISTRIBUTION OF THE MANUAL

After this Manual had been duly approved by the Executive Committee, copies of this manual shall be distributed to all permanent personnel of the Office of Transportation Cooperatives, for information and reference.

It shall be the responsibility of the Human Resources Section to provide every permanent personnel with an individual copy of this manual. In the same manner, the Human Resources Section shall be responsible in ensuring all newly hired personnel and newly appointed Chairman and Executive Director to the OTC, be provided a copy upon assumption of office.

The Human Resources Section shall maintain an updated list of all recipients of a copy of this Manual.

The manual shall remain a property of the OTC even when distributed to individual personnel. This Manual and other related materials as described in here shall be treated with strict discretion/disclosure and shall not be brought outside the Agency's premises nor reproduced without prior written knowledge and/or clearance/authorization from the OTC Management.

Upon retirement, resignation, transfer to another office and/or separation from the service, OTC personnel shall surrender his/her copy of this manual to the Human Resources Section. Such action shall be a prerequisite for the issuance of Clearance from this Office.

In partially compliance with the Control of Documents and Records, this Agency, through the duly designated Records Officer, shall ascertain that a copy of this Manual be at all times available for records and archive purposes.

2. SYSTEM OF REVISION AND AMENDMENT OF THE MANUAL

To ensure the Manual's continuous applicability and usefulness, users shall be responsible for periodically reviewing and updating this Manual to reflect changes in operating conditions and practices.

Review, enhancement and/or improvement shall be at least once in every two (2) years. Basis of these improvement(s) can be as a result of the process review and other material means/forms of the services presented in this Manual.

To ensure further the safety and security of this Manual, all revisions shall be presented before the OTC Board for their final consideration and approval.

II. DEFINITION of TERMS and ACRONYMS USED

	Word	Meaning	Acronym
1.	Administrative and Finance Division	Provides the support to operation of the Agency	AFD
2.	Authorized Subscribed Capital	Authorized Subscribed Capital	ASC
3.	Asian Utility Van		AUV
4.	Ad Hoc Committee	shall refer to the interim officers of the cooperative	
5.	Certificate of Public Convenience	shall refer to Certificate of Public Convenience issued by the appropriate government agencies which authorizes the grantee thereof to render appropriate public service	CPC/Franchise/Permit
6.	Cooperative Development Authority	shall refer to the government agency in charge of the registration and regulation of cooperatives	CDA
7.	Cooperative Code	shall refer to the Philippine Cooperative Code of 2008	
8.	Cooperative Education and Transport Operation Seminar	Cooperative Education and Transport Operation Seminar. The pre-membership seminar conducted to all TSC members	CETOS
9.	Cooperatively Owned Units	shall refer to the vehicle/unit owned by the general membership of the Cooperative	
10.	Certificate of Good Standing	shall refer to the Certificate of Good Standing issued by OTC to	CGS

		TSCs that have complied with the annual reportorial requirements	
11.	Certificate of Registration	Shall refer to the Certificate of Registration of vehicle/units issued by the Land Transportation Office (LTO) that establish the identity of ownership of a particular motor vehicle	CR
12.	Development	a part of the OTC mandate which involve provisions of different trainings/seminars and other technical assistance to TSCs.	
13.	Department of Transportation and Communication		DOTC
14.	Financial Management Assistance	shall refer to Financial Management Assistance extended to TSCs	FMA
15.	General Assembly Meeting		GAM
16.	Land Transportation Franchising and Regulatory Board		LTFRB
17.	Local Government Unit		LGU
18.	Maritime Industry Authority		MARINA
19.	Motor Cycle for Hire		MCH
20.	Manual	Shall refer to the Operation's Manual	
21.	Official Receipt	Shall refer to the Official Receipt of the vehicle/unit issued by LTO.	OR
22.	Management Agreement	shall refer to the agreement between the cooperative (TC Chairman) and member-operator wherein the later voluntarily transfer management of the operation vehicle/unit to the cooperative.	
23.	Office of the Chairman		OC
24.	Office of the Executive Director		OED

25.	Operations Division		OD
26.	Organization	shall refer to the formation of TSCs and creation/appointment of ad-hoc/interim officers	
27.	Office of Transportation Cooperatives	shall refer to the Office of Transportation Cooperatives in this entire Manual	OTC
28.	Public Utility Bus		PUB
29.	Paid-Up Capital		PUC
30.	Public Utility Jeep		PUJ
31.	Planning and Evaluation Division		PED
32.	Route Measured Capacity		RMC
33.	Subscribed Capital Share		SCS
34.	Supervising/Monitoring	shall refer to the mandate of OTC which involve various activities such as the issuance of CGS, TC inspection, issuance of MCs and other directives.	
35.	Technical Accreditation Committee		TAC
36.	Accreditation	shall refer to the approval of the OTC Board recognizing the TSC and is evidenced by a Certificate of Accreditation	
37.	Transport Service Cooperative(s)	Transport Cooperative(s) shall refer to the Sector. It is An organization registered by the CDA and accredited by the OTC which include land, and sea transportation limited to small vessels and aircrafts composed of drivers, driver-owners, operators, Pilots, Ship Captain, Ship Crew, allied workers and other workers in the transport industry as well as commuters who have agreed to pool their skills and other resources including vehicles/vessels/sea crafts to provide public service as authorized under a franchise or Certificate of Public Convenience and Necessity duly issued by the appropriate government agency for the economic and efficient	TSC

		carriage of passengers and goods.	
38.	Transport Cooperative Program	shall refer to the Transport Cooperative Program	TCP
39.	Member	includes a person either natural or juridical who adheres to the principles set forth in , the Articles of Cooperative , By-Laws, and RA 9520, has been admitted by the cooperative as member	
40.	General Assembly	shall mean the full membership of the cooperative duly assembled for the purpose of exercising all the rights and performing all the obligations pertaining to cooperatives, its articles of cooperation and bylaws	GA
41.	Board of Directors	shall mean that body entrusted with the management of the affairs of the cooperative under its articles of cooperation and bylaws;	
42.	Articles of Cooperation	Shall mean the cooperative's articles of cooperation registered under this Code and includes a registered amendment thereof;	
43.	By-laws	means the bylaws registered with CDA including any registered amendment thereof;	
44.	Registration	means the operative act granting juridical personality to a proposed cooperative and is evidenced by a certificate of registration;	
45.	Officers of the Cooperative	shall include the members of the board of directors, members of the different committee created by the general assembly, general manager or chief executive officer, secretary, treasurer and members holding other positions as may be provided for in their bylaws;	

III. GENERAL INFORMATION

1. Legal/Historical Background :

a) October 19, 1973

Memorandum Order No. 395

Creating the Committee on Transportation Cooperatives (CTC) under the Office of the President (OP) to ameliorate the social and economic conditions of public utility vehicle drivers, and to mitigate and forestall a serious and impending shortage of energy arising to national welfare and economy.

OBJECTIVE – To promote & organize Transportation Cooperatives (TCs) as a tool towards the integration and rationalization of public transport system, not only as a means to effect economy and efficiency in the movements of passengers and goods but also as a potent measure to ameliorate the social and economic conditions of public utility vehicle drivers and to mitigate impending shortage of energy arising to national welfare and economy focusing in Metro Manila only.

The Committee is further directed to:

- ❖ Study and recommend incentives for the cooperatives such as the wholesale purchase of bulk gasoline and spare parts; the establishment of repair shops and other allied requirement of the transport industry that would rationalize and maximize the use of available transport resources in the face of serious energy shortage.
- ❖ Study, assist and recommend measures that would achieve the objectives of transport integration and rationalization, and towards this end it may recommend measures for the financing and/or extending such financing for the attainment of these objectives.

b) July 10, 1974

Memorandum Order No. 438

Expanding the scope & coverage of Transport Cooperative Program, to include provinces in its campaign

c) July 27, 1981

Executive Order No. 708

Transfer of CTC from Office of the President to the Ministry of Transportation and Communications (MOTC)

d) July 27, 1981

Executive Order No. 708

Transfer of CTC from Office of the President to the Ministry of Transportation and Communications (MOTC)

e) May 28, 1983

Executive Order No. 898

Reorganizing CTC & renaming it into OTC which continues to be attached with the Department of Transportation & Communications (DOTC)

f) March 10, 1990

R.A. 6938/6939

The twin law on the creation of the Cooperative Code of the Philippines (R.A. 6938) and the Cooperative Development Authority (CDA-R.A. 6939) under the OP. - The power of different concerned Departments /Agencies to register and regulate cooperatives was transferred to the Authority.

g) R.A.9520

Feb. 17, 2009

An act amending the Cooperative Code of the Philippines (R.A. 6938) to be known as the Philippine Cooperative Code of 2008.

March 7, 2009 Publication of R.A 9520

March 22, 2009 Effectivity of the Law

2. MANDATE

The Office of Transportation Cooperatives (OTC) was created through Executive Order No. 898, signed on May 28, 1983. It is mandated to promulgate and implement rules and regulations that will govern the promotion, organization, registration (accreditation), regulation, supervision and development of transportation cooperatives, subject to the approval of the Department of Transportation and Communications. It is authorized to call upon any official/personnel of any Department, Bureau or Office for such technical assistance it may require in the performance of its objectives.

3. MISSION

To facilitate the transformation of transportation cooperatives (TCs) to become highly competitive transport and business organizations through genuine cooperative operation.

4. VISION

By 2020, the Office of Transportation Cooperatives (OTC) as the premier government agency has developed and integrated the Transport Cooperative (TC) Sector as a major stakeholder in the economic development of the nation.

5. MAJOR FUNCTIONS OF THE AGENCY

In the fulfillment of the Agency mandate, mission and vision, OTC is tasked to administer and/or manage the promulgation and implementation of rules and regulations governing the following functions in administering the transport cooperatives nationwide in pursuant to Executive Order No. 898 dated May 28, 1983:

- ❖ Promotion;
- ❖ Organization;
- ❖ Accreditation;
- ❖ Regulation;
- ❖ Supervision;
- ❖ Policy Formulation; and
- ❖ Development of all transportation service cooperatives nationwide

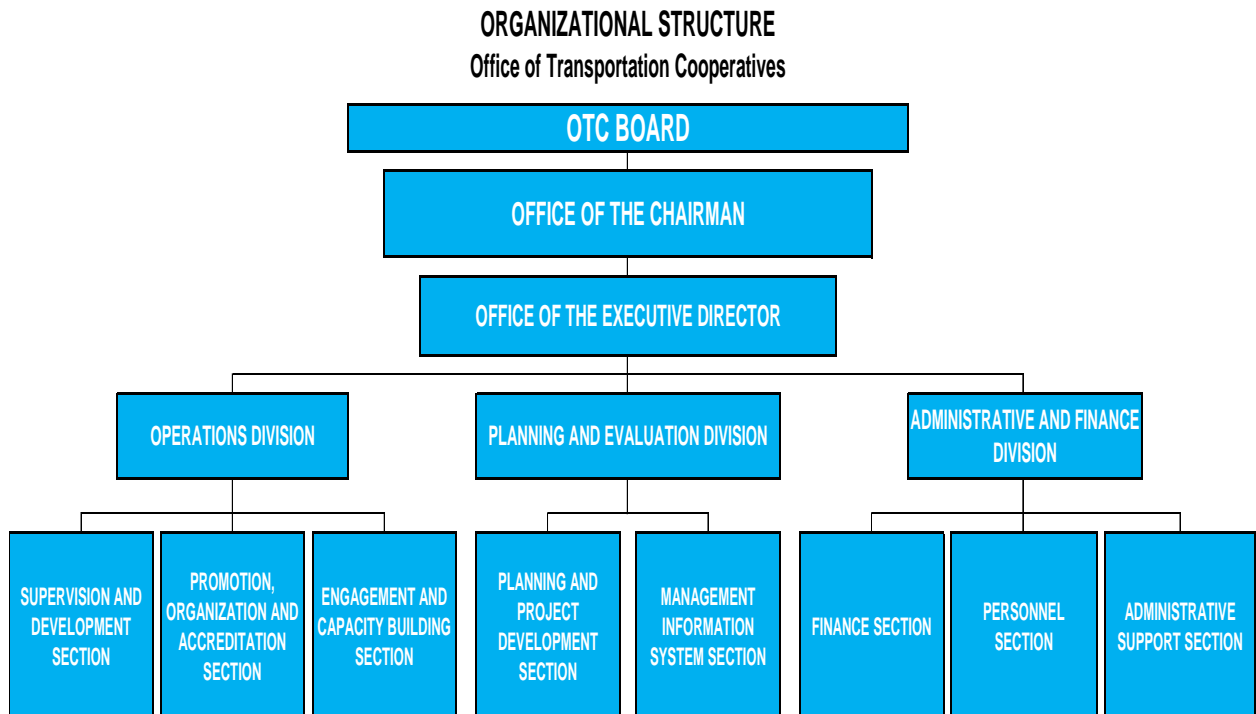
6. AREA OF OPERATION

The national transportation cooperative program is national in scope. It is for this reason that OTC and its pertinent functions are also being carried out on a nationwide basis.

