**MACTAN ISLAND MULTI PURPOSE COOPERATIVE**

**REVISED POLICIES, SYSTEMS AND PROCEDURES**

**Effective April 5, 2010**

**MEMBERSHIP POLICY**

1. Qualification of a Member

1. A person of legal age, 18 years old and above.

2. A resident of Mactan Island of at least 6 months, or has business/employed in any government or non- government institutions in the island for not less than 6 months.

3. Has feasible income.

4. Has the capacity to enter into contract.

5. A person who believe in the guiding philosophy and principles of the cooperative.

1. Application for Membership

1. The application for membership shall be done in writing by an applicant who has completed the Pre-Membership Education (PMES) by filling up the membership form which shall be presented to the Board for approval.

1. The application shall be accompanied by a membership fee of Php 120.00 which amount shall be returned to the applicant upon rejection.
2. The member shall pay the minimum of P/ 1,000.00 Fixed Capital Deposit/Share Capital, in lump sum or in installments. He shall be considered a full pledged member upon the full payment of the said amount.
3. Background investigation shall be conducted.
4. Duties of a Member

1. Pays the annual dues of P/ 100.00 per year.

2. Continuously pay the share capital of not less than 2 shares per month. (P 100= 1 share)

3. Attend meetings and participates in the affairs of the cooperative.

4. Obeys the rules and regulations of the cooperative as agreed by all members.

1. Membership Withdrawal

1. Voluntary withdrawal from membership shall be made in writing and shall be submitted to the Board for appropriate action.

1. No member is allowed to withdraw his/her membership during any period in which the said member has any pending obligation with the coop.
2. The Fixed Capital Deposit (FCD) of approved member’s withdrawal shall be refunded 60 days after such approval to give the staff sufficient time to review the records for any pending obligation.
3. No member shall be allowed to withdraw his/her membership within 12 months after such deposit.

**LEADERSHIP POLICY**

1. ***Qualifications and Disqualifications of Officers***

All members in good standing (MIGS) who have been members for at least one year and is willing to serve the coop are qualified to be voted for as officers, except those of the following:

1. Having been absent for three consecutive officer’s meeting without being excused;

2. having been convicted of any crime involving moral turpitude, gross misconduct in the performance of his duties and found culpable in any administrative case involving such offense;

3. Facing as defendant or respondent on administrative proceedings or civil suit involving financial and property accountability;

4. holding any elective position in the government, except party list representative;

5. is delinquent in payment of capital contribution, accounts and loan, if any.

1. ***Powers and Duties of Officers***

The officers of the cooperative shall have the general supervision and control of the affairs of the coop. They shall prescribe policies consistent with laws.

**B1. BOARD OF DIRECTORS**

1. Conduct at least one regular session every month and not more than two special sessions. The regular meeting shall be held every 3rd Saturday.

2. Formulate and review the organization’s policies in accordance with laws, the coop by-laws, and the resolutions approved by the General Assembly.

3. Receive and analyze financial reports.

4. Require regular monthly reports from committees and analyze the same for proper decision and action.

5. Review delinquent accounts and determine course of action to minimize delinquency rate.

6. Receive and analyze member’s complain and determine action thereto.

7. Require preparation of an annual budget and present it to General Assembly.

8. Make a periodic review of budget and compare to actual performance.

9. See to it that all coop records are kept current.

10. See to it that the subsidiary and controlling accounts are reconciled at least semi-annually.

11. See to it that minutes are promptly prepared and filed with copies distributed to BOD members and all committees.

12. Install safeguard and internal control system as soon as possible.

13. Replace board members who do not perform their duties or who has been absent from three consecutive regular meetings without being excused.

14. Require committees to replace members who do not perform their duties or being absent for three consecutive meetings without being excused.

15. Require/Secure from General Assembly the authority to borrow money and issue such evidence of indebtedness.

16. Request the General Assembly for authority to make investments in other coops and/or other business ventures.

17. Hire/Fire coop manager and employees with a cause, prescribe job description and determine compensation for management staff.

18. See to it that performance audit is conducted to coop manager.

19. Determine which coop officer/staff are to be bonded and the amount thereto.

20. Provide adequate insurance protection for all coop equipments, facilities, personnel and members.

21. Adopt standard chart of accounts as mandated by law.

22. See to it that an external audit is conducted by a reputable external auditor.

23. Prepare a yearly action plan as a guide for coop development.

24. Act promptly on membership application or withdrawal.

26. Declare dividend and patronage refund annually.

27. Designate bank depository and signatories.

28. Render a written annual report to the general assembly.

29. Attend officers’ training.

**B2. EDUCATION COMMITTEE**

1. Brings people to cooperation through a continuous education.

2. Awakens peoples’ mind and will to cooperative action by teaching the aims, principles and methods of such action.

3. Provides means through which members gain knowledge and faith in the coop movement.

4. Provides members with information regarding the operation through ownership meetings and newsletter.

5. Prepares the members to exercise their rights and responsibilities as member owner.

6. Provides opportunities to the general public to unite and familiarize the aims, purpose and philosophy of cooperative movement.

7. Prepares annual budget for education and training program based on existing CETF.

8. Prepares an annual education plan for:

a. potential members

b. existing members

c. officers and leaders

d. management staff

9. Prepares and renders written annual report to General Assembly

10. Initiates and facilitates ownership meetings.

11. Attends educators’ trainings.

12. Prepares and submits written reports to BOD monthly.

**B3.CREDIT COMMITTEE**

1. Sits en banc when processing loan and keeps minutes of such meeting.

2 Conducts credit or background investigation to first timer loan applicants and prospective members

3. Maintains record of loan application and loan processed.

4. Determines applicants’ qualification for loans applied for. In capacity to pay, loan of members with small share capital.

5. Gives financial / loan counseling to members.

6. Maintains a copy of lending policies prescribed by BOD.

7. Recommends policies to BOD to change implacable provisions as necessity requires.

8. Maintains cordial relationships with members, holds information regarding members’ loan with confidentiality.

9. Considers all loan applications on the merits of the borrower and the guarantor.

10 .Prepares and submits written report to BOD monthly and annually to General Assembly

11. Fills up vacant position in the committee and reports such to BOD.

12. Attends credit management seminars.

**B 4. AUDIT AND INVENTORY COMMITTEE**

1. Conducts financial and management audit regularly.
2. Conducts performance audit on BOD and different committees when necessary.
3. Submits audit reports to the BOD at regular meetings and General Assembly meeting annually.
4. Verifies members’ passbook/ledger at least once a year.
5. Fills up vacant position in the committee and reports such to the BOD.
6. Assists and coordinates with external auditors during external audit.
7. Attends auditing and internal control seminars and trainings.

**B 5. ELECTION COMMITTEE**

1. Prepares election rules and guidelines for BOD approval.
2. Scrutinizes nominee’s qualification for elective position at least one month before GA meeting.
3. Prepares election paraphernalia.
4. Presides over election proceedings.
5. Facilitates clean, honest and orderly election.
6. Performs the canvass of ballots and proclaim the winners.
7. Does other jobs as requested by the BOD.

**B 6. SECRETARY**

1. Keeps a complete list of all members and maintains correct record of minutes of all BOD and GA meetings.
2. Furnishes all officers minutes of previous BOD meeting before regular meeting schedule for approval thereof.
3. Gives notice of all meetings called to all officers five days before the schedule. However notice of regular BOD meeting maybe dispensed with.
4. Keeps and maintains the Stock and Transfer Book and serves as custodian of corporate seal of the cooperative.
5. Turn over to his/her successor all books and other properties in his/her possession belonging to the coop properly.
6. Performs such other function as BOD/ General Assembly may require.
7. **Removal of Officers**

Any removal of officers or committee members from the office maybe made for CAUSE by a majority vote of the Committees, BOD or the GA after hearing and giving the officer concerned the opportunity to defend him/her.

‘For cause’ means

1. non-attendance of regular and special meetings as prescribed under this policy,
2. remiss in the performance of duties;
3. Cropping up of circumstances which places said officer under the disqualifications as prescribed by the By-laws.
4. **Honorarium and Per Diems**
   1. Committees on regular meetings or performing functions as prescribed shall receive per diems as mandated by BOD and concurred by GA.
   2. BOD on regular/special meetings subject to limitation prescribed and concurred by GA shall receive honorarium. However, non attendance on Committee/BOD meetings shall disqualify absentee officers from receiving honorarium/per diems.
   3. The secretary shall receive honorarium/per diems as allowed by BOD which needs concurrence by the GA.

1. **Bonus**
   1. Bonus to management staff shall be given as Christmas gift for their work in the coop equivalent to one month which may be termed as thirteenth month pay, provided the coop operation shall not be jeopardized.
   2. Bonus to officers maybe granted through a “resolution” passed by BOD subject to concurrence by General Assembly.
   3. Other forms of bonus maybe granted in conformity with existing laws.

**FINANCIAL POLICY**

1. **MEMBER’S EQUITY ( Share Capital or Fixed Deposit)**

1. A member of the cooperative with corresponding regular share pledges upon application for membership, whereby the required capital subscription shall be complied as prescribed in the membership application form.

2. Share capital pledges shall depend on the affordability of a member.

3. Minimum Share Capital deposit of P 1,000.00 equivalent to ten (10) shares is required for a member in order to avail of the credit services of the cooperative. However, if a member pays in installment basis, the initial deposit should be P 300.00, equivalent to three shares.

4. Regular or Full Pledged members are encouraged to continue their capital build up if subscribed capital is not fully paid and authorized capital has not yet reached.

5. Any member may increase his/her fixed deposit at least two shares (200.00) per month up to maximum as prescribed by BOD.

6. Dividends and Patronage refund maybe distributed to Fixed Deposit for regular payer and fines and payment of loan to delinquent members.

7. 5 % retention on regular loans (productive and provident) is credited to member’s fixed deposit or share capital.