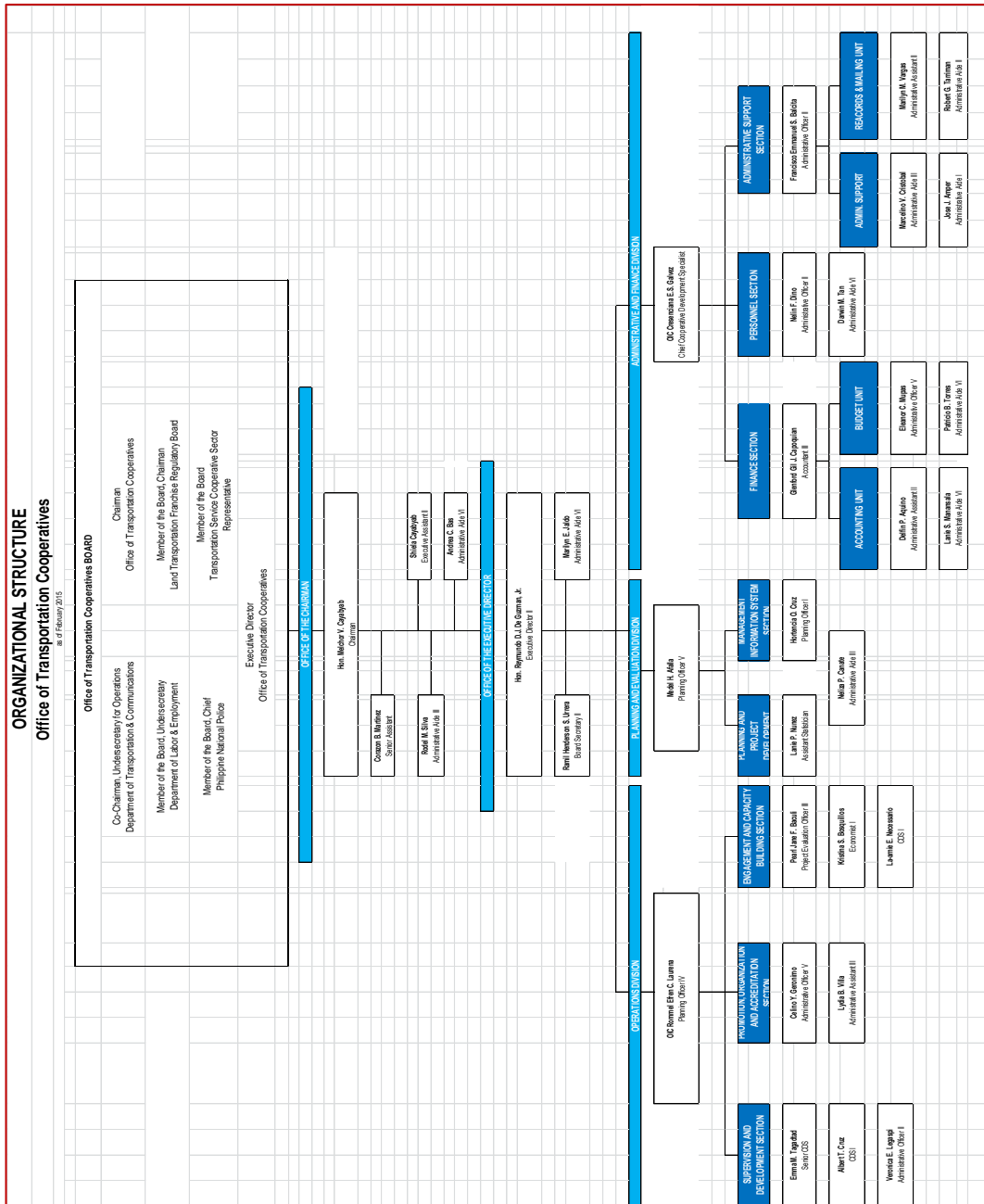
IV. ORGANIZATIONAL STRUCTURE OF THE AGENCY

The OTC is responsible to the administration of a nationwide program on transportation cooperatives. Its primary function is to promote, organize, accredit and develop transport cooperatives. With OTC having several key functions, has been accorded with 43 plantilla positions, 42 of which are regular plantilla positions and one contractual position.

The authorized/approved personnel complement were distributed to different functional segments, which is being directly managed by the Office of the Chairman with the support of the Office of the Executive Director (OED) and three (3) Divisions.



Detailed Organizational Structure



Functional Descriptions:

a. OTC Board Chairman

Exercises authority and responsible for the overall operations of the Office.

- 1) Formulates and implements policy guidelines, rules and procedures governing the promotion, organization, supervision and development of transport service cooperatives.
- 2) Formulates policies, guidelines and measures that would achieve the objectives of transport integration and rationalization and toward this end, recommends measures for the financing and/or extension of such financing.
- 3) Formulates policies, guidelines and measures providing incentives for the development and expansion of organized cooperatives, in order, to rationalize and maximize the use of available transport resources as means of power and energy conservation.
- 4) Plans, promotes and regulates the establishment of cooperatives as an instrument to ameliorate the social and economic conditions of public utility vehicle drivers.

b. Executive Director II

- 1) Initiates and oversees the preparation as well as the implementation of programs and plans necessary to carry out the functions and attain the objectives of the Office of Transportation Cooperatives.
- 2) Coordinates with other government agencies for support to the OTC activities.
- 3) Maintains a continuing channel of understanding between the Chairman and himself on one hand and the leadership of existing TSCs on the other.
- 4) Assist the Chairman on the formulation of policies for recommendations to the OTC Board towards effective operation and realization of program objectives.

c. Operations Division (OD)

1. Recommends, implements and monitor programs, activities and projects for the promotion, organization, accreditation, supervision, and development of TCs.
2. Encourages, monitor and assist in the TSCs' compliance with related laws, office orders, memoranda, rules and regulations affecting their operations.
3. Assists in the coordination with national, local government units, and instrumentalities including transport leaders in relation to transport programs;

4. Promotion, Organization, Accreditation, Development and Supervision

- Assist in the supervision of the early formation/organization of transport cooperatives;
- Assist in the coordination of activities in the promotion of transportation cooperatives disseminating OTC information thru leaflets, fliers and other information materials;
- Provide technical assistance to transport service cooperatives in transacting business with other concerned government agencies;
- Provide other essential technical services (e.g. legal advices, inspection/monitoring of TSC operations, improvement of financial capacity/strengthening, conferences, etc.)
- Implement, coordinate and facilitate the conduct of education and/or training programs for officers and members of transport service cooperatives.

5. Financial Management Assistance

- Provide technical assistance in the installation of books of accounts and the standard accounting system for TCs.
- Assist and coordinates in the conduct of basic cooperative bookkeeping and accounting seminar for the TC officers and members.

d. Planning and Evaluation Division (PED)

The PED shall perform based on two (2) major functions; namely Program Formulation/Assessment Function and Research and Special Project Function. In order to classify/integrate these functions, the following activities shall cover the PED's over-all performance, to wit:

1. Program Formulation and Assessment Functions :

- Develop consolidated annual plans and programs as well as short range plan for implementation;
- Consolidate/gather statistics and maintains records regarding TCs;

- Conduct data gathering activities on economic, financial and other formation regarding TCs;
- Prepare various statutory reports of the Office needed by governing or partner government agencies, i.e. monthly, quarterly and semi-annual and annual reports
- Evaluates operational output in comparison with the plans.

2. Research and Special Project Functions

- Conduct research/studies on transport related operations and special projects for development of TCs;
- Conceptualizes, develop and recommend transport service development and socio-economic viability developmental programs/projects for TCs;
- Evaluate programs, projects and activities (PAPs) in comparison with work programs/plans;
- Assist in the conduct of technical and other forms of assistance for development of TC's transport operation and economic viability;
- Assist in the linkages/partnerships with government and private institutions relative to transport service and economic development programs and projects for TCs;
- Assist in the preparation of feasibility studies in the establishment of socio-economic projects for transport operation and allied businesses.

e. Administrative and Finance Division (AFD)

- 1) Responsible for the development and preparation of budget and finance as well as, provision of support services relating to personnel, information, records, delivery, and receipt of correspondences, supplies and equipment, collections, disbursements, security and custodial work of the Office.
- 2) Personnel and Other Services Section
 - Advises management on personnel policy administration;
 - Develops and administers a personnel program which shall include selection and placement, classification and pay career and employment development, performance rating, employees relations and welfare services;
 - Acts on all matters concerning to attendance, leaves of absence, appointments, promotions, transfers and other personnel transaction;
 - Conduct training programs in the Office;
 - Maintains personnel records and statistics;
 - Provides policy guidance on the maintenance and disposition of records and on the procurement and storage of supplies in accordance with government prescribed standards;
 - Files and maintains necessary records and establishes a records disposition program;
 - Provides mails custodial , and general utility services;
 - Procures, stores and distributes the supplies and equipment and conduct inventories of the same;

- Provides and coordinates courier, duplicating services;
- Performs such other functions as maybe assigned.

3) Finance Section

- Develops and improves budgetary methods, procedures and justifications;
- Assists in the preparation, presentation of budget estimates before the Department of Transportation and Communications (DOTC), Department of Budget and Management (DBM) and the Congress;
- Prepares annual financial work plans; allocates in coordination with the Planning and Evaluation Division (PED) available funds to programs on the basis of approved guidelines and priorities;
- Issues allotment advice;
- Reviews performance reports to determine conformance with set
- Maintains basic and subsidiary accounting records and books of accounts to reflect accurate and current financial information required by existing auditing rules and regulations;
- Certifies to the availability of funds and obligates funds;
- Process requisitions, vouchers and reports of collection and disbursements;
- Performs such other functions as may be assigned;

V. OPERATIONAL CONTROL AND SUPERVISION

The OTC Chairman and the Executive Director act as the Chief Operating Officer (COO) and Chief Executive Officer (CEO), respectively. As such, they both have the general control and supervisory powers to oversee that the major and supporting divisions/units/teams are effectively carrying out their respective functional duties and responsibilities. They may require periodic update or progress reports to monitor the status and performances of the implemented programs/plans for each of the work categories/items covered by this Manual. The Division Heads shall have the share of power in supervising and monitoring that the details of the operating procedures are being observed and that the programmed/planned detailed works/activities are being implemented according to the same. By way of harmonizing the power and efforts, the Executive Committee (ExeCom), membership of which come from the top management and the key division heads/supervisors, was organized to do regular meetings, discussions and collaborations directed towards sustainable and integrated control and supervision of the operational systems and procedures.

VI. OPERATING PROCEDURES

A. PROMOTION AND ORGANIZATION

1. Policy Guidelines

- 1.1. The Office of Transportation Cooperatives (OTC) shall have the authority and responsibility in the promotion and organization of transport service cooperatives.
- 1.2. OTC shall promote transport service cooperatives in both the Metro Manila and the provinces. Priority areas shall be identified based on the overall transportation rationalization plan developed by the Department of Transportation and Communication (DOTC).
- 1.3. The promotion drive in Metro Manila shall be geared towards operators with valid authority to operate, until such time that the moratorium on the granting of franchise shall have been lifted.
- 1.4. Should legalization in Metro Manila or in the provinces be authorized by competent authorities, OTC shall coordinate with the LTFRB in the legalization of units through transport cooperatives by increasing the number of authorized units of transport cooperatives, thereby encouraging individual operators to join existing transport cooperatives, if there is any in the locality and in its absence, organized a new transport cooperative under the guidance of OTC.
- 1.5. Promotion activities in the provinces shall be directed both to operators with authority to operate, and operators without authority to operate. However, the OTC shall give priority in accrediting Transport service cooperatives whose members are franchise holders. Colorum operators in provincial areas where the LTFRB legalization program is available shall be encouraged to legalize theory operations. Likewise in identified areas where franchises may be obtained membership in existing cooperatives or formation of new cooperatives shall be promoted,
- 1.6. Promotional activities shall be conducted through various media including promotional meetings and conferences, radio programs and newsletters to be circulated among members and non-members.

- 1.7. Organizers of a proposed transport service cooperatives shall be required to form an Ad Hoc Committee which will function up to the first meeting of the board of directors. This Committee shall be responsible for the organization of transport cooperative and shall coordinate/deal with the OTC regarding the organization requirements. Specifically, the Committee shall :
 - 1.7.1. Prepare the project feasibility study for the proposed business undertaking
 - 1.7.2. Prepare the necessary documents and other requirements for organization
 - 1.7.3. Recruit members
 - 1.7.4. Collect membership fees
 - 1.7.5. Assist OTC in the conduct of Cooperative Education and Transport Operations Seminar (CETOS)

- 1.8. While the decision and initiative to organize a transport service cooperative shall come from the members themselves, OTC shall assist in the organization of new transport service cooperatives by providing the following :
 - 1.8.1. Assistance in determining the advisability of organizing the proposed transport service cooperative, and complying with the accreditation requirements.
 - 1.8.2. Conducting the CETOS for prospective members. The OTC shall provide the course syllabus, identify/invite resource speakers, and provide brochures, pamphlets and other relevant materials.
 - 1.8.3. Assistance in the identification of viable business undertakings and in the preparation of the feasibility study for the cooperative's proposed business, and the identification of possible sources of financing.

2. Procedural Guidelines

- 2.1 The Planning and evaluation Division (PED), shall identify priority areas for the promotion and organization of transport service cooperatives based on the overall transportation rationalization plan of the Department of Transportation and Communications (DOTC).
- 2.2 The PED shall draw up plans and programs to the promotion and organization of transport service cooperatives in priority areas.
- 2.3 The Operations Division (OD) shall execute the plans and programs formulated by the PED. It shall conduct a preliminary survey to determine the feasibility of organizing a cooperative in the priority areas and identify possible leaders/heads of associations for easy coordination. Where prospective members initiate the formation of the cooperative, the request shall be evaluated by the OD in accordance with the plans and programs of the PED.
- 2.4 The OD shall encourage prospective members to attend the promotional meeting, if necessary, OD shall send invitations.
- 2.5 The OD shall fix the time and place of the promotional meeting. In the promotional meeting, the OD shall brief the prospective members on the

- nature of the transport service cooperative and the benefits that can be derived from organizing a cooperative. The OD shall also direct the formation of the Ad Hoc Committee.
- 2.6 Operations Division shall fix the date, time and place of the CETOS. The course shall generally cover the following topics :
- 2.6.1. Overview of the transport service cooperative program, definition, rationale, objectives, and functions of a transport service cooperative.
 - 2.6.2. Essential provision of R.A. 6938/6939, franchising rules and regulations, traffic laws, rules and regulations.
 - 2.6.3. Model articles of cooperation and by-laws, suggested organizational structure of a transport service cooperative.
 - 2.6.4. Policies governing the operations of a transport service cooperative.
 - 2.6.5. Financial and technical assistance available to transport service cooperative.
 - 2.6.6. Registration requirements of CDA.
- 2.7 The Operations Division shall instruct the Ad Hoc Committee to draft the cooperative's article of cooperation and by-laws. These documents should comply substantially with the model articles and by-laws for transport service cooperatives.
- 2.8 A representative of the OD shall observe the organizational meeting of the proposed cooperative and shall also see to it that the proposed articles of cooperation and by-laws are approved by a majority of the members present. He shall also check if the elections of the board of directors and committee members are conducted in accordance with OTC rules and that the candidates meet the qualification requirements specified in the by-laws.
- 2.9 After the election and oath taking of the board members, the Ad Hoc Committee shall be automatically dissolved. Operations Division shall instruct the Committee to turn over to the board all funds, records, and documents in the Committee's possession.
- 2.10 Operations Division shall instruct the board to meet in order to:
- 2.10.1 Elect the officers of the board and committee members
 - 2.10.1 Appoint the General Manager
 - 2.10.1 Designate depository bank(s)
 - 2.10.1 Complete documentary and other requirements for registration
 - 2.10.1 Discuss the matters relating to the cooperatives' registration

B. ACCREDITATION

1. Policy Guidelines

- 1.1. Application to accredit transport service cooperatives shall be filed with the OTC which shall evaluate the same within fifteen (15) days. If the applicants have fully satisfied the requirements, the application shall be presented to the OTC Board for approval. Otherwise, the applicants shall be informed of any deficiency in their application.

The application to organize/accredit shall be supported by the following:

1. A core group of at least fifteen (15) members classified as drivers, driver-owners, operators, and allied workers.
2. Authenticated photocopies of OR/CRs of either of the following :
 - a. **For individual owned PUs, Taxis and Tricycles, Vans, AUVs** operating within the proposed area of operation, the OR/CRs of at least fifteen (15) existing units of the same kind for consolidation into a cooperative franchise and five (5) units if cooperatively-owned;
 - b. **For bus services**, the minimum number of units required is at least ten (10) **units** individually owned and two (2) units for cooperatively-owned.
 - c. **For motorized banca**, the minimum number of units required is at least five (5) units individually owned and one (1) unit for cooperatively-owned;
 - d. **For truck services**, the minimum number of units required is at least two (2) units cooperatively-owned and ten (10) units if individually owned.
3. Certification of Routes:
 - a. **For jitneys, buses and truck**, an approved RMC from DOTC or a copy of existing franchise
 - b. **For tricycles**, a favorable endorsement from the LGU or TRU supporting their **accreditation**/conversion of their association into a transport service cooperative.
 - c. **For Motorized banca**, a favorable endorsement from MARINA
4. Bank Certification of Deposits

- a. **For jeepney, taxi and AUVs** the initial share capital required deposited in a bank is at least Thirty Thousand Pesos (30,000.00).
 - b. **For Tricycles**, the initial share capital required deposited in a bank is at least Fifteen Thousand Pesos (15,000.00)
 - c. **For buses, mini-buses and trucks**. The initial share capital required deposited in a bank is at least Fifty Thousand Pesos (50,000.00).
 - d. **For Ferry Boat**, the initial capital share required deposited in a bank is at least Five Million Pesos (5,000,000.00)
 - e. **For Motorized banca**, the initial capital required deposited in a bank is at least One Hundred Thousand Pesos (100,000.00). **For ship**, the initial share capital required deposited in a bank is at least Ten Million Pesos (10,000,000.00).
5. If, individually-owned units/franchise, Management Agreement between the proposed cooperative and the individual operators for consolidation of franchises, a Sample Form is hereby attached;
 6. Copies of Articles of Cooperation and By-Laws;
 7. Sketch of the route/line; and
 8. Simplified economic survey indicating the necessity and validity of existence of the transport service cooperative in the area.

Accreditation shall be evidence by a certificate of Accreditation (CA) duly issued by OTC and signed by its authorized representative.

NOTE: The approval of the accreditation of your cooperative does not guarantee for securing a cooperative franchise.

2.0 Procedural Guidelines

- 2.1. The Operations Division (OD) shall provide applicants with the list of requirements for accreditation and pro-forma of application of organization/accreditation of Transport Service Cooperative.
- 2.2. The OD shall receive applications for accreditation together with the supporting documents and shall check the completeness of the supporting documents.
- 2.3. The Division Chief – OD shall review the Processing/Evaluation Sheet. If found in order and all the requirements were satisfied, the Division Chief shall instruct the processor to prepare the write-up on the application for presentation to the Technical accreditation Committee for consideration and subsequently to the OTC Board for final approval.

For application within deficiencies, the processor shall prepare a letter informing the applicant on the deficiencies based on the evaluation of the documents.

2.4. Based on the action of the OTC Board of Directors, the Processor – OD shall prepare :

- 2.4.1. Certificate of Accreditation (Exhibit R) for applications, or
- 2.4.2. Letter informing the action of the OTC Board on their application and require them to submit additional requirements, if any.

The Processor – OD shall assign the an alpha numeric code on all Certificates of Accreditation from CA-0001 then records on numerical sequence, all certificates issued in the Accreditation Control Book.

2.5. The Executive Director and the Chairman of the OTC shall both sign the Certificate of Accreditation.

2.6. Every month the Division Chief – OD shall prepare a Report on Newly Accredited Transport Service Cooperatives (Exhibit RS3) which will be reviewed by the Executive Director and submitted to the Board and other interested parties.

C. MONITORING, SUPERVISION and DEVELOPMENT

I. POLICY GUIDELINES

Under Executive Order No. 898, OTC has been tasked with monitoring supervising and developing transport cooperatives. Towards this end, OTC shall regularly monitor the operations of all transport service cooperatives by undertaking/requiring the following:

1. Submission of reports

OTC shall require transport cooperatives to submit regular reports in accordance with the management reporting plan specified in the Organization, Accounting and Management Reporting Systems Manual for Transport Service Cooperative. These reports shall serve as OTC's basis for monitoring the cooperatives operation and for preparing consolidated reports on the operations of transport service cooperatives.

2. Attendance in the general assembly meeting

- 2.1. The OTC shall ensure that transport service cooperatives conduct regular general assembly meetings at least once a year within sixty (60) days after the end of the year.
- 2.2. An OTC representative may be designated to observe the general (regular/special) meeting. The OTC representative may likewise answer questions, clarify issues, or resolve problems that may arise during the general assembly meeting.

3. Financial And Accounting Evaluation

The OTC may conduct financial and accounting evaluation to every registered transport service cooperative. The financial and accounting evaluation shall be performed for the following purposes:

- 3.1. To determine the fairness, consistency, and accuracy of the cooperative's financial statements.
- 3.2. To determine if the cooperative is efficiently serving its members and if the cooperative's funds are being used properly.

- 3.3. To determine if the cooperative is complying with cooperative principles and practices, its own articles of cooperation and by-laws, and OTC Board's resolution and issuances.
- 3.4. To recommend improvements in the accounting systems.
- 3.5. To recommend the filing of administrative, civil, and criminal charges if clear and substantial evidences are present.

PROCEDURE:

4. **Financial And Accounting Evaluation Procedure** - the financial and accounting evaluation shall consist of, but not limited to, the examination of internal controls and accounting records, reports, and other pertinent documents; analysis of balance sheet accounts such as cash, accounts receivables, accounts payable, and other members' equity; analysis of the cooperative's profitability; and the cooperative's financial plans and programs.

The OTC shall conduct the financial and accounting evaluation in accordance with its prescribed work program. The financial and accounting evaluation work program provides a detailed outline of the work to be done and guides the evaluator in the conduct of the evaluation. In addition, the Organization, Accounting and Management Reporting Systems for Transport Service Cooperatives shall be used as a guide in determining effectiveness of the cooperative's accounting systems and internal control.

The OTC shall organize an Accounting and Financial Management Team (AFMA Team). The AFMA Team shall schedule and conduct the accounting and financial and accounting evaluation. The AFMA Team shall perform the following activities:

- a. Conduct pre-and accounting evaluation meetings with the cooperative's officials and employees to brief them on the objectives and requirements of the financial and accounting evaluation.
- b. Conduct the evaluation proper in accordance with the financial and accounting evaluation work program. Conduct post-evaluation meeting with officials and employees of the cooperative to discuss the results and recommendation of the evaluation.
- c. Monitor the implementation of recommendations.

The OTC AFMA Team shall submit a report on the findings and recommendation of the financial and accounting evaluation to the OTC Board copy furnished the TC concerned. The recommendations shall be discussed with the cooperative's officers prior to implementation.

4. Management/Operations And accounting evaluation/Inspection

The OTC may conduct, together with financial and accounting evaluation, management/operations audit and inspection of transport service cooperatives. The audit/inspection shall have the following activities:

- a. To identify areas of improvement in the operations of the cooperative so that corrective measures can be undertaken.
- b. To serve as basis for formulation of policies and plans to guide cooperatives in the operations.
- c. To determine if the cooperative is complying with cooperative principles and practices.

Areas of Coverage (Management/Operations/And accounting evaluation/Inspection)

1. Organizational structure
2. Efficiency of the board of directors, committees and management staff
3. Growth in membership
4. Benefits extended to members
5. Personnel and general administration
6. Limited interest on capital and regular patronage refund
7. Continuous cooperative education
8. Compliance with the rules and regulations of OTC and other government agencies
9. Operation systems and procedures
10. Records keeping
11. Registry of members

The OTC and accounting evaluation/inspection team shall submit a report on the findings and recommendations of the inspection/and accounting evaluation conducted and copy furnished the TC concerned. The recommendations shall be discussed with the cooperative's officers prior to the implementation.

The team will also monitor on the compliance of the TC for such recommendations.

5. Financial Management Assistance

- a. OTC staff responds immediately to TC request re: Financial Management Assistance through personal examination of the books of accounts starting from recording, classifying and interpreting financial transactions.
- b. Institutionalization of proper accounting system to the TSC in accordance with the Philippine financial reporting standards (PFRS)
- c. Advice/Recommend to the management the proper and correct measures in handling management staff and their individual responsibilities particularly, the segregation of collectors/cashier from bookkeepers to balance internal control and to effect transparency.
- d. The OTC AFMA Team is responsible to follow-up recommendations and monitor compliance to Financial Management assistance (FMA) findings and observations.