8. Any member can subscribe a maximum amount of share capital but shall not exceed 20% of the total authorized capital of the cooperative**.** Outright, shall pay at least 25% of the subscribed share capital but not prohibited to immediately pay the total capital share as subscribed.

9. A bonafide member shall pay subscribed share capital within the specific term indicated in the membership papers.

10. Member shall determine voluntary payment of pledges or subscribed share capital upon application for membership.

11. An applicant shall pay P 120.00 as membership fee upon submission of approved application form for membership.

12. Member shall pay P 100.00 as Annual Dues.

13. Any member can make savings deposit after full payment of the minimum fixed deposit of P 1,000.00.

1. **SAVINGS DEPOSIT AND WITHDRAWAL OF SAVINGS POLICY**

1. Any member can open savings deposit in MIMPC.

2. Depositor must fill up application form for savings deposit.

3. A minimum deposit of P500.00 shall be maintained in the account in order to earn an interest rate per annum.

PhP 1,000.00 to PhP 25,000.00 = 3%

PhP 25,001.00 to PhP 50,000.00 = 4%

PhP 50,001.00 to PhP100,000.00 = 5%

PhP 100,001.00 and above = 6%

4. A passbook will be issued to manifest savings deposit account. Passbook balance will be reconciled against the ledger in every transaction made.

5. Computation of interest will be based on the 5th day of every month computed quarterly, added-on and posted to depositor’s ledger.

6. Depositor must fill up withdrawal slip upon withdrawal of savings deposit.

7. Withdrawal of savings deposits in the amount below P 100.00, 1,000 up to 9,000.00 will be catered thru Revolving Fund or paid by cash.

8. No withdrawal is allowed without his/her passbook unless with proper clearance from the manager.

9. Withdrawal other than the depositor himself will be supported with written authorization of the depositor, his passbook and ID.

10. Posting clerk will verify from the individual ledger and passbook and indicate the updated balance on the withdrawal slip, duly authenticated prior to any disbursement in order to avoid over-withdrawal.

11. In the event that over-withdrawal has been made, the person verifying the balance and the person disbursing the withdrawal shall be liable for the return of the over-drawn amount on the same day.

14. Free insurance will be awarded to depositor on bigger deposits for non-withdrawal within a year.

15. Maintaining balance of P1,000.00 and above shall earn an interest.

1. A Service Fee of PhP20.00 shall be charged for dormant accounts and below the required maintaining balance.
2. **TIME DEPOSIT POLICY**
   1. A minimum time deposit is less than P 10,000.00.
   2. A certificate of time deposit shall be issued to time depositors.
   3. Time deposit will earn the following interest rates:



* 1. Interest earned will be determined according to depositors chosen term.
  2. Interest on deposit will be payable at the end of each interest re-negotiations period, upon renewal or monthly.
  3. Free insurance will be given to deposits from P 50,000.00 and above with one year term.
  4. If possible there should be no pre-termination of time deposits within a month.
  5. If pre termination of time deposit within a month is granted because of valid reasons it will not earn any interest.
  6. Pre-termination of time deposit after a quarter computation of interest will be based on the interest rate for savings deposit.

**LENDING POLICY**

**General Lending Policy**

1. Only member in good standing “MIGS” can avail of the lending services of the cooperative.
2. The character, capacity to pay, collateral, condition and credibility shall always be considered in processing of loans.
3. Loan retention of 5% shall be charged to regular loan amount and will be credited to member fixed deposits whose fixed deposit has not reached the maximum level authorized by the BOD as long as his/her fixed deposit shall not be above 20% of the total paid up capital of the cooperative.
4. All loans receivables whose term is from three months to one year shall be covered by insurance or Coop Loan Protection Program. Premiums will be paid by members after released.
5. Loan application endorsed by the manager for credit investigation and if recommended by Credit Investigation Officer (CIO) for disapproval, loan applicant may appeal to Credit Committee (CRECOM). If the member concerned is not satisfied with the CRECOM’s decision, the member can raise the matter to the BOD for final decision.
6. Service Fee of 2% will be charged to regular loans only.
7. Regular loan: if Fixed Deposit is times two, interest rate is1.5% per month or 18 % per annum.
8. If the amount applied for a loan exceeds times two of fixed deposits, it needs collateral/securities to support the requested amount. A member whose track record is not yet established needs a co-maker or guarantor who is also a member.
9. A member whose track record not yet established needs a co-maker or guarantor who is also a member.
10. A co-maker or guarantor must be liable with the principal debtor’s obligation in the cooperative, incase of default in payment or non-payment of loan.
11. Fines of 2 % based on monthly amortization will be charged for non-payment of loans after ten days grace period and after a month or more.
12. Term of payment to loan applied of 50,000.00 and below is one month to one year. Maximum term of payment is two years to loan applied in the amount of P100, 000.00 and above.
13. New member can avail of a first loan with a maximum amount of P 20,000.00 only even if the fixed deposit would qualify him/her for a bigger amount and shall then undergo background / credit investigation.
14. Loans not fully paid on due date, an additional 2 % fines will be charged to the remaining balance and advise to reconstruct. Only one reconstruction is allowed.
15. New member can apply his / her first loan within a month after BI / CI and application form is signed by a guarantor.
16. Cut off for loan application is every Thursday and loan processing shall be done every Saturday.
17. Member in good standing and a regular payer will be given priority in immediate release of loan based on member’s needs.
18. Loan releasing for delinquent members will be done by installment if he will apply for a re-loan.
19. Delinquent accounts shall be recommended for legal action if amicable means of settling the overdue accounts failed.
20. Member applying loan for business purposes shall submit a copy of his/her business or mayor’s permit.
21. If Savings Depositor will apply to be a regular member, he must undergo PMES. His savings deposits will automatically be transferred to his/her fixed deposit and can apply for a loan two weeks after the approval of his/her membership.
22. Offsetting of fixed deposit will be done to overdue accounts if loan balance is equal to his/her fixed deposit.
23. Savings and Time deposits of members can be used as collaterals and cannot be withdrawn if loan balance is not equal to his/her fixed deposits.
24. Qualification to avail of a loan: A resident of Mactan Island of at least 6 months, or has business or employed in any government or non- government institutions in the island for not less than 6 months.
25. Loan equal to Fixed Deposit or less shall have an interest rate of 1% per month or 12% per annum.
26. **PRODUCTIVE LOAN POLICY**
27. Fixed deposit is times two (FD x 2) with an interest rate of 1.5% per month or 18% per annum.
28. Regular payer can avail of a productive loan beyond times two (x 2) of fixed deposit or times three depending on the availability of funds.
29. Loans beyond x 2 will be charged 2% interest rate per month.
30. Loans for business purposes shall submit business or mayor’s permit.
31. Loans applied from 50,000.00 and above, require a collateral and subject for BI/CI based on the recommendation of the manager.
32. Term of payment is from one month to twelve months.
33. Mode of payment is daily, weekly, bi-monthly or monthly only but lump sum on due date will not be tolerated.
34. A fine of 2% will be charged based on monthly amortization on non-payment of loan after a month or more.
35. Loan balance not fully paid on due date after ten days grace period, fines on the whole amount loan balance and additional interest will be computed.
36. 5 Cs (capacity, character, collateral, condition and credibility) shall be the basis in processing of loans.
37. A member can avail of loan which times three (x 3) of his/her fixed deposit. If a member fails to pay monthly amortization based on the promissory note signed, cannot apply for re-loan.
38. **PROVIDENT LOANS POLICY**

1. Granted for non-related business purposes like house renovation, educational expense and others.

2. Fixed deposit is times 2 but not exceed to 50,000.00. If times of member’s fixed deposits exceed 50,000.00 only the maximum amount can be applied.

3. Interest rate is 1.5% per month or 18% per annum.

4. Longest term of payment is one year.

5. Mode of payment is daily, weekly, bi-monthly or monthly only depend on the member’s capacity to pay.

6. Credit or background investigation shall be conducted if recommended by the manager.

7. Times three of the member’s fixed deposit is allowed only in a case to case basis for reasonable purpose and shall submit valid collateral.

8. Subject for the approval of CRECOM.

9. Excess of x 2 loan applied will bear an interest of 2% per month.

10. Fines of 2% will be charged of non-payment after a month with ten (10) days grace period based on monthly amortization.

11.If a member pays the whole amount of loan less than one month after released, he / she will pay the computed interest for one month.

**C. EMERGENCY/EXPRESS LOAN POLICY**

1. Granted only to member in good standing.

2. It be charged with 3% interest rate, no retention and service fee.

3. Term of payment shall be from one month to six months only.

4. Instant release within an hour for a minimum amount of 3,000.00 and a maximum of 20,000.00 (only for those without regular loans) as long as capacity to pay requirement is met.

5. Delinquent members can avail of emergency/ express loan for medical purposes only in the amount of P 3,000.00.

6. Members who have regular loan balance can still avail of an emergency/express loan from 3,000.00 to 10,000.00 provided that he/she is a regular payer and has settled 50% of all his/her loan obligations and has the capacity to pay.

7. Mode of payment is either daily, weekly, bi- monthly or monthly only.

8. Approval of loan shall be done the by manager.

1. **SPECIAL LOAN-FINANCING (Capacity Based Lending)**
2. Granted to Member in Good Standing or Regular payer only.
3. For productive purpose only and it depends on the availability of funds.
4. It will not be based on traditional loan availment procedure FD x 2 but on member’s capacity to pay.
5. Has an asset or valid collaterals for loan security.
6. Doesn’t have any regular and express / emergency loan balance.
7. Has a good track record on previous loans.
8. Subject for BI / CI for verification of loan applied.
9. Interest rate of 2.5% per month shall be charged, with service fee and retention.
10. Term of payment from one month to two years.
11. Mode of payment is daily, weekly, bi-monthly or monthly.