- e. Exit conference with TC officers by the AFMA Team relative to findings, recommendations and compliance thereof.

6. Endorsement of Transport Related Applications/Petitions/Proposals

I. POLICY GUIDELINES

1. The OTC and the Land Transportation and Franchising Regulatory Board (LTFRB) shall execute a Memorandum of Agreement authorizing OTC to endorse franchise applications and petitions of transport service cooperatives and those of their members before the same shall be acted upon by the LTFRB.
2. The LTFRB shall furnish the OTC with copies of relevant documents and circulars to ensure uniformity of action. The endorsement of applications and petitions by OTC shall minimize conflicting claims of various transport cooperatives applying for the same route.
3. As defined by the LTFRB, franchise applications shall refer to request for an authority to operate a public utility business in the country. The LTFRB authority or franchise shall either be a Provisional Authority (PA) or a Certificate of Public convenience (CPC).
4. Petitions shall refer to requests from public utility vehicle operators for the amendment of certain provision(s) of a previously issued CPC. Petitions shall be classified as follows :
 - 4.1. Additional Units - a request to increase the number of units that the cooperative is authorized to operate.
 - 4.2. Amendment of Line - a request to change or extend a line currently being served by the cooperative using the same type of service and number of units approved in the original franchise.
 - 4.3. Consolidation of Individual Franchise into a Cooperative Franchise - a request for an approval of consolidation of individual franchise into cooperative franchise.
 - 4.4. Extension of Franchise Validity - a request for an extension of the expiration date of a franchise or authority.
 - 4.5. Change of Chassis - a request to change the chassis of the unit(s) currently being operated.
 - 4.6. Dropping of Authorized Unit(s) - a request to delete or drop from service, unit(s) that had previously authorized.

- 4.7. Substitution of Unit(s) - a request to replace dropped unit(s) with another unit or other units of the same type or service.
 - 4.8. Change of Motor or Engine - a request to change the engine or motor of the unit(s) currently being operated.
 - 4.9. Interchange of Unit(s) - a request to interchange unit(s) of the same type of service from one line or route to another.
 - 4.10. Dropping and Substitution of Unit - a request to drop unit from service and subsequently substitute the said unit.
5. The Operations Division of OTC shall be responsible for the endorsement of franchise applications and petitions of transport service cooperatives. Applicant/Petitioner shall be informed of any deficiency/ies within the period and shall comply thereof within one (1) week from receipt of notice. OTC shall have another day to evaluate the completeness of the documentary requirements,

7. Regular Meetings between OTC and the Cooperatives

The OTC shall conduct regular meetings of the chairmen and general manager of transport service cooperative at a place and time mutually agreed upon. These meetings shall serve as a forum/fora where OTC can clarify policies and rules and respond to questions and problems of the cooperatives.

8. Issuance of Circulars/Memoranda

OTC shall, from time to time, issue circulars and memoranda to inform transport service cooperatives of new policies and rules affecting their operations, OTC shall furnish each cooperative with a copy of these circulars and memoranda.

D. DELISTING/ CANCELLATION OF ACCREDITATION OF NON-REPORTING TSCs

I. POLICY GUIDELINES

1. The OTC through the Operations Division (OD) shall prepare monthly Listing of TCs that were classified as In Good Standing, Reporting or Non-Reporting. Those TCs that are not included in Good Standing and/or Reporting Status shall be properly notified in order to comply with all the required reports. Certificate of Accreditation of TCs who continuously failed to submit reports and/or unable to be included on list of TCs in Good Standing for a reasonable period of time may be cancelled subject to the approval of the OTC Board.

II. Guidelines for Delisting of non-reporting TSCs

For non-reporting TCs for more than three (3) consecutive years

1. Written notice addressed to the Board of Directors and/or Chairman informing them that their TC is a candidate for cancellation of accreditation citing the grounds for cancellation and giving the cooperative thirty (30) days upon receipt within which to submit/comply with updated records/documentary requirements or appeal/justification otherwise the cancellation proceeding shall continue;
2. Formal inquiry with CDA and LTFRB will likewise be initiated to determine the operational status of the subject TC and its franchise, respectively;
3. Cancellation of accreditation may be recommended to the OTC Board for any of the following reasons:
 - 3.1. If after thirty (30) days and no reply or documents has been received;
 - 3.2. If determined that the TC's registration is cancelled and/or it has non-reporting status with CDA.

For non-operating/non-existing TCs as a result of inspection of operation by OTC Team

1. Upon inspection of operation by the OTC Team, found out that there is a strong basis/evidence that the subject TC is no longer operating and/or non-existing despite exhausting all possible efforts and that recommendation for the cancellation of its accreditation is already considered by the Management;
2. Inquiry with CDA shall also be undertaken to determine the operational status and the LTFRB for franchise;

For TCs with persistent cases of Return to Sender (RTS) mails

1. All TCs with persisting Return to Sender (RTS) mails shall be subjected for special validation/inspection of operation by a team from the Operations Division;
2. If the team found that there is/are compelling reason/s to recommend for the cancellation of the subject TCs, cancellation procedure may be initiated applying the guidelines for the non-reporting and/or non-existing/non-operating TCs, whichever is applicable.

The Operations Division through its Promotion, Organization and Accreditation Section shall determine and validate as to the status of TCs whether they will be classified as non-reporting or non-operating/non-existing. After determining the status of these TCs, cancellation procedure may be initiated based on the above-mentioned conditions. The Operations Division shall submit evaluation report/s for the identified TC-candidates and the same shall be discussed and deliberated upon by the Technical Accreditation Committee (TAC) members. Once considered, the TAC shall recommend to the OTC Board, for final approval, the list of TCs whose accreditations shall be cancelled/revoked. The TAC should prioritize the delisting of Non-Operating/Non-Existing TSCs.

Subject TCs whose cancellation of accreditation were approved by the OTC Board may appeal to OTC TAC within thirty (30) days from the date of receipt of the Notice of Cancellation. The appeal must indicate valid reasons for the reconsideration of the cancellation. The same will again be presented to the OTC Board for deliberation and final action. The TC appellant will be notified on the action taken by the OTC Board on the appeal within fifteen (15) days after the Board meeting.

The decision of the OTC Board on the cancellation, if not appealed is final and executory. For appealed cancellation, the decision of the OTC Board shall likewise be final and executory, if not elevated to a higher agency/office of competent jurisdiction.

VIII. APPENDICES

This part shall provide the Agency and the transport sector the necessary or needed forms. The following are the prescribed forms which are available to be photocopied, however, cannot be altered not edited unless authorized by the Agency:

E. Accreditation Requirements

- Application to organize/accredit TSC
- Management Agreement

F. Model Articles of Cooperation and By-Laws for TSC

G. Endorsement Requirements/ Forms:

- ✓ To Concerned NGAs, NGOs, LGUs
- ✓ Dropping, Substitution, Consolidation of CPCs
- ✓ Deed of Reconveyance
- ✓ Letter-request for endorsement re: TSC authorized representative to transact business with LTFRB

H. Issuance of Certificate of Good Standing

- Check List of Requirements
- Affidavit of Authenticity

A. Accreditation Requirements/Forms

REQUIREMENT FOR THE ORGANIZATION & ACCREDITATION OF A NEW TRANSPORT SERVICE COOPERATIVE

1. A Certificate of Registration as Transport Service Cooperative issued by the Cooperative Development Authority (CDA).
2. A core group of at least fifteen (15) members classified as drivers, driver-owners, and operators or allied workers;
3. Authenticated photocopies of OR/CRs of either of the following:
 - e. **For individual owned PUVs, Taxis and Tricycles, Vans, AUVs** operating within the proposed area of operation, the OR/CRs of at least fifteen (15) existing units of the same kind for consolidation into a cooperative franchise and five (5) units if cooperatively-owned;
 - b. **For bus services**, the minimum number of units required is at least ten (10) Units individually owned and two (2) units for cooperatively-owned.
 - c. **For motorized banca**, the minimum number of units required is at least five (5) units Individually owned and one (1) unit for cooperatively-owned;
 - d. **For truck services**, the minimum number of units required is at least two (2) units cooperatively-owned and ten (10) units if individually owned.
4. Certification of Routes:
 - a. **For jitneys, buses and truck**, an approved RMC from DOTC or a copy of existing franchise
 - b. **For tricycles**, a favorable endorsement from the LGU or TRU supporting their accreditation/conversion of their association into a transport service cooperative.
 - c. **For Motorized banca**, a favorable endorsement from MARINA
5. Bank Certification of Deposits
 - a) **For jeepney, taxi and AUVs** the initial share capital required deposited in a bank is at least Thirty Thousand Pesos (30,000.00).
 - b) **For Tricycles**, the initial share capital required deposited in a bank is at least Fifteen Thousand Pesos (15,000.00)
 - c) **For buses, mini-buses and trucks**. The initial share capital required deposited in a bank is at least Fifty Thousand Pesos (50,000.00).

- d) **For aircraft**, the initial share capital share required deposited in a bank is at least Two Hundred Thousand Pesos (200,000.00).
 - e) **For Ferry Boat**, the initial capital share required deposited in a bank is at least Five Million Pesos (5, 000, 000.00)
 - f) **For Motorized banca**, the initial capital required deposited in a bank is at least One Hundred Thousand Pesos (100,000.00).
 - g) **For ship**, the initial share capital required deposited in a bank is at least Ten Million Pesos (10, 000,000.00).
- 6. If, individually-owned units/franchise, Management Agreement between the proposed cooperative and the individual operators for consolidation of franchises, a Sample Form is hereby attached;
 - 7. Copies of Articles of Cooperation and By-Laws;
 - 8. Sketch of the route/line; and
 - 9. Simplified economic survey indicating the necessity and validity of existence of the transport service cooperative in the area.

NOTE: The approval of the accreditation of your cooperative does not guarantee for securing a cooperative franchise.

FOR CDA REGISTERED MULTI-PURPOSE COOPERATIVE

(Accreditation Requirements)

1. Certificate of Registration as a Multi-Purpose Cooperative;
2. The Articles of Cooperation and By-Laws of the registered Multi-Purpose Cooperative should be amended with enclosures of transport business operation in the objectives as well as the title “Transport Service” be attached in its name, thus, the registered copies of these as well as the Certificate of Amendments are required;
3. Photo copies of the professional driver’s licenses of at least fifteen (15) driver-members; and
4. Bank Certification of Deposit;
 - a. **for jeepney, taxi, and AUVs** the initial share capital required deposited in a bank is at least Thirty Thousand Pesos (30,000);
 - b. **for tricycles**, the initial share capital required deposited in a bank is at least Fifteen Thousand Pesos (15,000);
 - c. **for buses, mini-buses and trucks**, the initial share capital required deposited in a bank is at least Fifty Thousand Pesos (50,000);
 - d. **for aircraft**, the initial share capital required deposited in a bank is at least Two Hundred Thousand Pesos (200,000).

NOTE: The above requirements will be attached with the properly filled up application to organized, to be submitted to the Office of Transportation Cooperatives (OTC) for OD evaluation, for Accreditation Committee deliberation and recommendation and for OTC Board Approval.

APPLICATION TO ORGANIZE/ACCREDIT A TRANSPORT SERVICE COOPERATIVE

Date

The Chairman

Office of Transportation Cooperatives
8th Floor, Ben-Lor Building
Barangay Paligsahan
1184 Quezon Avenue, Quezon City

Thru : The Executive Director/The Chief, Operations Division

Sir :

1. Pursuant to Republic Act 9520, the DOTC-CDA Implementing Guidelines on the Organization and Registration of Public Transportation and Telecommunications Service Cooperatives and Executive Order No. 898, we are filing this application for accreditation of _____ Transport Service Cooperative in

(City/Municipality)

(Province)

2. For your information and guidance, we are furnishing you the following :

1. A Certificate of Registration as Transport Service Cooperative issued by the Cooperative Development Authority (CDA);
2. A core group of at least fifteen (15) members classified as drivers, driver-owners, operators or allied workers;
3. Authenticated photocopies of OR/CRs of either of the following :
 - a. **For individual owned PUs, Taxis and Tricycles, Vans, AUVs** operating within the proposed area of operation, the OR/CRs of at least fifteen (15) existing units of the same kind for consolidation into a cooperative franchise and five (5) units if cooperatively-owned;
 - b. **For bus services**, the minimum number of units required is at least ten (10) units individually owned and two (2) units for cooperatively-owned.
 - c. **For motorized banca**, the minimum number of units required is at least five (5) units individually owned and one (1) unit for cooperatively-owned;
 - d. **For truck services**, the minimum number of units required is at least two (2) units cooperatively-owned and ten (10) units if individually owned.

4. Certification of Routes :

- a. **For jitneys, buses and truck**, an approved RMC from DOTC or a copy of existing franchise
 - b. **For tricycles**, a favorable endorsement from the LGU or TRU supporting their accreditation/conversion of their association into a transport service cooperative.
 - c. **For Motorized banca**, a favorable endorsement from MARINA
5. Bank Certification of Deposits
- a. **For jeepney, taxi and AUVs** the initial share capital required deposited in a bank is at least Thirty Thousand Pesos (30,000.00).
 - b. **For Tricycles**, the initial share capital required deposited in a bank is at least Fifteen Thousand Pesos (15,000.00)
 - c. **For buses, mini-buses and trucks**. The initial share capital required deposited in a bank is at least Fifty Thousand Pesos (50,000.00).
 - d. **For aircraft**, the initial share capital share required deposited in a bank is at least Two Hundred Thousand Pesos (200,000.00).
 - e. **For Ferry Boat**, the initial capital share required deposited in a bank is at least Five Million Pesos (5,000,000.00)
 - f. **For Motorized banca**, the initial capital required deposited in a bank is at least One Hundred Thousand Pesos (100,000.00).
 - g. **For ship**, the initial share capital required deposited in a bank is at least Ten Million Pesos (10,000,000.00).
6. If, individually-owned units/franchise, Management Agreement between the proposed cooperative and the individual operators for consolidation of franchises, a Sample Form is hereby attached;
7. Copies of Articles of Cooperation and By-Laws;
8. Sketch of the route/line; and
9. Simplified economic survey indicating the necessity and validity of existence of the transport service cooperative in the area.

B. Model Articles of Cooperation and By-Laws for TSC

**ARTICLES OF COOPERATION
of the
_____ COOPERATIVE**

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned Filipino citizens, all of legal age and residents of the Philippines, have on this day voluntarily agreed to organize a primary ____ Cooperative, under the laws of the Republic of the Philippines.

AND WE HEREBY CERTIFY:

**Article I
Name of the Cooperative**

That the name of this Cooperative shall be _____ COOPERATIVE.

**Article II
Objectives**

That the objectives for which this Cooperative is organized are as follows:

Primary

To engage in:

Secondary

In addition to the primary purposes provided for under Republic Act No. 9520, which are hereby made an integral part of this Articles of Cooperation. This Cooperative adopts the following secondary objectives and goals aimed to help improve the quality of life of its members:

1. Provide goods and services to its members to enable them to attain increased income, savings, investments, productivity, and purchasing power, and promote among themselves equitable distribution of net surplus through maximum utilization of economies of scale, cost-sharing and risk-sharing;
2. Provide optimum social and economic benefits to its members;
3. Teach members efficient ways of doing things in a cooperative manner;

4. Propagate cooperative practices and new ideas in business and management;
5. Allow the lower income and less privileged groups to increase their ownership in the wealth of the nation;
6. To actively support the government, other cooperatives and people oriented organizations, both local and foreign, in promoting cooperatives as a practical means towards sustainable socio-economic development under a truly just and democratic society;
7. To institutionalize a dynamic savings mobilization and capital build-up schemes to sustain its developmental activities and long-term investments, thereby ensuring optimum economic benefits to the members, their families and the general public;
8. To implement policy guidelines that will ensure transparency, equitable access to its resources and services, and promote the interests of the members; and
9. To adopt such other plans as may help foster the welfare of the members, their families and the community.

**ARTICLE III
Powers and Capacities**

The powers, rights and capacities of this cooperative are those prescribed under Article 9 of Republic Act 9520.

**ARTICLE IV
Term of Existence**

The term for which this Cooperative shall exist is fifty (50) years from the date of its registration with the Cooperative Development Authority.

**ARTICLE V
Area of Operation**

That this Cooperative shall operate within the _____ and its principal office shall be located at _____ with transport business operation on the following routes:

**ARTICLE VI
Common Bond of Membership**

That the common bond of membership of this Cooperative is Institutional, and are employees of the Office of Transportation Cooperatives (OTC) and are all natural persons who

are Filipino citizens, of legal age, with the capacity to contract and possess all the qualifications and none of the disqualifications provided for in the By-laws.

ARTICLE VII
Name, Nationality and Address of Cooperators

That the name, nationality and address of the cooperators are as follows:

Name	Nationality	Postal Address

Article VIII
Board of Directors

That the number of Directors of this Cooperative shall be ____ () and the name of the founding directors who are to serve until their successors shall have been elected and qualified as provided in the by-laws are:

	Names	
1.	- Chairman	
2.	- Vice-Chairman	
3.	- Director	
4.	- Director	
5.	- Director	

**ARTICLE IX
Capitalization**

That the Authorized Share Capital of this Cooperative is _____ PESOS (P ____ .00), Philippine currency, divided into:

- a) _____ () common shares with a par value of One Hundred Pesos (P100.00) per share; and

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

That at least twenty-five percent (25%) of the authorized share capital has been subscribed, and at least twenty-five percent (25%) 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 Shares Paid	Amount of Shares Paid

Total				

BE IT KNOWN THAT:

_____ has been appointed as Treasurer of this Cooperative to act as such until her/his successor shall have been duly appointed and qualified in accordance with the by-laws. As such Treasurer, she has been authorized to receive payments and issue receipts for membership fees, share capital subscriptions and other revenues for and in the name of this Cooperative.

IN WITNESS WHEREOF, we have hereunto signed our names this _____ 2010 in Quezon City, Philippines.

NAME AND SIGNATURE OF COOPERATORS

Name	Signature

SIGNED IN THE PRESENCE OF:

Signature Over Printed Name

Signature Over Printed Name

ACKNOWLEDGMENT

Republic of the Philippines)
Prov./City/Mun. of _____) S.S.

Before me, a Notary Public for and in the Province/City/Municipality of _____ on this _____ day of _____ the following persons personally appeared with their Community Tax Certificates as indicated opposite their respective names:

Name	CTC Number	Date issued	Place of Issuance

All known to me to be the same persons who executed the foregoing Articles of Cooperation, and acknowledged to me that the same is their free will and voluntary deed. This instrument consists of eight (8) pages including this page where the acknowledgment is written.

WITNESS my hand and seal this day and place first above mentioned.

Notary Public

Doc. No. : _____
Page No. : _____
Book No.: _____
Series of _____

TREASURER'S AFFIDAVIT

Republic of the Philippines)
 Prov./City/Mun. _____) S.S.
 x-----x

I, _____ after having been duly sworn to in accordance with law, do hereby depose and say:

1. That I am the duly appointed Treasurer of the _____ Credit Cooperative to act as such until my successor shall have been appointed and qualified in accordance with the By-laws of the Cooperative;

2. That as such Treasurer, I hereby certify that at least twenty-five _____ percent (25%) or _____ Pesos (P _____) of the authorized share capital amounting to _____ (P _____) of the Cooperative has been subscribed;

3. That at least twenty-five percent (25%) or _____ Pesos (P _____) of the total subscription of _____ Pesos (P _____) has been paid and received by me, as follows:

a) Common Shares Eighty Nine Thousand Pesos (P _____);

4. That the total membership fees paid is _____ (P _____).

Treasurer

SUBSCRIBED AND SWORN TO before me this _____ day of _____, in _____, Philippines, by _____ who exhibited to me his/her Community Tax Certificate No. _____ issued on _____, in _____, Philippines.

Notary Public

Doc. No. _____
 Page No. _____
 Book No. _____
 Series of _____

BY-LAWS
Of
(_____ COOPERATIVE)

KNOW ALL MEN BY THESE PRESENTS:

We, the undersigned Filipino citizens, all of legal age, and residents of the Philippines, representing at least majority of the members of _____ Cooperative a primary _____ **cooperative**, do hereby adopt the following code of By-laws.

Article I
Objectives

Section 1. *Objectives.* The objectives and purposes of this Cooperative are those set forth in its Articles of Cooperation.

Article II
Membership

Section 2. *Membership.* This Cooperative shall have regular and associate membership/s.

A Regular member is one who has complied with all the membership requirements and entitled to all the rights and privileges of membership. An Associate member is one who has no right to vote and be voted upon and shall be entitled only to such rights and privileges provided in these by-laws.

Section 3. *Qualifications for Membership.*

Membership. The membership of this Cooperative is open to any natural person, Filipino citizen, of legal age, with capacity to contract, and has the following qualifications:

- a. Completed the prescribed pre-membership education training;
- b. Undertake to uphold the By-laws, policies, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly;
- c. Paid the required membership fee; and
- d. Paid the required initial minimum share capital or initial investment.

Section 4. *Application for Membership.* An applicant for membership shall file a duly accomplished form with the Board of Directors who shall accept or deny it within thirty (30) 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 duty of a member to participate in all capital build-up and savings mobilization programs of the Cooperative and such other information as may be deemed necessary.

The Board of Directors shall approve or deny the application for membership within fifteen (15) days from date of submission of complete requirements.

No application for membership shall be given due course if not accompanied with a membership fee of One Hundred Pesos (*P100.00*), which shall be refunded to the applicant in case of rejection.

Section 5. *Minimum Share Capital Subscription.* An applicant for membership shall subscribe at least _____ (____) shares and pay the value of at least _____ (____) shares upon approval of his membership.

However, no member shall own or hold more than ten percent (10%) of the total subscribed share capital of the Cooperative. The Board of Directors shall issue membership certificate and subscription agreement with such terms and conditions as may be deemed equitable.

Section 6. *Appeal.* An applicant whose application was denied by the Board of Directors may appeal to the general assembly by giving notice to the Secretary of the Cooperative within thirty (30) days before the next General Assembly meeting, whose decision on the matter shall be final.

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

- a) Pay the installment of his 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 businesses and services;
- c) Participate in the membership education programs;
- 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; and
- f) Promote the goals and objectives of the Cooperative, the success of its business, the welfare of its members and the cooperative movement in general.

Section 8. *Member 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 at least Five (5) shares;
- b) Not delinquent in the payment of his share capital subscriptions and other accounts or obligations;
- c) Not violated any provision of this By-laws, the terms and conditions of the subscription agreement; and the decisions, guidelines, rules and regulations promulgated by the Board of Directors and the general assembly;
- d) Completed the continuing education program prescribed by the Board of Directors; and
- e) Participates in the affairs of the Cooperative and patronize its businesses.

Failure of the member to meet any of the above qualifications shall mean loss of right to vote.

Section 9. Rights of a Regular Member Entitled to Vote. A member entitled to vote shall have the following 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 Philippines Cooperative Code of 2008;
- c) Avail himself of the services of the Cooperative, subject to certain conditions as may be prescribed by the Board of Directors;
- d) Inspect and examine the books of accounts, the minutes books, the share register, and other records of the Cooperative during office hours;
- e) Participate in the continuing education and other training programs of the cooperative; and
- f) Such other rights and privileges as may be provided by the General Assembly.

Section 10. Rights of an Associate Member. An associate member shall have the following rights and privileges:

- a) Attend during 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 minutes books, the share register, and other records of the Cooperative during office hours;
- d) Has preference in the payment of interest on share capital and in the distribution of the net assets of the Cooperative in case of liquidation; and
- e) Such other rights and privileges as may be granted by the General Assembly.

Section 11. Liability of Members. A member shall be liable for the debts of the Cooperative only to the extent of his subscribed share capital.

Section 12. Termination of Membership. Termination of membership, which may be automatic, voluntary or involuntary, shall have the effect of extinguishing all rights of a member in the Cooperative or its assets, subject to the provisions of Section 14 of this By-laws and as may be provided by the general assembly.

- a. *Automatic Termination of Membership.* The death, insanity, permanent incapacity or judicial declaration by a competent court or the insolvency of a member shall be considered an automatic termination of his membership in the Cooperative.
- b. *Voluntary Termination.* A member may, for any reason, withdraw his membership from the Cooperative by giving a 60-day notice to the Board of Directors. However, no member shall be allowed to withdraw or terminate his membership during any period in which he has any pending obligation with the Cooperative.
- 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. When he has not patronized the services/businesses of the Cooperative for more than twelve (12) months;

- ii. When he has continuously failed to comply with his obligations;
- iii. When he has violated any provision of this By-laws and the rules promulgated by the Cooperative; and
- iv. For any act or omission injurious or prejudicial to the interest or the welfare of the Cooperative.

Section 13. Manner of Involuntary Termination. The Board of Directors shall notify in writing the member who is being considered for termination and shall give him the opportunity to be heard.

After hearing, the Board of Directors shall render its decision in writing within seven (7) days and the same shall be given to said member by the Secretary of the Board, personally or by registered mail. The decision of the Board shall be appealable within thirty (30) days from receipt thereof to the general assembly whose decision on the matter shall be final.