**COLLECTION POLICY**

1. Assign collector and officer to follow up delinquent members.

2. Require management to submit aging of accounts receivables monthly.

3. Conduct regular home visit to delinquent members.

4. Conduct loan counseling to delinquent members.

5. Advice loan restructuring on over due accounts ten days after due date.

6. Assess productive or business loan if member declares bankruptcy or if loan funds were diverted.

7. Assess collaterals before the release of loan and when member failed to settle accounts.

8. Send reminder letters to members with past due accounts from three months and above.

9. Charge 2 % fines based on monthly amortization after one month of delayed payment or depending on the number of month’s non-payment.

10. Send collection notice to past due/over due accounts who failed to settle their obligation.

11. Charge 2 % fines on the whole balance of over due accounts.

12. Submit list of delinquent accounts to legal counsel for issuance of demand letter. Demand letter will be served after negotiations fail.

13. Foreclose chattel mortgage collaterals if borrower fails to pay his / her obligation.

14. File a case to doubtful accounts in the barangay for settlement.

15. Implement court action if ways and means are exhausted.

**SYSTEM AND PROCEDURES**

1. ***BANK DEPOSITORIES***

METRO BANK – Lapu-Lapu City Branch – for credit division

BANCO DE ORO – Lapu-Lapu City Branch – for SM Cards

Philippines Central Coop Fund Federation (PCF) – Cebu City Branch – for Cash-on-Call

1. ***SIGNATORIES***

At least any two designated signatories below except for special cases approved by the BOD:

1. Manager

2. Cashier / Treasurer

3. BOD Chairperson

1. ***CASH RECEIPTS ACCOUNTING AND INTERNAL CONTROL SYSTEM***
   1. All collections will be issued with pre-numbered official receipts. Unused and used official receipts will be accounted in the log book. Original copy of cancelled official receipts will be re-attached to the corresponding OR stub.
   2. Imp rest system shall be adopted. All collections shall be deposited intact in the bank daily, except Consumers receipts. Disbursement will not be made out of the undeposited collections.
   3. Consumers receipts will be cash counted by bookkeeper, turn over to the manager for counter checking. Collection will be remitted by the manager to the cashier and receipted as account payable to credit division. Consumers’ collection will be deposited to the bank if post dated check is issued.
   4. Daily Cash Collection Report (DCCR) will be prepared by the cashier and reviewed by the bookkeeper. DCCR balances of account will be reconciled to the ledgers daily by the posting clerk.
   5. Cash count will be turned over by the cashier to the manager for counter checking of cash and shall be deposited in the bank on the same day.
   6. All deposit slips will be signed by the cashier or manager in the absence of the Treasurer.
   7. Allocate P 200,000.00 as Revolving Fund and P 20,000.00 as Petty Cash Fund.

D. CASH DISBURSEMENT ACCOUNTING AND INTERNAL CONTROL SYSTEM

1. All disbursements will be covered with general vouchers (for major Disbursements), cash vouchers (for revolving Fund), and Petty Cash vouchers (for Petty Cash Fund).

2. General Vouchers will be pre-numbered; cash vouchers and petty cash vouchers are numbered when used. All vouchers are adequately supported with necessary documents reviewed and approved by an authorized officer.

3. Cash released without properly supported approved disbursement is a personal liability of the cashier and the manager.

4. All types of loans releases; savings deposit withdrawal from and purchases P 10,000.00 and above will be issued by checks. Checks issued will be not made payable to “cash “but to the specific name of the intended payee.

5. All other disbursements below P 10,000.00 will be paid in cash.

6. All disbursements / payments will be based only on properly supported approved vouchers.

7. Payments or releases to other than the payee will be supported with authorization papers.

8. Withdrawals of savings by organization will be paid through authorized representative only.

9. Withdrawals of deposits will be posted first to the ledger before payment is made to avoid withdrawal in excess of deposits.

10. The coop will be notified of withdrawal of savings in P 10,000.00 and above a day before the actual withdrawal.

11. All cash vouchers together with supporting documents will be marked “Paid “with date of payment to prevent re-cycling of supporting documents.

12. Bank Reconciliation statement will be prepared monthly to reconcile cash in bank balance per books and per bank.

13. No check will be signed in blank. There will be at least two bank signatories.

Alternative check signatories and counter- signatories will be provided to avoid delays in operations when a signatory or counter- signatory is absent.

14. A surprise cash count will be conducted regularly to check any discrepancy between cash on hand balance per books and per actual physical count.

15. Coop employees, who by their functions are required to keep coop funds, will be provided with vault or at least a drawer provided with lock and key. Such cash safes will always be kept under locked whenever unattended. Access to such cash safes will be restricted to only one person, the custodian of the cash.

16. Cash receipts and disbursements will be recorded in the cash receipts and disbursement journals respectively and monthly summaries of which will be posted in the general ledger.

17. Financial Statements will be prepared and submitted monthly.

E. NON-CASH TRANSACTION SYSTEM

1. Non-cash transactions will be covered with journal vouchers which are either pre-numbered or numbered as used.

**REVISED POLICIES, SYSTEMS AND PROCEDURES**

**2009 Implementation**

**MEMBERSHIP POLICY**

1. Qualification of a Member
   1. A person of legal age, 18 years old and above.
   2. A resident of Mactan Island of at least 6 months, or has business/employed in any government or non-government institutions in the island for not less than 6 month.
   3. Has feasible income.
   4. Has the capacity to enter into contract.
   5. A person who believe in the guiding philosophy and principles of the cooperative.
2. Application for Membership
   1. The application for membership shall be done in writing by an applicant who has completed the Pre-Membership Education ( PMES ) by filling up the membership from which shall be presented to the Board for approval.
   2. The application shall be accompanied by a membership fee of Php 120.00 which amount shall be returned to the applicant upon rejection.
   3. The member shall pay the minimum of Php 1,000..00 Fixed Capital Deposit, in lump sum or in installments. He shall be considered a full pledged member upon the full payment of the said amount.
   4. Background investigation shall be conducted.
3. Duties of Member
   1. Pays the annual dues of Php100.00 per year.
   2. Continuously pay the share capital of not less than 2 shares per month. (Php 100 = 1 share )
   3. Attend meetings and participates in the affairs of the cooperative.
   4. Obeys the rules and regulations of the cooperative as agreed by all members.
4. Membership withdrawal
   1. Voluntary withdrawal from membership shall be made in writing and be submitted to the Board for appropriate action.
   2. No Member is allowed to withdraw his/her membership during any period in which the said member has any pending obligation with the coop.
   3. The Fixed Capital Deposit ( FCD ) of approved member’s withdrawal shall be refunded 60 days after such approval to give the staff sufficient time to review the records for any pending obligation.
   4. No member shall be allowed to withdraw his/her membership within 12 months after such deposit.

**LEADERSHIP POLICY**

1. Qualification and Disqualification of Officers

All members in good standing (MIGS) who have been members for at least one year and is willing to serve the coop are qualified to be voted for as officers, except those the following:

* 1. having been absent for three consecutive officer’s meeting without being excused ;
  2. having convicted of any crime involving moral turpitude, gross misconduct in the performance of his duties and found culpable in any administrative case involving such offense;
  3. facing a defendant or respondent on administrative proceedings or civil suit involving financial and property accountability;
  4. holding any elective position in the government, except barangay level;
  5. is delinquent in payment of capital contribution, accounts and loan, if any.

1. Power and Duties of Officers

The officers of the cooperative shall have the general supervision and control of the affairs of the coop. They shall prescribe policies consistent with the government laws, rules and /or regulations.

B1. BOARD OF DIRECTORS

1. Conduct at least one regular session every month and not more than two special sessions. The regular meeting shall be held every 3rd Saturday.
2. Formulate and review the organization’s policies in accordance with laws, the coop by laws, and the resolutions approved by the General Assembly.
3. Receive and analyze financial reports.
4. Require regular monthly reports from committees and analyze the same for proper decision and action.
5. Review delinquent accounts and determine course of action to minimize delinquency rate.
6. Receive and analyze member’s complain and determine action thereto.
7. Require preparation of an annual budget and present it to General Assembly.
8. Make a periodic review of budget and compare to actual performance.
9. See to it that all coop records are kept current.
10. See to it that the subsidiary and controlling accounts are reconciled at least semi-annually.
11. See to it that minutes are promptly prepared and filed with copies distributed to BOD members and all committees.
12. Install safeguard and internal control system as soon as possible.
13. Replace board members who do not perform their duties or who has been absent from three consecutive regular meetings without being excused.
14. Require committees to replace members who do not perform their duties or being absent for three consecutive meetings without being excused.
15. Require / secure from General Assembly the authority to borrow money and issue such evidence of indebtedness.
16. Request the General Assembly for authority to make investments in other coops and/or other business ventures.
17. Hire/fire coop manager and employees with a cause, prescribe job description and determine compensation for management staff.
18. See to it that performance audit is conducted to coop manager.
19. Determine which coop officer/staff are to be bonded and the amount thereto.
20. Provide adequate insurance protection for all coop equipments , facilities, personnel and members.
21. Adopt standard chart of accounts as mandated by law.
22. See to it that an external audit is conducted by a reputable external auditor.
23. Prepare a yearly action plan as a guide for coop development.
24. Act promptly on membership application or withdrawal.
25. Declare dividend and patronage refund annually.
26. Designate bank depository and signatories.
27. Render a written manual report to the general assembly.
28. Attend officer’s training.

B2. EDUCATION COMMITTEE

1. Brings people to cooperation through a continuous education.
2. Awakens people’s mind and will to cooperative action by teaching the aims, principles and methods of such action.
3. Provides means through which members gain knowledge and faith in the coop movement.
4. Provides members with information regarding the operation through ownership meetings and newsletter.
5. Prepares the members to exercise their right and responsibilities as member owner.
6. Provides opportunities to the general public to unite and familiarize the aims, purpose and philosophy of cooperative movement.
7. Prepares annual budget for education and training program based on existing CETF.
8. Prepares an annual education plan for :
   1. potential members
   2. existing members
   3. officers and leaders
   4. management staff
9. Prepares and renders written annual report to General Assembly.
10. Initiates and facilitates ownership meetings.
11. Attend educator’s trainings.
12. Prepares and submits written report to BOD monthly.