Section 14. Refund of Share Capital Contribution. A member whose membership is terminated shall be entitled to a refund of his 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 share capital contribution. In which case, the terminated member shall continue to be entitled to the interest of his share capital contributions, patronage refund and the use of the services of the Cooperative until such time that all his interests in the Cooperative shall have been duly paid. Upon the acceptance of his withdrawal or approval of his termination, however, he loses his right to attend, participate and vote in any meeting of the Board of Directors or the general assembly.

ARTICLE III Governance

Section 15. The General Assembly. The general assembly is composed of all the members entitled to vote and is the highest governing body of the Cooperative.

Section 16. 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:

1. To determine and approve amendments to the cooperative Articles of Cooperation and By-laws;
2. To elect or appoint the members of the board of directors, and to remove them for cause;
3. To approve developmental plans of the cooperative; and
4. To delegate some of its power to a smaller body of the cooperative as authorized by the Philippines Cooperative Code of 2008.

Section 17. Meetings. Meetings of the general assembly, board of directors and committees may be regular or special. All proceedings and businesses undertaken at any meeting of the general assembly or Board of Directors, if within the powers or authority of the Cooperative, there being a quorum, shall be valid.

Section 18. Regular General Assembly Meeting. The General Assembly shall hold its annual regular meeting at the principal office of the Cooperative or at any place within the Philippines on the date fixed by the Board of Directors; provided, that such date shall be within ninety (90) days after the close of each calendar year.

Section 19. 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; c) the head of the Federation or Union to which the Cooperative is a member, or d) upon written petition from the Cooperative Development Authority.

Section 20. Notice of Meeting. All notices of meetings shall be in writing and shall include the date, time, place, and agenda thereof stated therein.

Regular General Assembly Meeting. Notice of the annual regular general assembly meeting shall be served by the Secretary, personally or his duly authorized representative or by registered mail, to all members of record at his 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.

Special General Assembly Meeting. Notice of any special general assembly meeting shall be served by the Secretary personally or his duly authorized representative or by registered mail upon each members who are entitled to vote at his 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.

Section 21. Order of Business. As far as practicable, the order of business of a regular general assembly meeting shall be:

- a) Call to order;
- b) Roll Call;
- c) Proof of due notice;
- d) Declaration of presence of quorum;
- e) Consideration of presence of quorum;
- f) Reading of the previous minutes of meeting;
- g) Matters arising from the minutes;
- h) Consideration of the consolidated report of the board of directors, officers, and the committees, including audited financial statements of the Cooperative;
- i) Unfinished business;
- j) Election of directors and committee members;
- k) Approval of Development Plan and Budget;
- l) New business;
- m) Other matters; and
- n) Adjournment

Section 22. Quorum for General Assembly Meeting. During regular or special general assembly meeting, at least Twenty Five (25%) of the total number of members entitled to vote shall constitute a quorum.

Section 23. 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 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 24. Composition of the Board of Directors. The Board of Directors shall be composed of ____ () members.

Section 25. Qualifications. No member shall be elected or to continue as such member of the Board of Directors unless he is a member entitled to vote and has the following qualifications:

- a) Has paid the minimum capital requirement;
- b) Have continuously patronized the cooperative services;
- c) A member in good standing for the last two years;
- d) Completed or willingness to complete the required education and training as may be provided by law, rules and regulations and policy approved by the general assembly; and
- e) Of good moral character and other qualifications prescribed in the IRR.

Section 26. 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 any committee, or to continue as such:

- a. Holding any elective position in the government, except that of a party list representative or being an officer of a cooperative he or she represents
- e. Having served as director of the Cooperative for three (3) consecutive terms;
- f. The members of the board of directors shall not hold any other position directly involved in the day-to-day operation and management of the cooperative.
- g. Having direct or indirect personal interest with the business of the Cooperative;
- h. Having been absent for three (3) consecutive regular meetings without reasonable cause;
- i. Being an official or employee of the Cooperative Development Authority;
- j. Having been convicted in administrative proceedings or civil/criminal suits involving financial and/or property accountability; and
- k. Having been disqualified by law.

Section 27. 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 two (2) 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 be elected for a term of two (2) years; Provided further that no director shall serve for more than three (3) consecutive terms. The term of the incorporating directors shall expire upon the election of their successors in the first regular general assembly after registration.

Section 28. Election of Officers. The Board of Directors shall convene within ten (10) days after the regular general assembly meeting to elect by secret ballot from among themselves the Chairperson and the Vice-Chairperson, and to appoint the Secretary and Treasurer from outside of the Board. The appointed officers shall hold office for a term of two (2) years or until their successors shall have been appointed and actually assumed the functions of their positions.

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

Section 29. Meeting of the 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 to the Secretary stating the date, time and place of such meeting and the matters to be considered. Notice of regular or special meetings of the Board of Directors, unless dispensed with, shall be served by the Secretary in writing to each director at least fifteen(15) days 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 30. Vacancies. Any vacancy occurring in the Board of Directors by reason of death, incapacity, removal or resignation may be filled 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 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 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 31. Removal 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 shall present its recommendation for removal to the general assembly. An elective officer may be removed by three-fourths ($\frac{3}{4}$) 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.

In cases where the officers sought to be removed consist of the majority of the BOD at least 10% of the members with voting rights may file a petition with the CDA upon failure of the BOD to call an assembly meeting to commence the proceeding for their removal. The decision of the GA on the matter is final and executory.

An officer elected or appointed by the Board of Directors or any committee may be removed from office for cause by a majority vote of all the members of the Board or Committee as the case may be.

Section 32. Powers and Duties of the Board. The board of directors shall be responsible for the strategic planning, direction-setting and policy-formulating activities of the cooperatives. . Provided further that any members of the board shall not hold any other position directly involved in the day-to-day operation and management of the cooperative.

ARTICLE V Committee

Section 33. Audit Committee. An Audit Committee is hereby created and shall be composed of three (3) members to be elected during a general assembly meeting and shall hold office for a term of two (2) years or until their successors shall have been elected and qualified. Within Ten (10) days after their election, they shall elect from among themselves a Chairman, Vice-Chairman and a Secretary. No member of the committee shall hold any other position within the Cooperative during his term of office. The Committee shall provide internal audit service, maintain a complete record of its examination and inventory, and submit an audited financial 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. It shall have the power and duty to continuously monitor the adequacy and effectiveness of the cooperative's management control system and audit the performance of the cooperative and its various responsibility centers.

Section 34. Election Committee. An Election Committee is hereby created and shall be composed of Three (3) members to be elected during a general assembly meeting and shall hold office for a term of Two (2) years or until their successors shall have been elected and qualified. Within Ten (10) days after their election they shall elect from among themselves a Chairman, Vice-Chairman and a Secretary. No member of the committee shall hold any other position within the Cooperative during his term of office.

The Committee, as an independent body, shall promulgate rules and regulations which shall govern the conduct of elections in accordance with the provisions of the by-laws; pass upon the qualifications of candidates, supervise the conduct of elections, canvass and certify in writing the returns; proclaim the winning candidates; and hear and decide all election protests. Election

protests filed by the members of the Election Committee shall be decided by the Board of Directors.

The decision of the Election Committee is appealable to the Board of Directors within Fifteen (15) days from receipt thereof who shall decide the case within thirty (30) days after receipt of the records of the case. The decision of the Board is likewise appealable to the Cooperative Development Authority seven (7) days from receipt of said decision. At the option of any of the parties, however, the case may be submitted for arbitration to a special board composed of three (3) persons, one (1) of whom shall come from the Cooperative Development Authority and the two (2) to be nominated by each of the parties concerned.

Section 35. Education and Training Committee. An Education and Training Committee is hereby created and shall be composed of three (3) members to be appointed by the Board of Directors and shall serve for a term of two (2) years, without prejudice to their reappointment. Except for the Vice-Chairman, no member of the committee shall hold any other position within the Cooperative during his term of office.

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 36. Mediation and Conciliation Committee. A Mediation and Conciliation Committee is hereby created and shall be composed of three (3) members to be appointed by the Board of Directors. Within ten (10) days after their election, they shall elect from among themselves a Chairman, Vice-Chairman and a Secretary who shall serve for a term of two (2) years or until successors shall have been elected and qualified. No member of the Committee shall hold any other position in the Cooperative during his term of office.

The Mediation and Conciliation Committee shall have the following powers and functions:

- a. To conciliate, hear and decide all intra-cooperative disputes between and/or among members, officers, directors and community;
- b. Subject to the approval of the general assembly, to issue supplemental rules and procedures concerning conciliation processes as may be deemed necessary; and
- c. To exercise such other powers as may be necessary to ensure speedy, just, equitable and inexpensive settlement of disputes within the Cooperative.

MC 2007-03-05 dated March 30, 2007 issued and pertinent rules and regulations prescribed by the Authority shall be observed in the composition, appointment, procedure of conciliation and mediation proceedings.

Section 37. Ethics Committee. An Ethics Committee is hereby created and 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 Chairman, Vice-Chairman and a Secretary who shall serve for a term of two (2) years or until successors shall have been appointed and qualified. No member of the Committee shall hold any other position in the Cooperative during his term of office. The powers, function, duties and responsibilities of the

member shall be in accordance to the implementing rules and regulations promulgated by the Cooperative Development Authority

Section 38. Other Committees. By a majority vote of all its members, the Board of Directors may form such other committees as may be deemed necessary for the smooth operation of the Cooperative.

ARTICLE VI Officers of the Cooperative

Section 39. Officers and their Duties. The officers of the cooperative shall include the members of the different committees created by the general assembly, general manager or chief executive officers, secretary, treasurer and members holding other positions as may be provided for in this by-laws, shall serve according to the functions of their respective offices as follows:

Chairman – The Chairman shall:

- a) Preside over all meetings of the Cooperative and of the Board of Directors;
- b) Sign all share certificates, revolving fund certificates, contracts and other instruments or papers essential to the operations of the Cooperative; and
- c) Perform such other necessary functions, subject to the restrictions which may be imposed by the Board of Directors or the general assembly.

Vice-Chairman – In the absence or incapacity of the Chairman, the Vice-Chairman shall discharge the duties and responsibilities of the Chairman; provided, however, that in case of death, resignation, removal or permanent incapacity of the Chairman, the Board of Directors may elect a new Chairman. The Vice-Chairman of the Board shall serve as ex-officio chairman of the Education and Training Committee.

Treasurer – The Treasurer shall:

- a) Take custody of all monies, securities and papers acquired by the Cooperative, maintain a complete records of all its transactions;
- b) Keep a complete record of its cash transaction for the establishment of proof of his cash position at any given time and date;
- c) Pay all financial obligations incurred by the Cooperative as approved by the Manager and/or Board of Directors;
- d) Render report and certify the correctness of the cash position of the Cooperative in all financial statements and other reports submitted to the Board of Directors, the general assembly and the Cooperative Development Authority;
- e) Turn over to his successor all monies, securities, papers, books and other properties belonging to the Cooperative in his possession upon the expiration/term of office;
- f) Act as Secretary in case of the latter's absence or incapacity to perform his duties; and
- g) Perform such other duties as the Board of Directors may prescribe.

Secretary – The Secretary shall:

- a) Keep and maintain a complete registry of all members and records/minutes of all meetings of the Board of Directors and the General Assembly;
- b) Give notice of all meetings called;
- c) Keep and maintain the share and Transfer book and serve as the custodian of the corporate seal of the Cooperative;

- d) Turn over to his successor all books, records and other properties belonging to the Cooperative in his possession upon the expiration/termination of his term of office; and;
- e) Act as a Treasurer in case of the latter's absence or inability to perform his duties as the Board of Directors may prescribe.

Section 40. 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 duties, any interest or equity adverse to the Cooperative in respect to any matter which has been reposed in him in confidence, he shall, as a trustee for the Cooperative, be liable for damages or loss of profits which otherwise would have accrued to the Cooperative.

Section 41. Management Staff. The Board of Directors shall appoint the members of the Management Staff, fix their compensation and tenure of office.

Section 42. The General Manager. No person shall be appointed to the position of general manager unless he possesses the following qualifications and none of the disqualifications herein enumerated:

- a) He must be familiar with the business operation of the Cooperative;
- b) He must have at least two (2) years experience in the operations of Cooperative or related business;
- c) He must not be engaged directly or indirectly in any activity similar to the business of the Cooperative;
- d) He must not have been convicted of any administrative, civil or criminal case involving moral turpitude, gross negligence or grave misconduct in the performance of his duties;
- e) He must not be addicted to any form of gambling or immoral or vicious habits;
- f) At the time of his appointment he must have no pending administrative, civil or criminal case involving financial and/or property accountabilities; and
- g) He must be willing to undergo pre-service and/or in-service trainings.

Section 43. Duties of the General Manager. The General Manager shall:

- a) Have general charge of all the phases of the business operations of the Cooperative, subject to the policies and guidelines set by the board of Directors and the General Assembly.
- b) Maintain records and accounts of the Cooperative in such manner that the true condition of its business may be ascertained therefrom at any time.
- c) Render reports monthly, annually or as may be required by the Board of Directors or the general assembly, and preserve the books, documents, correspondence and records of whatever nature concerning the operations of the Cooperative which may come into his possession;
- d) Subject to the policies set by the Board of Directors, employ, supervise and/or dismiss any agent or employee in the management force; and

- e) Perform such other duties as the Board of Directors may prescribe and turn over to his successor all properties belonging to the Cooperative in his possession or over which he has control upon the expiration/termination of his services.

Section 44. Accountant/Bookkeeper. No person shall be appointed to the position of accountant/bookkeeper unless he possesses the following qualifications and none of the disqualifications herein enumerated:

- a) He must be knowledgeable in accounting and bookkeeping and must have at least two (2) years experience in Cooperative or related business;
- b) He must not be engaged directly or indirectly in any activity similar to the business of the Cooperative;
- c) He must not be convicted of any administrative, civil or criminal case involving moral turpitude, gross negligence or grave misconduct in the performance of his duties;
- d) He must not be addicted to any form of gambling or immoral or vicious habits;
- e) He must be willing to undergo pre-service and/or in-service trainings in accounting; and
- f) At the time of his appointment, he must have no pending administrative, civil or criminal case involving financial and/or property accountabilities.

Section 45. 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 Chairman of the Audit Committee; and
- e) Perform such other duties as the Board of Directors may require.

Section 46. Compensation. Subject to the approval of the general assembly, the members of the Board 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 47. Source of Funds. The Cooperative may derive its funds from any or all of the following sources:

- a) Member's share capital contribution, common and/or preferred;
- b) Revolving capital build-up which consist of the deferred payment of patronage refund or interest on share capital;

- c) Loans and borrowings including deposits;
- d) Subsidies, grants, legacies, aids, donation and such other assistance from any local or foreign institution, public or private;
- e) Retentions from the proceeds of services/goods acquired/procured by members; and
- f) Other sources of funds as may be authorized by law.

Section 48. Continuous Capital Build-Up. Every member shall have invested in any or all of the following:

- a) At least one (%) or (P .00) of his monthly income;
- b) At least fifty (50%) percent of his annual interest on capital and patronage refund; and
- c) At least n/a percent of each good/service procured/acquired by him.

Section 49. Borrowing. The Board of Directors, upon approval of the General Assembly, may borrow money from any source, local or foreign, under such terms and conditions that best serve the interest of the Cooperative.

Section 50. 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 rights and privileges or restrictions as may be deemed just and equitable.

Section 51. Retentions. The general assembly may authorize the Board of Directors to raise additional capital by deducting a certain percent on a per unit basis from the proceeds of services and/or goods acquired/procured by members.

Section 52. Share Capital Contribution. Share Capital Contribution refers to the unit of capital stated in the Common and/or Preferred shares issued by the Cooperative in accordance with its Articles of Cooperation, subscribed and paid for by a member.

Common shares shall be issued only to regular members. Preferred shares, on the other hand, may be issued to regular or associate members with such rights, privileges, or restrictions as may be provided by the Board of Directors, subject to the approval by the General Assembly.

Section 53. Share Capital Certificate. The Board of directors shall issue a Share Capital Certificate only to a member who has fully paid his subscription. The Certificate shall be serially numbered and contain the share holder's name, the number of shares owned, the par value, and duly signed by the Chairman and the Secretary, and bearing the official seal of the cooperative. All certificates issued and/or shall be registered in the cooperative's Share and Transfer Book.

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 54. Transfer of Shares. The Cooperative shall have the first option to buy any share offered for sale. The amount to be paid for such shares shall be the par value whichever is lower.

- a) He has held such shares or interests for at least one (1) year;

- b) The transfer is made to a member of the cooperative or to a person who falls within the field of membership of the cooperative, and that said person is acceptable to the cooperative; and
- c) The Board has approved such transfer.

The transfer 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 have been endorsed and surrendered to the Cooperative and a new certificate is issued in the name of the member-transferee. If the last transferee, is not a member but qualified to be a member, he shall be required to pay the membership fee and a transfer fee of five hundred (P500.00).

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

- a) Circumstances as to how, when and where said certificate was lost or destroyed; and
- 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; and that should the same be found, the owner shall surrender it to the cooperative. Any false representation or statement made in the aforesaid affidavit shall be a ground for expulsion from the cooperative.

ARTICLE VIII Operations

Section 55. *Primary Consideration.* Adhering to the principle of service over and above profit, the Cooperative shall endeavor to:

- a) Provide Micro Finance to members;
- b) Provide assistance in the establishment of an entrepreneurial livelihood programs to members; and
- c) Formulate and implement studies and/or programs that will address the needs of members;

ARTICLE IX Allocation and Distribution of Net Surplus

Section 56. *At the end of its fiscal year, the Cooperative shall allocate and distribute its net surplus as follows:*

A. *Reserve Fund.* Ten percent (10%) shall be set aside for Reserve Fund subject to the following rules, 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:

- a) 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.

- b) 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.
- c) Upon the dissolution of the cooperative, the reserve fund shall not be distributed among the members. However, the general assembly may resolve:
 - 1) To establish usufructuary fund for the benefit of any federation or union to which the cooperative is affiliated; or
 - 2) 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. Ten percent (10%) shall be set aside for Education and Training Fund.

- a) 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 of which the cooperative is a member.
- b) 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. Three percent (3%) shall be used for projects and activities that will benefit the community where the cooperative operates.

D. Optional Fund. Seven percent (7%) shall be set aside for Optional Fund for land and building fund, and any other necessary expenses.

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 prescribed by law, and patronage refunds. 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, subject to the following rules:

- a) The patronage refund of a member with fully paid share capital shall be paid to him in cash or at this option be credited to his account as additional share capital;
- b) The patronage refund of a member with unpaid share capital subscription shall be credited to his account as payment of his unpaid subscriptions until the same shall have been fully paid;

- c) For non-member patrons, their proportionate patronage refunds shall be set aside in a general fund created for the purpose. Their individual patronage refund shall be credited to their respective names only upon request and presentation of evidence of the amount of his patronage. When the amount so accumulated under his name within a period of three years equals the minimum share capital contribution for membership and he is qualified and willing to comply with the requirements for membership, said non-member patron shall be considered member of the cooperative upon payment of membership fee; and
- d) If within the period specified in the preceding paragraph, any non-member patron who has accumulated the sum necessary for membership, but refuses or fails to qualify for membership, the amount so accumulated in his account together with any part of the general fund for non-member patrons shall be credited to the reserve fund or to the education and training fund of the cooperative at the option of the general assembly.

ARTICLE X

Settlement of Disputes

Section 57. Mediation and Conciliation Procedures. All intra-cooperative disputes shall be settled within the cooperative. If amicable settlement is not feasible, unless modified or amended by the general assembly, the following rules and procedures shall govern all conciliation processes within the cooperative:

1. Parties to a complaint. The party who files a complaint shall be called a Complainant and the party being charged shall be called the Respondent.

2. Who may file a complaint? Any member who has a cause of action against any member, officer or member of any committee, or of the Board of Directors shall file a written complaint, in any form and in such numbers as there are respondents, to the Secretary of the Conciliation Committee, stating the following.

- a) Name, Address, position in Cooperative and status of membership of the complainant and the respondent/s if known;
- b) brief statement of facts and circumstances which caused commission or omission of the act complained of;
- c) Rights violated and evidence or testimony of witnesses; and
- d) Prayer which shall state the relief sought and such other relief as may be deemed just and equitable.

3. Baseless complaint. Within ten (10) days from receipt of the complaint, the committee shall determine the merit of the complaint. If upon its sound discretion, the complaint is found to be baseless or without merit, it may outrightly dismiss the same and inform in writing the complainant, expressly stating the legal and factual basis of its decision.

4. Valid cause of action. If the complaint states a valid cause of action, the committee shall forthwith inform in writing the respondent/s providing him a copy of complaint, and directing him to submit his answer within ten (10) days from receipt thereof. The Committee Chairman may, upon written request by the respondent, extend the period within which to file his answer provided that it shall not exceed ten (10) days.

5. Withdrawal of complaint. At any time before judgement, the complainant may, in writing, withdraw his complaint or enter into a compromise agreement and the case shall be considered dismissed or settled, as the case may be.

6. Answer. In his answer, the respondent shall specifically admit or deny, or deny only a part of averment in the complaint. He shall set forth the substance of the matter upon which he relies to support his denial. If he denies only a part of the averment, he shall specify so much of it, as it is true and deny the remainder. He may also state that he had no sufficient knowledge as to the truth of a certain matter alleged in the complaint and this shall have the effect of denial. Any averment in the complaint not specifically denied shall be deemed admitted.

7. Preliminary conference. Within Ten (10) days from the receipt of the answer, the committee shall set a preliminary conference whereby only the parties are invited for possible amicable settlement. If no settlement is made, the chairman may, at his discretion or upon request of either party, set another conference, which shall not be later than ten (10) days. Any party may waive his right to a preliminary conference and instead move in writing for a formal hearing. In which case, the chairman shall set a date, time and place of hearing and the secretary shall notify in writing the parties at least seven (7) days before the date fixed.

8. Manner of hearing. The Committee may adopt any manner of hearing that best serve the purpose of resolving the dispute objectively, fairly and amicably. The Committee shall always exert all possible efforts to settle the dispute or encourage the parties to enter into a compromise agreement. The Committee may schedule a series of hearings until the parties shall have completed the presentation of their respective evidence. After which, it shall decide the case within fifteen (15) days from the date of the last hearing, categorically stating the legal and factual basis of its decision.

9. Appeal to the Board of Directors. Any party to a controversy may appeal to the Board of Directors within seven (7) days from receipt of a copy of the decision. After the period to appeal, the decision of the committee shall become final and executory and can no longer be reopened, except when the appealing party can show proof that the decision is patently erroneous or obtained through fraud, accident, mistake and excusable negligence or the Committee has committed grave abuse of discretion.

10. Decision of the Board. Within ten (10) days from receipt of the records of the case, the Board of Directors, constituting a quorum, shall review and decide the case, specifically stating the reasons and basis of its decision. The parties may be summoned to appear before the Board of Directors to clarify certain matters, or to submit additional evidence.

11. Appeal to the General Assembly. The decision of the Board of Directors may be appealed to the general assembly whose decision shall be final, save those reserved to the adjudicatory powers of the Cooperative Development Authority as provided under the Cooperative Code of the Philippines and other existing rules and laws.

Section 58. Disputes Involving Members of the Mediation and Conciliation Committee and Board of Directors. If one of the parties to a controversy is a member of the Conciliation Committee, the chairman shall endorse the case to the Board of Directors who shall resolve the case following the procedures prescribed in the proceeding section.

If one or both parties are members of the Board of Directors and the Conciliation Committee, the Chairman of the Committee shall communicate in writing such fact to the Chairman of the Board of Directors who shall forthwith call a special board meeting to form a five-man Special Conciliation Committee, consisting of the heads of Audit and Election Committees, the Secretary and one representative of each party. The special committee shall convene immediately and after electing from among themselves the Chairman, Vice-Chairman and the Secretary, proceed to resolve the case in accordance with the procedures prescribed in the proceeding section. The committee shall automatically cease to exist upon the final resolution of the controversy.

The rules on conciliation and mediation prescribed by the Authority shall have suppletory application.

Article XI Miscellaneous

Section 59. Investment of Capital. The Cooperative may invest its capital in any or all of the following:

- a. Shares or debentures or securities of any other cooperative;
- b. Cooperative bank or any reputable bank in the locality;
- c. Securities issued or guaranteed by Government; and/or
- 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 60. Accounting System. The Cooperative shall keep, maintain and preserve all its books of accounts and other financial records in accordance with generally accepted accounting principles and practices, applied consistently from year to year, and subject to existing rules and laws.

Section 61. External 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 by an independent Certified Public Accountant.

Section 62. Annual Report. During the annual regular assembly meeting, the Cooperative shall submit a report of its operation to the general assembly together with the audited financial statements. The annual report shall be certified by the Chairman, Treasurer, Manager and other responsible officers of the Cooperative as true and correct in all aspects to the best of their knowledge. And the audited financial statements shall be certified by an independent Certified Public Accountant.