B3. CREDIT COMMITTEE

1. Sets en banc when processing loan and keeps minutes of such meeting.
2. Conducts credit/background investigation to first timer loan applicants and prospective members.
3. Maintains record of loan application and loan processed.
4. Determines applicant’s qualification for loans applied for. In capacity to pay, loan of members with small share capital, CI/BI is a must.
5. Gives financial/loan counseling to members.
6. Maintains a copy of lending policies prescribed by BOD.
7. Recommends policies to BOD to change implacable provisions as necessity requires.
8. Maintains cordial relationships with members , holds information regarding member’s loan with confidentiality.
9. Considers all loan applications on the merits of the borrower and guarantor.
10. Prepares and submits written report to BOD monthly and annually to General Assembly.
11. Fills up vacant position in the committee and reports such to BOD.
12. Attends credit management seminars.

B4. AUDIT AND INVENTORY COMMITTEE

1. Conducts financial and management audit regularly.
2. Conducts performance audit on BOD and different committees when necessary.
3. Submits audit reports to the BOD at regular meetings and General Assembly meeting annually.
4. Verifies member’s passbook/ledger at least once a year.
5. Fills up vacant position in the committee and report such to the BOD.
6. Assists and coordinates with external auditors during external audit.
7. Attends auditing and internal control seminars and training.

B5. DELIQUENCY CONTRL COMMITTEE

1. Assists Management staff in the process of preventing occurrence of any delinquent accounts payable to the coop.
2. Helps eliminate delinquent accounts thru legal means.
3. Acts preventive and corrective measures on delinquent members.
4. One BOD member to head the committee and shall appoint members as maybe required.
5. Submits report to BOD of its performance and make recommendation for appropriate action.

B6. ELECTION COMMITTEE

1. Prepares election rules and guidelines for BOD approval.
2. Scrutinizes nominee’s qualification for elective position at least one month before GA meeting.
3. Prepares election paraphernalia.
4. Presides over election proceedings.
5. Facilitates clean, honest and orderly election.
6. Performs the canvass of ballots and proclaim the winners.
7. Does other job as requested by the BOD.

B7. SECRETARY

1. Keeps a complete list of all member and maintains correct record if minutes of all BOD meetings.
2. Furnish all officers minutes of previous BOD meeting before regular meeting schedule for approval thereof.
3. Gives Notice of all meetings called to all officers five days before the schedule. However, notice of regular BOD meeting maybe dispensed with.
4. Keeps and maintains the Stock and Transfer Book and serves as custodian of corporate seal of the cooperative.
5. Turn over to his/her successor all books and other properties in his/her possession belonging to the coop property.
6. Performs such other function as BOD/General Assembly may require.
7. Removal of Officers

Any removal of officers or committee members from the office maybe made for CAUSE by a majority vote of the Committees, BOD or the GA and giving the officer concerned the opportunity to defend him/her.

“For cause” means

1. non-attendance of regular and special meetings as prescribed under this policy,
2. remiss in the performance of duties,
3. cropping-up of circumstances which places said officer under the disqualifications as prescribed by the By-laws.

1. Honorarium and Per Diems
   1. Committees on regular meetings or performing functions as prescribed shall receive per diems as mandated by BOD and concurred by GA.
   2. BOD on regular/special meetings subject for limitation prescribed and concurred by GA shall receive honorarium. However, non attendance on Committee/BOD meetings shall disqualify absentee officers from receiving honorarium/per diems.
   3. The secretary shall receive honorarium/per diems as allowed by BOD which needs concurrence by the GA.
2. Bonus
   1. Bonus to management staff shall be given as Christmas gift for their work in the coop equivalent to one month which may be thirteenth month pay, provided the coop operations shall no the jeopardized.
   2. Bonus to officers maybe granted through a “resolution” passed by BOD subject to concurrence by General Assembly.
   3. Other forms of bonus maybe granted in conformity with existing laws.

**FINANCIAL POLICY**

A. MEMBER’S EQUITY ( Share Capital or Fixed Deposit )

1. A member of the cooperative with corresponding regular share pledges upon application for membership, whereby the required capital subscription shall be complied as prescribed in the membership application form.
2. Share Capital pledges on the affordability of a member.
3. Minimum Fixed Deposit of Php 1,000.00 equivalent to ten (10) shares is required for a member in order to avail the credit services of the cooperative. However, if a member pays in installment basis, the initial should be Php 300.00 , equivalent to three shares.
4. Regular or Full Pledged members are encouraged to continue their capital build up if subscribe capital is not fully paid and authorized capital has not yet reached.
5. Any member may increase his/her fixed deposit at least two shares (Php200.00) per month up to maximum as prescribed by BOD.
6. Dividends and patronage refund maybe distributed to Fixed Deposit for regular payer and fines payment of loan to delinquent members
7. 5% retention on regular loan ( productive and provident ) is credited to member’s fixed deposit or share capital.
8. Any member can subscribe a maximum amount of share capital but shall not exceed 20% of the total authorized capital of the cooperative. Outright, shall pay at least 25% of the subscribed share capital but not prohibited to immediately pay the total capital share as subscribed.
9. A bonafide member shall pay subscribed share capital within the specific term indicated in the membership papers.
10. Member shall determine voluntary payment of pledges or subscribed share capital upon application for membership.
11. An applicant shall pay Php120.00 as membership fee upon submission of approved application form for membership.
12. Member shall pay Php100.00 as Annual Dues.
13. Any member can make savings deposit after full payment of the minimum fixed deposit of Php1,000.00.

B. POLICY ON SAVINGS DEPOSIT AND WITHDRAWAL OF SAVINGS

1. Any member can open savings deposit in MIMPC.
2. Depositor must fill up application form fro savings deposit.
3. A minimum deposit of Php200.00 shall be maintained in the account in order to earn an interest of 6% per annum
4. A passbook will be issued to manifest savings deposit account. Passbook balance will be reconciled against the ledger in every transaction made.
5. Computation of interest will be based on the 5th day of every month computed quarterly, added-on and posted to depositor’s ledger.
6. Depositor must fill up withdrawal slip upon withdrawal of savings deposit.
7. Withdrawal of savings deposits in the amount below Php100.00, Php1,000.00 up to Php9,000.00 will be catered thru the Revolving Fund or paid by cash
8. No withdrawal is allowed without his/her passbook unless with proper clearance from the manager.
9. Withdrawal other than the depositor himself will be supported with the written authorization of the depositor his passbook and ID.
10. Posting clerk will verify from the individual ledger and passbook and indicate the updated balance on the withdrawal slip, duly authenticated prior to any disbursement in order to avoid over-withdrawal.
11. In the even that over-withdrawal has been made, the person verifying the balance and the person disbursing the withdrawal shall be liable for the return of the over-drawn amount on the same day.
12. Free insurance will be awarded to depositor on bigger deposits for non-withdrawal within a year.

C. TIME DEPOSIT POLICY

1. A minimum time deposit (TD) is not less than Php5,000.00
2. Issuance of an officially signed certificate of time deposit for each TD.
3. Time deposit will be earn the following interest rates:

- 10% interest - 11-12 months

- 8% interest - 9-10 months

- 7% interest - 7-8 months

- 6.5% interest - 6 months and below

1. Interest earned will be determined according to the depositors chosen term.
2. Interest on deposits will be payable at the end of each interest re-negotiations period, upon renewal or monthly.
3. Free insurance will be given to deposits from Php50,000.00 and above within one year term.
4. Generally there will be no pre-termination of time deposits within a month.
5. If pre-termination of time deposit within a month is granted because of valid reasons it will not earn any interest.
6. Pre-termination of time deposit after a quarter computation of interest will based on 6% per annum divided quarterly.

**LENDING POLICY**

**General Lending Policy**

* + - 1. Only member in good standing “MIGS” can avail of the lending services of the cooperative.
      2. The character, capacity to pay, collateral, condition and credibility shall always be considered in processing on loans.
      3. Loan retention of 5% shall be charged to regular loan amount and will be credited to member fixed deposits whose fixed has not reached the maximum level authorized by the BOD as long as his/her fixed deposit shall not be above 20% of the total paid up capital of the cooperative.
      4. All loan receivables whose term is from three months to one year shall be covered by insurance or Coop Loan Protection Program. Premiums will be paid by members after released.
      5. Loan application endorsed by the manager for credit investigation and if recommended by Credit Investigation Officer (CIO) for disapproval, loan applicant may appeal to Credit Committee (CRECOM). If the member concerned is not satisfied with the CRECOM’s decision, the member can raise the matter to the BOD for final decision.
      6. Service fee of 2% will be charged to regular loans only.
      7. Regular loan: if fixed Deposit is times two, interest rate is 1.5% per month or 18% per annum.
      8. If the amount applied for a loan exceeds times two if fixed deposits, its needs collateral/securities to support the requested amount.
      9. A member whose track record not yet established needs a co-maker or guarantor who is also a member.
      10. A co-maker or guarantor must be liable with the principal debtor’s obligation in the cooperative, incase of default in payment or non-payment of loan.
      11. Fines of 2% based on monthly amortization will be charged for non-payment of loans after the days grace period and after a month or more.
      12. Term of payment to loan applied of Php50,000.00 and below is one month to one year. Maximum term of payment is two years to loan applied in the amount of Php100,000.00 and above.
      13. New member can apply his/her first loan with a maximum amount of Php20, 000.00 only even if the fixed deposit would qualify him/her for a bigger amount and shall then undergo background/credit investigation.
      14. Loans not fully paid on due date, an additional 2% fines will be charged to the remaining balance and advise to reconstruct. Only one reconstruction is allowed.
      15. New member can apply his/her first loan with a month after BI/CI and application form is signed by a guarantor.
      16. Cut off for loan application is every Thursday and loan processing shall be done every Saturday.
      17. Member in good standing and a regular payer will be given priority in immediate release of loan based on member’s needs.
      18. Loan releasing for delinquent members will be done by installment if he will apply for a re-loan.
      19. Delinquent accounts shall be recommended for legal action if amicable means of settling the overdue accounts failed.
      20. Member applying loan for business purpose shall submit a copy of his/her business or mayor’s permit.
      21. If Savings Depositor will apply to be a regular member, he must undergo PMES. His savings deposits will automatically be transferred to his/her fixed deposit and can apply for a loan two weeks after the approval of his/her membership.
      22. The member who has offsetted his/her account and wants to avail of MIMPCs lending services after the offsetting took place shall make an additional fixed deposit.
      23. Offsetting of fixed deposit will be done to overdue accounts if loan balance is equal to his/her fixed deposit.
      24. Savings and Time deposits of members can be used as collaterals and cannot be withdrawn if loan balance is not equal to his/her fixed deposits.
      25. Qualification to avail of a loan: a resident of Mactan Island of at least 6 months, or has business or employed in any government or non-government institutions in the island for not less than 6 months.

1. **Productive Loan**
   1. Fixed deposit is times two (FD x 2 ) with an interest rate of 1.5% per month of 18% per annum.
   2. Regular payer can avail of a productive loan beyond times two ( x2 ) of fixed deposit or times three ( x 3) depending on the availability of funds.
   3. Loans beyond x2 will be charged 2% interest rate per month.
   4. Loans for business purposes shall submit business or mayor’s permit.
   5. Loans applied from Php50, 000.00 and above, require a collateral and subject for BC/CI based on the recommendation of the manager.
   6. Term of payment is from one month to twelve months.
   7. Mode of payment is daily, weekly, bi-monthly or monthly only but lump sum on due date will not be tolerated.
   8. A fine of 2% will be charged based on monthly amortization on non-payment of loan after a month or more.
   9. Loan balance not fully paid on due date after ten days grace period, fines on the whole amount loan balance and additional interest will be computed.
   10. 5 C’s (capacity, character, collateral, condition and credibility) shall be the basis in processing of loans.
   11. A member can avail a loan which times three (x3) of his/her Fixed Deposit. If a member fails to pay monthly amortization based on the promissory note signed, such member cannot apply for a re-loan.

**B. Emergency / Express Loan**

1. Granted only to member in good standing.
2. Charge 3% interest rate, no retention and service fee.
3. Term of payment is from one month to six months only.
4. Instant release within an hour for minimum loan balance can still avail of emergency/express loan from 3,000.00 and a maximum of 20,000.00 (only for those without regular loans) as long as capacity to pay requirement is met.
5. Delinquent members can avail of emergency/express loan for medical purposes only in the amount of 3,000.00.
6. Members who have regular loan balance can still avail of an emergency/express loan from 3,000.00 to 10,000.00 provided that he/she is a regular payer and has settled 50% of all his/her loan obligations and has the capacity to pay.
7. Mode of payment is either daily, weekly, bi-monthly or monthly only.
8. Approval of loan shall be done by the manager.

**C.Special Loan- Financing ( *Capacity Based Lending* )**

1. Granted to Member in Good Standing or Regular payer only.

2. For productive purpose only and depends on the on availability of funds.

3. It will not be based on traditional loan availment procedure FD x2 but on member’s capacity to pay.

4. Has an asset to valid collateral for loan security.

5. Doesn’t have any regular and express/emergency loan balance.

6. Has a good track record on previous loans.

7. Subject for BI/CI for verification of loan applied.

8. Interest rate of 2.5% per month shall be charged. No service fee of 2% and retention.

9. Term of payment from one month to three (3) years in a straight line method.

10. Mode of payment is daily, weekly, bi-monthly or monthly.

**COLLECTION POLICY**

1. Assign collector and officer to follow up delinquent members.
2. Require management/delinquency committee to submit monthly aging on accounts receivables.
3. Conduct regular home visit to delinquent members.
4. Conduct loan counseling to delinquent members.
5. Advise loan restructuring on over due accounts ten days after due date.
6. Assess productive or business loan if member declares bankruptcy of if loan funds were diverted.
7. Assess collaterals before the release of loan and when member failed to settle accounts.
8. Send reminder letters to members with past due accounts from three month and above.
9. Charge 2% fines based on monthly amortization after one month of delayed payment or depending on the number of month’s non-payment.
10. Send collection notice to past due/over due accounts who failed to settle their obligation.
11. Charge of 2% fines on the whole balance of over due accounts.
12. Submit list of delinquent accounts to legal counsel for issuance of demand letter. Demand letter will be served after negotiations fail.
13. Foreclose chattel mortgage collaterals if borrower fails to pay his/her obligation.
14. File a case to doubtful accounts in the barangay for settlement.
15. Implement court action if ways and means are exhausted.

**SYSTEMS AND PROCEDURES**

**A. BANK DEPOSITORIES**

* + - 1. METRO BANK – Lapu-Lapu City branch will be the depository bank of Credit Division
      2. BANCO DE ORO – Lapu-Lapu city branch will be the depository bank for the SM cards3
      3. Visayas Central Fund Federation (VCF)-Cebu City branch for Can-on-Call

1. **SIGNATORIES**

At least any of two designated signatories below except for special cases approved by the BOD:

* 1. Manager
  2. Cashier / Treasurer
  3. BOD Chairperson

**C. CASH RECEIPTS ACCOUNTING AND INTERNAL CONTROL SYSTEM**

1. All collections will be issued with pre-numbered official receipts. Unused and use official receipts will be accounted in the log book. Original copy of cancelled official receipts will be re-attached to the corresponding OR stub.
2. Imp rest system shall be adopted. All collections shall be deposited intact in the bank daily, except Consumers receipts. Disbursement will not be made out of the undeposited collections.
3. Consumers receipts will be cash counted by the teller, turn over to the manager for counter checking. Collection will be remitted by the manager to the teller and receipted as savings.
4. Daily Cash Collection Report (DCCR) will be prepared by the teller and reviewed by the bookkeeper. DCCR balances of account will be reconciled to the Optimum System reports per account.
5. Cash count will be turned-over by the teller to the manager for counter checking of cash and shall be deposited in the bank on the same day.
6. All deposit slips will be signed by the cashier or manager in the absence of the Treasurer.
7. Allocate Php100, 000.00 as Revolving Fund and Php20, 000.00 as Petty Cash Fund.

**D. CASH DISBURSEMENT ACCOUNTING AND INTERNAL CONTRAOL SYSTEM**

1. All disbursement will be covered with general vouchers ( for major disbursements), cash vouchers ( for revolving fund), and petty cash vouchers ( for petty cash fund ).
2. General Vouchers will be pre-numbered, cash vouchers and petty cash vouchers are numbered when used. All vouchers are adequately supported with necessary documents reviewed and approved by an authorized officer.
3. Cash released without properly supported approve disbursement is a personal liability of the teller and the manager.
4. All types of loans releases; savings deposit withdrawal from and purchases Php10, 000.00 and above will be issued by checks. Checks issued will not be made payable to “cash” but to the specific name of the intended payee.
5. All other disbursements below Php10,000.00 will be paid in cash.
6. All disbursements/payments will be based only on properly supported approved vouchers.
7. Payments or releases to other than the payee will be supported with authorization papers.
8. Withdrawals of savings by organization will be paid through authorized representative only.
9. All withdrawals will be checked from the system before payment is made to avoid withdrawal in excess of deposits.
10. The coop should be notified of withdrawal of savings for Php10, 000.00 and above a day before the actual withdrawal.
11. All cash vouchers together with supporting documents will be marked “Paid” with the date of payment to prevent re-cycling of supporting documents.
12. Bank Reconciliation statement will be prepared monthly to reconcile cash in bank balance per books and per bank.

No check will be signed in blank. There will be at least two bank signatories. Alternative checks signatories and counter – sign

**NEW MEMBER RECRUITS GUIDELINES**

In responseto the 5 year Developmental Plan of Mactan Island Multi Purpose Cooperative (MIMPC) crafted Year 2009 which is to increase membership, any Member in Good Standing (MIGS) may recruit new members with an incentive of P50.00 per recruit added to the recruiter’s Fixed Capital Deposit provided the guidelines below are met:

The new recruit shall have

1. attended the Pre-Membership Education Seminar (PMES) conducted by any officer/s and or manager of Mactan Island Multi Purpose Cooperative (MIMPC);
2. met all the qualifications of being a member;
3. applied for membership in writing, indorsed by the Manager and approved by the Board of Directors;
4. paid P120.00 as membership fee;
5. paid a minimum of P1,000.00 Fixed Capital Deposit;
6. a good credit track record
7. availed of the services of Mactan Island Multi Purpose Cooperative (MIMPC) and not delinquent.
8. Maximum of 5 recruits per year per member

**POLICY FOR CONSUMER’S STORE**

1. SOURCES OF FUNDS OR WORKING CAPITAL
   1. Working Capital: \_\_\_\_\_\_\_\_\_\_\_\_\_
   2. Source of Funds: \_\_\_\_\_\_\_\_\_\_\_\_\_

b.1) Internal Source: Cooperative

b.2) External Source:

The availment of credit line must be approved by the Manager or by the Chairman of the Board. Track record of the member should also be one of the bases for availment of credit line which will be determined by the Manager.

1. STORE HOURS

The store will open 8:30 a.m. to 5:30 p.m. from Monday to Saturday including holidays.

1. STORE IN-CHARGE AND THE CONTROL OF KEY

The Manager and Teller shall be responsible for the control of the store key and the duplicate copy shall keep inside the office.