SIGNED IN THE PRESENCE OF:

(Signature Over Printed Name)

(Signature Over Printed Name)

We, the undersigned, constituting a majority of the Board of Directors of the _____ COOPERATIVE do hereby certify that the foregoing instrument is the code of By-laws of the said cooperative.

Chairman

Vice-Chairman

Director

Director

Director

Director

Director

Director

Director

MANAGEMENT AGREEMENT

This **MANAGEMENT AGREEMENT** executed this _____ day of _____ 20____, at _____ Philippines.

BY AND BETWEEN

The _____ **TRANSPORT SERVICE COOPERATIVE**, a duly organized cooperative registered with the Cooperative Development Authority (CDA) pursuant to Republic Act 9520 and accreditation with the Office of Transportation Cooperative (OTC) pursuant to Executive Order No. 898 and DOTC-CDA implementing Guidelines on the Organization and Registration of Public Transportation and Telecommunications Service Cooperatives, hereinafter referred to as the Cooperative, representative herein by its Chairman;

AND

_____ Filipino, of legal age, and residing at _____ hereinafter referred to as the **MEMBER-OWNER**;

WITNESSETH THAT:

WHEREAS, the cooperative system is actively promoted by the government as a means to attain more equitable distribution of income and wealth as well as to increase the income and workers and small operators.

WHEREAS, the **MEMBER-OWNER** is true, legal and absolute owner of a motor vehicle described as follows:

Make _____ Type _____ Motor No. _____

Chassis No. _____ Plate No. _____

NOW, THEREFORE, for and in consideration of the premises, the parties have hereto voluntarily covenanted and agreed as follows:

1. The **MEMBER-OWNER** hereby, by these presents, transfer and convey the management and operation of the motor vehicle described unto the **COOPERATIVE** and the

COOPERATIVE shall operate the above mentioned vehicle as public utility vehicle pursuant to and in accordance with the applicable laws, rules and regulations of the Public Service Law enforced by the appropriate officers and agencies of the Republic of the Philippines; and by these presents the MEMBER-OWNER hereby undertakes to comply with the policies, rules and regulations of the Cooperative, such as scheduling of vehicle etc., in order to achieved the rationalization of traffic;

2. The COOPERATIVE shall apply with the LAND TRANSPORTATION FRANCHISING AND REGULATORY BOARD (LTFRB) for a permit/franchise to operate the said vehicle together with other vehicles, as public utility, in the name of the COOPERATIVE. However, the description of the units managed by the COOPERATIVE shall be indicated in the franchise. It is expressly understood that the MEMBER-OWNER shall have no property rights equitable or otherwise, over the said permit/franchise which he hereby recognizes to belong exclusively to the COOPERATIVE as one of the means to implement the objectives of the transport cooperative program so that in the event of withdrawal from the COOPERATIVE of the MEMBER-OWNER whether through voluntary resignation or expulsion, it is hereby agreed by the parties that the MEMBER-OWNER and the unit will be dropped from and substituted in the permit/franchise subject to the provisions of the by-laws of the COOPERATIVE and the rules of the LTFRB and the OTC.
3. The COOPERATIVE, however, expressly recognizes the title and ownership over the said vehicle as being remaining in the MEMBER-OWNER. The MEMBER-OWNER shall be entitled to the income derived from the operation of his unit. All expenses for the safe, adequate and efficient operation of his unit shall likewise, be the responsibility of the MEMBER-OWNER. Such expenses shall include but not be limited to gas, oil, minor repairs, property insurance as well as legal fees, LTFRB fees LTO fees, BIR taxes and licenses, if any, passengers and third party liabilities, insurance coverage driver's/conductors salaries and wages, SSS/Medicare premium which must be made in accordance with the applicable SSS rules and generally any expenses and liabilities and responsibilities required and needed for the safe, adequate and efficient operations of the vehicles as public utility under existing rules and regulations. In the remote event that the vehicle is involved in any accident, the MEMBER-OWNER, being the title holder and owner of the said vehicle, shall be solely and exclusively responsible to answer for any claim and liabilities occasioned by such accident and the COOPERATIVE and the other members of this COOPERATIVE shall not, in any manner, be held liable thereof.
4. The COOPERATIVE shall be the exclusive liaison (except pertaining to the determination of liabilities mentioned above) in all transactions pertaining to the operation of the said vehicle as a public utility with the various government and private agencies and officers such as among others, the Land Transportation Franchising and Regulatory Board, the Land Transportation Office, the PNP Traffic Management Command and others in order to achieve the objectives of the cooperative Program as envisioned, so that for this purpose, the COOPERATIVE shall be entitled to collect and receive management fees from the MEMBER-OWNER in the amount as may be determined from time to time by the Board of Directors of the cooperative which amount shall be preferred claim/deduction from the income of the said vehicle as the vehicle itself until fully paid.
5. To install discipline within the COOPERATIVE, the unwarranted and unexcused failure and/or the continued and abstinence refusal of the MEMBER/OWNER to comply with his duties and obligations set forth in the AGREEMENT, including his other duties and obligations as a member of the COOPERATIVE shall be sufficient reason and cause, which may be exercised at the option of the COOPERATIVE for the suspension of the rights and privileges of membership of the MEMBER under this AGREEMENT and in the COOPERATIVE by recommending the dropping of its franchise with the LTFRB and confiscation of its plates

In testimony hereof, the parties hereto affixed their signatures at the place and on the date above written.

Chairman

Member/Owner

SIGNED IN THE PRESENCE OF:

REPUBLIC OF THE PHILIPPINES)

)S.S

At _____, Philippines, on the _____ day of _____
20____ personally appeared:

Name	Comm. Tax Cert. No.	Place issued	Date
_____	_____	_____	_____
_____	_____	_____	_____

known to me to be the same persons who executed the foregoing instrument of MANAGEMENT AGREEMENT and acknowledged to me that the same is their free and voluntary act and agreement as well as the principal represented.

WITNESS MY HAND AND SEAL on the day, year and place first above written.

NOTARY PUBLIC

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C. Endorsement :

✓ To LTFRB (Dropping, Substitution, Consolidation of CPCs and authorized representatives to transact business)

**CHECKLIST OF REQUIREMENTS
CONSOLIDATION OF FRANCHISE**

- 1. Letter request for OTC endorsement to LTFRB signed by the Chairman _____
- 2. Duly notarized application for CPC consolidation indicating the names of the members with chassis/ motor no., plate no. and year model and signed by by the Chairman _____
- 3. Photocopy of Or's/Cr's _____
- 4. Duly Notarized Management Agreement between the Operator and the Cooperative _____
- 5. Copy of Individual CPC _____

REMARKS:

Evaluated by: _____ Date: _____

Reviewed by: _____ Date: _____

**CHECKLIST OF REQUIREMENTS
INVOLUNTARY DROPPING**

- 1. Letter request for OTC endorsement to LTFRB signed by the Chairman _____

- 2. Duly notarized Petition for involuntary dropping indicating the names of the members with chassis/ motor no., plate no. and year model and signed by by the Chairman _____

- 3. Approved Board Resolution on the cause of Termination of the membership of the affected Member for dropping _____

- 4. OR/s & CR/s (unit for dropping) _____

- 5. Duly notarized affidavit of the board of Directors that the General Assembly has ratified the termination of the membership of the member to be dropped _____

- 6. Decision/Order _____

REMARKS

Evaluated by: _____ Date: _____

Reviewed by: _____ Date: _____

CONSOLIDATION OF FRANCHISE

- 1. Letter request for OTC endorsement to LTFRB signed by the Chairman _____
- 2. Duly notarized application for CPC consolidation indicating the names of the members with chassis/ motor no., plate no. and year model and signed by by the Chairman _____
- 3. Photocopy of Or's/Cr's _____
- 4. Duly Notarized Management Agreement between the Operator and the Cooperative _____
- 5. Copy of Individual CPC _____

REMARKS:

Evaluated by: _____ Date: _____

Reviewed by: _____ Date: _____

CHECKLIST OF REQUIREMENTS INVOLUNTARY DROPPING

- 1. Letter request for OTC endorsement to LTFRB signed by the Chairman _____
- 2. Duly notarized Petition for involuntary dropping indicating the names of the members with chassis/ motor no., plate no. and year model and signed by by the Chairman _____
- 3. Approved Board Resolution on the cause of Termination of the membership of the affected Member for dropping _____
- 4. OR/s & CR/s (unit for dropping) _____
- 5. Duly notarized affidavit of the board of Directors that the General Assembly has ratified the termination of the membership of the member to be dropped _____
- 6. Decision/Order _____

REMARKS

Evaluated by: _____ Date: _____

Reviewed by: _____ Date: _____

Name of Cooperative

DEED OF RECONVEYANCE

KNOW ALL MEN BY THESE PRESENTS:

That the Deed of Reconveyance executed at _____ this _____ day of _____ 20__ by and between:

Transport Service Cooperative, a duly registered Transport Service Cooperative, established in accordance with Executive Order 898 with business address at _____ hereinafter referred to as TRANSFERROR:

AND

MR. _____, of legal age, Filipino, single/married and resident of _____ hereinafter referred to as the TRANSFEREE.

That the TRANSFERROR is registered owner of a certain motor vehicle as described below:

Make and Type _____	Chassis NO. _____
Motor No. _____	File No. _____
Plate No. _____	C.R No. _____

By virtue of this Deed of Reconveyance, the TRANSFEROR does hereby transfer and convey unto said TRANSFEREE the above described motor vehicle, and this until shall dropped from the franchise of this Cooperative.

IN WITNESS HEREOF, the parties have hereunto set their hands on the date and place mentioned above.

_____ Transport Service Cooperative

By:

Chairman (Transferor)

Transferee (member)

REPUBLIC OF THE PHILIPPINES)
)S.S

BEFORE ME, a notary public for and in the _____ this day of _____ 20__ personally appeared _____ With Community Tax Certificate No. _____ issued at the same person who executed the instrument Deed of Reconveyance the same in their free act and deed.

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NOTARY PUBLIC

Name of Transport Cooperative

Date

Hon. Melchor V. Cayabyab
Chairperson
Office of Transportation Cooperatives
8th Floor, Ben-Lor Bldg. 1184 Quezon Ave.,
Quezon City

Dear Sir:

This is to request for an endorsement to LTFRB/LTO and other concerned agencies regarding authorized representative/s who will transact business.

Attached herewith are pertinent documents regarding the above-mentioned request:

1. Approved Board Resolution of the authorized representative (Chairman and his One (1) alternate representative.)
2. Certificate of Good Standing of Transport Cooperative.

Hoping for immediate approval/issuance of the above-mentioned request.

Very truly yours,

Chairman's Name and Signature

D. Issuance of Certificate of Good Standing Requirements/Forms

CHECKLIST OF REQUIREMENTS CERTIFICATE OF GOOD STANDING

- Audited Financial Statement of the preceding year _____
- Minutes of the General Assembly Meeting together with the Attendance Sheet _____
- Updated Bond of the Accountable Officer (Chairman and Treasurer) _____
- Duly accomplished Annual Report _____
- Affidavit of Authenticity Of documents submitted _____
- Justification/explanation letter for Failure to renew CGS for one year and above _____
- 3- year master plan on TC compliance With the required minimum number of coop owned units _____
- In case of net loss/deficit from the statement of Operations covering and starting the calendar/fiscal year 2014 onwards (an appeal maybe Issued In this case subject to further evaluation of the same and satisfying special requirements as maybe required by OTC) _____

REMARKS

Evaluated by:

Date:

Reviewed by:

Date:

**(REPUBLIC OF THE PHILIPPINES
S.S**

AFFIDAVIT OF AUTHENTICITY

The undersigned, Mr. _____, as the Chairman and the authorized signatory of _____ Transport Service Cooperative, a cooperative registered with the Cooperative Development Authority, with principal address at _____ with Telephone No. _____ or Cellphone No. _____ after having been duly sworn to in accordance with law, hereby depose, state, and warrant that the following documents submitted to the Office of Transportation Cooperatives (OTC) are authentic and the data/facts contained therein are true and correct of my own personal knowledge, namely:

1. Audited Financial Statements;
2. Minutes of the General Assembly Meeting
3. Bond of Accountable Officers; and
4. Annual Report.

The undersigned further undertake to allow the Office of Transportation Cooperatives, or any of its authorized representative to verify any all documents which are necessary for the issuance of our Certificate of Good Standing.

Finally, I hereby DECLARE and ASSUME full responsibility for any falsity or misrepresentation of any material fact in the contents of the above-mentioned documents.

IN WITNESS WHEREOF, I hereby affix my signature this _____ day of _____ 20____ at _____.

Chairman

SUBSCRIBED AND SWORN to before me this _____ day of _____ 20____ by _____, with Community Tax Certificate No. _____ issued on _____ at _____

Doc. No. _____

Page No. _____

Book No. _____

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