1. CANVASSING AND PURCHASING
   1. All purchases should be done with a purchase order.
   2. Purchase will be done vis a vis with actual purchase order and booking.
   3. Purchase payable within 15 days; in case of bad orders a request for replacement will be automatically done so that the supplier can replace the goods.
2. RECEIVING AND CHECKING OF GOODS
   1. All goods should be properly checked by the stock clerk with the presence of the salesclerk and the supplier.
   2. After the checking the stock clerk will submit the sales invoice to the teller.
   3. In all cases, all goods received should be based on purchase order duly approved by the Manager.
3. WAREHOUSING AND STORING (STOCK CONTROL RECORDS)
   1. The salesclerk is responsible for updating the stock of every item.
   2. Damage or lost of goods due to negligence should be charged to the salesclerk or helper. Payment should be made through salary deduction.
4. PRICING
   1. Price mark-up will be based on prevailing selling price of other consumer store.
   2. The bookkeeper and manager is responsible for the pricing of goods.

1. PRICE MARKING / WEIGHING AND REPACKING
   1. Price marking, weighing and repacking will be done by the salesclerk and the helper.
2. SELLING

All sales will be covered by sales invoice.

1. CONTROL OF CASH

* 1. All collections/sales should be remitted/forwarded intact daily to the cashier.
  2. No disbursement should be taken from the daily sales.
  3. Any shortage in cash sales will be charged to the salesclerk and helper. They are going to pay thru salary deduction. In case of cash shortage the following sanctions will be applied:

c.1) 1st offense Warning

c.2) 2nd and 3rd offense Suspension

c.3) 4th offense Dismissal

* 1. Cash overage will be issued by cash invoice and will be treated as other income.

1. INVENTORY
   1. Inventory will be done by the AICOM assisted by the staff on a quarterly basis.
   2. In the absence of AICOM, the staff will do the inventory.
   3. AICOM will be given \_\_\_\_ honorarium per day.
2. CONSIGNMENT OF GOODS

* 1. Consignment of goods will be approved by the Manger with contract as an agreement.
  2. Stock card for consigned goods will be separated from the existing stock cards of the goods should in the store
  3. Inventory/ listing of consigned goods will be prepared in a separate report.

1. PROMOTION

During ownership meeting, the BOD, In-Charge on Consumers will be given time to report the updates to the members.

1. DECLARATION OF PATRONAGE REFUND

Declaration of Patronage refund will be based on the members total purchases for the whole year.

**2002-2007 IMPLEMENTING POLICIES**

**MEMBERSHIP POLICY**

1. Qualification of a Member

Regular Member

1. Person of legal age 18 years old and above.

2. Resident of Mac tan Island, at least 6 months or has occupation / business in the Island for not less than 6 months.

3. with visible income.

4. with capacity to enter into contracts or head of the family.

5. Person who believe in the guiding philosophy and principles of the cooperative.

1. Application for Membership
   1. The application for membership shall be made in writing by an applicant who has completed the Pre-Membership Education (PMES) on the form for membership which shall be presented to the Board for action.
   2. The application shall be accompanied by a membership fee of Php 120.00 which amount shall be returned to the applicant upon rejection.
   3. The member shall pay the minimum of Php 1,000.00 Fixed Capital Deposit, in lump sum or in installments. He shall be considered a full pledged member upon the full payment of the said amount.
   4. Background investigation shall be conducted on new applicants.

1. Duties of a Member

1. Pay the annual dues of Php 100.00 per year.

2. Continuous capital build-up of all members of not less than 2 shares a month

3. Attendance to meetings and participation in the affairs of the cooperative.

4. Obey the rules and regulations of the cooperative as agreed by all members.

1. Membership Withdrawal

1. Voluntary withdrawal from membership shall be made in writing and

submitted to the Board for appropriate action.

2. No member is allowed to withdraw his/her membership during any period in which the said member has any pending obligation with the coop.

3. The Fixed Capital Deposit (FCD) of approved member’s withdrawal shall be refunded 60 days after such approval to give the staff sufficient time to review the records for any pending obligation

4. No member shall be allowed to withdraw his/her membership within 1

month after such deposit.

**LEADERSHIP POLICY**

1. Qualification and Disqualification of Officers

All members in good standing (MIGS) who have been members for at least one year and is willing to serve the coop are qualified to be voted for as officers, except those of the following:

1. having been absent for three consecutive officer’s meeting without being excused.
2. having been convicted of any crime involving moral turpitude, gross misconduct in the performance of his duties and found culpable in any administrative case involving such offense;
3. facing as defendant or respondent on administrative proceedings or civil suit involving financial and property accountability;
4. holding any elective position in the government, except party list representative;
5. is delinquent in payment of capital contribution, accounts and loan, if any.
6. Powers and Duties of Officers

The officers of the cooperative shall have the general supervision and control of the affairs of the coop. They shall prescribe policies consistent with laws.

B1. Board of Directors

* 1. Conducts at least one regular session every month and not more than two special sessions. The regular meeting shall be held every 3rd Saturday.
  2. Formulate and review the organization’s policies in accordance with laws, the coop by-laws, and the resolutions approved by the General Assembly.
  3. Receive and analyze financial reports.
  4. Requires regular monthly reports from committees and analyze than same for proper decision and action.
  5. Review delinquent accounts and determine course of action to minimize delinquency rate.
  6. Receive and analyze member’s complain and determine action thereto.
  7. Requires preparation of an annual budget and present it to General Assembly.
  8. Make a periodic review of budget and compare to actual performance.
  9. See to it that all coop records are kept current.
  10. See to it that the subsidiary and controlling accounts are reconciled at least semi-annually.
  11. See to it that minutes are promptly prepared and filed with copies distributed to BOD members and all committees.
  12. Install safeguard and internal control system as soon as possible.
  13. Replace board members who do not perform their duties or who has been absent from three consecutive regular meetings without being excused.
  14. Require committees to replace members who do not perform their duties or being absent for three consecutive meetings without being excused.
  15. Require/ secure from General Assembly the authority to borrow money and issue such evidence of indebtedness.
  16. Request the General Assembly for authority to make investments in other coops and/or other business ventures.
  17. Hire/fire coop manager and employees with a cause, prescribe job description and determine compensation for management staff.
  18. See to it that performance audit is conducted to coop manager.
  19. Determine which coop officer/staff are to be bonded and the amount thereto.
  20. Provide adequate insurance protection for all coop equipments, facilities, personnel and members.
  21. Adopt standard chart of accounts as mandated by CDA.
  22. See to it that an external audit is conducted by a reputable external auditor.
  23. See to the preparation and adoption of a yearly action plan as a guide for e coop development
  24. Act promptly on membership application or withdrawal.
  25. Declare dividend and patronage refund annually.
  26. Designate bank depository and signatories.
  27. Render a written annual report to the general assembly
  28. Attend officers’ training

B2. EDUCATION COMMITTEE

1. Brings people to cooperation through a continous education.
2. Awaken peoples’ mind and will to cooperative action by teaching the aims, principles and methods of such action.
3. Provides means through which members gain knowledge and faith in the coop movement.
4. Provide members with information regarding the operation through ownership meetings and newsletter.
5. Prepare the members to exercise their rights and responsibilities as member owner.
6. Provide opportunities to the general public to unite and familiarize the aims, purpose and philosophy of cooperative movement.
7. Prepares annual budget for education and training program based on existing CETF.
8. Prepares an annual education plan for:
   1. potential members
   2. existing members
   3. officers and leaders
   4. management staff

9. Prepare and render/ submit written annual report to General Assembly

10. Initiate and facilitate ownership meetings.

11. Attends educators ‘trainings.

12. Prepares and submits written reports to BOD monthly.

B3.CREDIT COMMITTEE

1. Sit en banc when processing loan and keep minutes of such meeting.

2 Conduct credit/ background investigation to first timer loan applicants and prospective members.

3. Maintain record of loan application and loan processed.

4. Determine applicants ’qualification for loans applied for. In capacity to pay, based on loan of members with small FCD CI/BI is a must.

5. Give financial / loan counseling to members.

6. Maintain a copy of lending policies prescribed by BOD. Recommend Policies to BOD to change implacable provisions as necessity requires.

7 .Maintain cordial relationships with members, holds information

regarding members’ loan with confidentiality.

8 Consider all loan applications on the merits of the borrower and the Guarantor.

9 .Prepare and submit written report to BOD monthly, and annually to General Assembly

1. Fill up vacant position in the committee and report such to BOD.
2. Attend credit management seminars.

B 4. AUDIT AND INVENTORY COMMITTEE

1. Conduct financial and management audit regularly.
2. Conduct performance audit on BOD and different committees when necessary.
3. Submit audit reports to the BOD at regular meetings and General Assembly meeting annually.
4. Verify members’ passbook/ ledger at least once a year.
5. Fill up vacant position in the committee and reports such to the BOD.
6. Assist and coordinate with external auditors during external audit.
7. Attend auditing and internal control seminars and trainings.

B 5. DELINQUENCY CONTROL COMMITTEE

1. Help Management Staff in the process of preventing occurrence of any delinquent accounts payable to the coop.

2. Help to eliminate delinquent accounts thru legal means.

3. Act preventive and corrective measures on delinquent members.

4. Headed by a BOD member who shall appoint members as maybe required.

5. Submit report to BOD of its performance and make recommendation for appropriate action.

B 6. ELECTION COMMITTEE

1. Prepare election rules and guidelines for BOD approval.
2. Scrutinize nominee’s qualification for elective position at least one month before GA meeting.
3. Prepare election paraphernalia.
4. Presides over election proceedings.
5. Facilitate clean, honest and orderly election.
6. Perform the canvass of ballots and proclaim the winners.

B 7. SECRETARY

1. Keep a complete list of all members and maintain correct record of minutes of all BOD and GA meetings.
2. Furnish all officers minutes of previous BOD meeting before regular meeting schedule for approval thereof.
3. Give notice all meetings called to all officers five days before the schedule. However notice of regular BOD meeting maybe dispensed with.
4. Keep and maintain the Stock and Transfer Book and serve as custodian of corporate seal of the cooperative.
5. Proper turn over to his/her successor all books and other properties in his/her possession belonging to the coop, and
6. Perform such other function as BOD/ General Assembly may require.
7. Removal of Officers

Any removal of officers or committee members from the office maybe made for CAUSE by a majority vote of the Committees, BOD or the GA after hearing and giving the officer concerned the opportunity to defend him/her.

‘For cause’ means

1. non-attendance of regular and special meetings as prescribed under this policy,
2. remiss in the performance of duties;
3. Cropping up of circumstances which places said officer under the disqualifications as prescribed by the By-laws.
4. Honorarium and Per Diems
   1. Committees on regular meetings or performing functions as prescribed shall receive per diems as mandated by BOD and concurred by GA.
   2. BOD on regular/ special meetings subject to limitation prescribed and concurred by GA shall receive honorarium. However, non attendance on Committee /BOD meetings shall disqualify absentee officers from receiving honorarium/per diems.
   3. The secretary shall receive honorarium/per diems as allowed by BOD which needs concurrence by the GA.

1. Bonus
   1. Bonus to management staff shall be given as Christmas gift for their work in the coop equivalent to one month which may be term as thirteenth month pay, provided coop operation shall not be jeopardized.
   2. Bonus to officers maybe granted through a “resolution” passed by BOD subject to concurrence by General Assembly.
   3. Other forms of bonus maybe granted in conformity with existing laws.

**FINANCIAL POLICY**

1. MEMBER’S EQUITY ( Paid-up Capital or Fixed Deposit)
   1. A member of the cooperative with corresponding regular share pledges upon application for membership, whereby the required capital subscription shall be complied as prescribed in the membership application form.
   2. Share capital pledges shall depend on the affordability of a member.
   3. Minimum Fixed deposit of P. 1,000.00 equivalent to ten ( 10 ) shares is required for a member in order to qualify for availment of the credit services of the cooperative. However, if a member pays in installment basis the initial deposit should be P 300.00, equivalent to three shares.
   4. Regular or Full Pledged members are encourage to continue their capital build up if subscribe capital is not fully paid and authorize capital not yet reach.
   5. Any member may increase his / her fixed deposit at least two shares (200.00) per month up to maximum as prescribed by BOD.
   6. Dividends and Patronage refund maybe distributed to Fixed Deposit for regular payer, fines and loan repayment to delinquent members.
   7. 2 % Retention on regular loans (productive and provident ) is credited to member’s fixed deposit or share capital.
   8. Any member can subscribe maximum amount of share capital but not exceed 20% of the total authorized capital of the cooperative. Outright, shall pay at least 25% of the subscribed share capital but not prohibited to immediately pay total capital share as subscribed.
   9. A bonafide member shall pay subscribed share capital within the specific term indicated in the membership papers.
   10. Member shall determine voluntary payment of pledges or subscribed share capital upon application for membership.
   11. Payment of P 120.00 as membership fee upon submission of approved application form for membership.
   12. Payment of P 100.00 as Annual Dues yearly.
   13. Any member can make savings deposit after full payment of the minimum fixed deposit of P 1,000.00.

**SAVINGS DEPOSIT POLICY**

1. Any member, children of members, member family related and friends can open savings deposit in MIC.

2. Depositor must fill up application form for savings deposit.

3. Minimum deposit of P200.00 for savings deposit shall be maintained in the account in order to earn interest.

4. A passbook will be issued to manifest savings deposit account. Passbook balance will be reconciled against the ledger in every transaction made.

5. Computation of interest will be based on the 5th day of every month computed quarterly, added-on and posted to depositor’s ledger.

6 Savings deposit maintaining balance of P 200.00 an above will earn an interest of 6% per annum.

7. Depositor must fill up withdrawal slip upon withdrawal of savings deposit.

8. Withdrawal of savings deposits in the amount of below P 100.00, one thousand and above up to P 9,000.00 will be catered thru Revolving Fund or paid by cash.

9. Check will be issue on withdrawal of savings deposit on P 10,000.00 and above.

10. No withdrawal is allowed without passbook unless with proper clearance from the manager.

11. Withdrawal other than the depositor himself will be supported with proper written authority from the depositor accompanied with passbook and ID.

12. Posting clerk will verify from the individual ledger and passbook and indicate the updated balance on the withdrawal slip, duly authenticated prior to any disbursement made in order to avoid over-withdrawal.

13. In the event that over-withdrawal has been made, the person verifying the balance and the authority disbursing the withdrawal shall be liable for the return of the over-drawn amount on the same day.

14.Free insurance will be award to depositor on bigger deposits for non-withdrawal within a year.

**TIME DEPOSIT POLICY**

1. Minimum time deposit placement shall not be less than P 5,000.00.

2. A certificate of time deposit will be issued for any time deposit placement.

3. Time deposit will earn 12 % interest per annum, 10 % for ten months but

not below ten months.

4. Time deposit placement for six months only interest earn will based on 6 % per annum.

5. Interest earn will be determined according to depositors chosen term.

6 Interest on deposit will be payable at the end of each interest renegotiations period or renewal.

7. Depositor may choose when to receive the interest payable; either monthly or due period.

8. Free insurance will be given to deposits of P 50,000.00 and above with one year term.

9. No pre-termination of time deposits within a month.

10. Pre termination of time deposit within a month or after a month will not earn interest.

11. Pre-termination of time deposit after a quarter computation of interest will based on 6% per annum divided by quarterly.

**Proposed Implementing Rules and Regulation on REVISED POLICIES OF 2008**

**Objective**: To ensure sustainable and viable cooperative practicing fair and just system and procedure, to act good governance and practice ethical standards.

**Purpose:**

1. To valued retirees (as grateful act) who trusted us by transferring their money from banks.
2. As an innovative approach “ Think Globally, Act Locally”
3. An initiative to lessen risk in credit facility
4. An enterprise concept, to have more surplus, as better service provider
5. To maintain credibility in public ( public trust and confidence)
6. To act in task and functions as duties, responsibilities and accountabilities of members, officers and management staff of Mactan Island MPC.
7. **Savings Deposits**
8. An Opening Amount : from 200.00 to 500.00 ( Starting April,2010)
9. Maintaining Balance of 1,000.00 to earned interest
10. Service Fee of P/20.00 ( Dormant, Below maintaining balance)
11. Bracketing of amount based on interest rate per annum - 1,000.00 to 25,000.00 = 3%

- 25,001.00 to 50,000.00 = 4%

- 50,001.00 to 100,000.00 = 5%

- 100,001.00 0ver = 6%

2**. Time Deposits**

1. An increase in minimum amount in opening of TD from 5,000.00 to 10,000.00 starting April, 2010
2. Maintain interest rate of 12% to old time depositors from 50,000.00 and above since 2004-2008 maturity as strategy and unique approach to gain loyalty.

* Bracketing of amount for new interest rate and term to new depositors. 100,000.00 and above = 12% = 12 months and over placement
* 50,000.00 to 99,999.99 = 10% =10 t0 12mos, placement
* 25,000.00 to 49,999.99 = 8% = 8 to 10 mos,placement
* 10,000.00 to 24,999.99 = 7% = 6 to 8 mos. Placement

1. Lesser interest rate of 8% in TD used as collateral of loans
2. **Special Loans**
3. Interest rate range from 2% to 2.5% per month on productive loans (2% below 50,000.00 & above 50k 2.5 %)
4. 2%per month interest rate for redemption of loans
5. 5% retention as continuous capital build up
6. 2% service fee of total loanable amount Minimum loan availment x3 of Paid up capital below 50,000.00 with feasible business or income.
7. Credit line on big loans who have existing big business that need financial assistance and track record already tested.
8. Issuance of postdated checks on credit line monthly amortization and shall be deposited in bank upon due date, no hold on or ask favor for extension and pending of postdated checks.
9. **Reward System**
10. Rebate of interest on consistent current loans
11. Member in good standing can easily avail all credit facilities
12. Efficient and effective services offered on MIGS beyond our capacity ( in line with our partners ,PCF) or endorsement to PCF.
13. P50.00 per recruit on quality/asset prospect member credited instantly to Paid up Capital member recruiter
14. Awards on highest paid up capital, savings and time deposits and good payers
15. Recognition of MIGS, working and effective/efficient Officers and mgt staff (MBO)
16. More incentives will be given to MIGS and loyal depositors ( Loyalty Award)
17. **Sanctions –**
18. Consistent notices will be send to delinquent members, officers and mgt staff
19. Delinquent members ,officers and mgt staff must under go due process
20. Legal actions must be implemented thru: Mediation, CIBI and Court proceedings
21. Suspension on loan availment based on number of months past due
22. Performance appraisal must be acted to all concern (members, officers and mgt staff)
23. Subject for termination of members, officers and mgt staff for non-payment of loans for straight 3months and over based on promissory note signed
24. Suspension in distribution of dividends to delinquent members, officers and mgt staff
25. Partial offsetting on Paid Capital to long over due accounts after legal actions
26. Delinquent members will not be invited to attend coop activities
27. Delinquent officers cannot be anymore run for candidacy and oblige to attend in GA and OMS

**LENDING POLICY**

General Lending Policy

1. Only member in good standing “ MIGS” can avail lending services of the cooperative
2. The character, capacity to pay, collateral, condition and credibility shall always be considered in processing of loans.
3. A loan retention of 2% shall be charge to the loan amount and will be credited to member fixed deposits whose fixed deposit has not reach the maximum level authorized by the BOD.
4. All loans receivables whose term is from three months to one year shall be covered by insurance or Coop Loan Protection Program. Premiums will be paid by members after released.
5. Loan application endorsed by the manager for credit investigation if recommended by Credit Investigation Officer (CIO) for disapproval, loan applicant may appeal to Credit Committee (CRECOM). If the member concerned is not satisfied with the CRECOM decision the member can raise the matter to the BOD on appeal for final decision.
6. Service Fee of 2% will be charge to regular loans only.
7. Regular loan availment Fixed Deposit x 2 with an interest of 1.5% per month or 18 % per annum.
8. An additional of 2 % interest in excess of x 2 loan applied, offered to regular payer only.
9. 1 % interest per month to loans equal to Fixed Deposit or less than F.D.
10. Loan applied of P/ 50,000.00 and above need collateral or securities.
11. Member whose track record not yet established need a co-maker or guarantor also a member.
12. A co-maker or guarantor must be liable with the principal debtor obligation in the cooperative, incase of default payment or non-payment of loan.
13. Fines of 2 % based on monthly amortization will be charge to non-payment of loans after ten days grace period after a month or more past due.
14. Term of payment from one month to one year to loan applied of 50,000.00 and below. Maximum term of payment is two years to 100,000.00 and above (loan applied) but computation of interest is good for one year only.
15. First loan applied shall undergo background / credit investigation, but succeeding loans BI/CI depend upon the recommendation of the manager.
16. Loans not fully paid on due date an additional 2 % fines will be charge to the whole amount balance and advice for reconstruction. Only one reconstruction is allowed.
17. New member can apply his / her first loan within a month after BI / CI and application form is sign by a guarantor.
18. Loan processing shall be as follows; for loans less than 20,000.00 – 7 to 14 days and for loans more than 20,000.00 14 to 30 days.
19. Member in good standing and regular payer will be given priority in immediate releasing of loan base on member’s need.
20. Loan releasing of delinquent members by installment applying for a reloan will depend on availability of funds.
21. Delinquent accounts may endorse for legal action if amicable means of settling of overdue accounts failed.
22. Member apply loan for business purposes may require to submit a copy of his/her business or mayor’s permit..
23. Savings Depositor if apply for a regular member must undergo PMES, automatically savings deposits will be transfer to Fixed deposit and can apply for a loan two weeks after approval of membership.
24. Offsetting of fixed deposit will be done to overdue accounts if loan balance is equal to fixed deposit. Partial offsetting is applied to delinquent member whose overdue accounts is refer for legal action.
25. ( Addendum ) Savings and Time deposits of members can be used as collaterals of but cannot be withdrawn if loan balance is not equal to fixed deposits.

**PRODUCTIVE LOAN**

1. Fixed deposit times two (FD x 2) with an interest rate of 1.5% per month or 18% per annum.
2. Regular payer can avail a loan beyond times two (x 2) of fixed deposit or times three depend on availability of funds.
3. Loans beyond x 2 classified under x 3 will be charge 2% interest per month.
4. Loans for business purposes shall submit business or mayor’s permit.
5. Loan applied from 50,000.00 up requires collateral and subject for BI/CI base on the recommendation of the manager.
6. Term of payment is from one month to twelve months.
7. Mode of payment is either daily, weekly, bi-monthly or monthly only but lump sum on due date will not be tolerated.
8. 2% Fines will be charge based on monthly amortization on non-payment of loan after a month or more past due.
9. Loan balance not fully paid on due date after ten days grace period, fines on the whole amount loan balance and additional interest will be computed.
10. 5 Cs (capacity, character, collateral, condition and credibility) shall be the basis in processing of loans.
11. Member avail loan times three ( x 3 ) of Fixed deposit if fails to pay amortization based on promissory note signed, cannot apply the same on reloan.

**PROVIDENT LOANS**

A. Granted for non-related business purposes like; house renovation, educational Expense and others.

B. Fixed deposit x 2 but not exceed to 50,000.00. If member fixed deposit exceed still up to 50,000.00 only ca be applied.

C. Interest rate of 1.5% per month or 18% per annum.

D. Longest term of payment is one year.

E. Mode of payment is either daily, weekly, bi-monthly or monthly only depend on Member’s capacity to pay.

F. Subject for CI /BI as recommended by the manager.

G. Fixed deposit x 3 is case to case basis only but with reasonable purpose and has valid collateral.

H. Subject for approval of CRECOM.

I. Excess of x 2 loan applied will bear an interest of 2% per month.

J. Fines of 2% will charge of non-payment after a month with ten (10) days grace period based on monthly amortization.

K. No fraction of interest or if a member pays the whole amount of loan less than one month after released, he / she will pay the computed interest for one month.

**SPECIAL LOAN (Capacity Based Lending)**

1. Granted to Member in Good Standing or Regular payer only.
2. For productive purpose and depend on availability of funds.
3. Will not based on traditional loan availment procedure FD x 2 but on member’s capacity.
4. Has an asset, valid collaterals for loan security.
5. Don’t have any regular and express / emergency loan balance.
6. Has a good track record on previous loans.
7. Subject for BI / CI for verification of loan applied and approval of CRECOM.
8. Interest rate of 4% per month, no service fee and retention.
9. Term of payment from one month to one year.

Mode of payment is either daily, weekly, bi-monthly or monthly

**EMEREGENCY/ EXPRESS LOAN**

1. Granted to active members

2. Interest rate of 3%, no retention and service fee.

3. Term of payment from one month to six months only.

4. Instant released within an hour for minimum amount not exceed to 3,000.00, and for the maximum amount of 10,000 releases will be on the following day.

5. Delinquent members cannot avail emergency/ express loan for non-medical purpose but subject for BI/CI upon recommendation of the manager.

6. Members who have regular loan balance still can avail an emergency/express loan from 3,000.00 to 10,000.00 provided that he/she is a regular payer and total loan balance will not exceed to times three ( x3).

7. Maximum amount shall be P 10,000.00 can be avail by a member with less fixed deposit provided that loan applied is for business capital, and don’t have any regular loan.

8. Approval of loan shall be vested at the manager.

9. Mode of payment is either daily, weekly, bi- monthly or monthly only.

**COLLECTION POLICY**

1. Follow up delinquent members by collector and officer assigned.
2. Monthly submission of aging on accounts receivables.
3. Regular home visitation to delinquent members.
4. Conduct loan counseling to delinquent members.
5. Advice loan restructuring on over due accounts ten days after due date.
6. Assessment on productive or business loan if member declares bankruptcy or if loan funds were diverted.
7. Assessment of collaterals before release and when member lapsed on repayment.
8. Send reminder letters to non-payment and past due accounts from three months and above.
9. 2 % fines computed base on monthly amortization after one month delayed payment or depend on number of month’s non-payment.
10. Send collection notice to past due and over due accounts who didn’t mind their obligation.
11. 2 % fines will be charge on the whole balance of over due accounts.
12. Submit listing of delinquent accounts to legal counsel for issuance of demand letter. Demand letter will be served after negotiation fail.
13. Chattel mortgage collaterals will be foreclosed if borrower fails to pay his / her obligation.
14. Doubtful accounts will be filed a case in barangay court for legal settlement.
15. Implement court action if ways and means are exhausted.

OPERATIONS MANUAL

MACTAN ISLAND MULTIPURPOSE COOPERATIVE

To assure good governance of Mactan Island Multipurpose Cooperative the following policies were laid down as guide to the officers in their task as policy makers and to the management staff in the day-to-day operations of the cooperative. These are divided into three classifications, namely: Fiscal Policies, Personnel Policies and Other Administrative Policies.

Amendments and/or revisions may be made from time to time to meet the current needs so of the cooperative.

## A. FISCAL POLICIES

* 1. **Cash Receipts and Disbursements Procedures.** These procedures aim to strengthen control of cash by:

1. documenting all cash collection through official receipts;
2. seeing to it that all payments made are properly authorized and properly supported with the necessary supporting documents;
3. keeping only a minimum cash on hand in the office and keep the bulk in the bank thus minimizing losses in case of theft or robbery

c.1 Petty Cash - P 20,000.00

c.2 Revolving Fund -from P 50,000.00 increase to P/200,000.00

1. seeing to it that the coop has a basis by which the its records can be double-checked through the records of the bank; and
2. ensuring adequate audit trail of the flow of cash.

It shall be the primary responsibility of the Manager, in coordination with Audit and Inventory Committee to have the system installed.

**Details of the Policy/Procedure:**

* Official receipts shall be issued for all collections, which shall be recorded in the daily cash collection report or directly to the Cash Receipts Journal if the volume does not warrant its being recorded in a daily cash collection report. The same collection report or cash receipts shall be the basis for recording the cash transactions in the Cash Receipts Journal on a daily basis by the bookkeeper that keeps this record***.***
* Likewise, disbursements shall be through the cooperative’s checking account duly covered by a check voucher, together with other supporting papers authorizing said payment. These are recorded in the cash disbursements book or journal accordingly.
* All remaining collections after replenishing the revolving fund should be deposited intact with the bank after closing time.
* All disbursements, except those, which may be disbursed out of the petty cash fund, shall be made through the coop’s checking account.
* For small disbursements not exceeding P20,000.00 the cooperative shall maintain a petty cash fund and revolving fund of not more than P50,000.00. The manager should see to it that this fund should be adequate to meet the requirements of the cooperative for at least a week to avoid frequent replenishments. She/He may recommend to the Board of Directors either to increase or reduce said amount if there is a necessity to do so.
* All cancelled official receipts and check vouchers should be properly voided and marked “Cancelled”. This should likewise be properly recorded in the books of accounts for reference purposes.
* The Chairman of the Board is authorized by the Board to approve disbursements up to P200, 000.00. However, in cases of emergency, he is allowed to exceed the amount by P500,000.00.
* The Manager can approve disbursements not exceeding P100, 000.00. Beyond this amount, it is the Chairman of the Board who would approve said disbursements.
* Paid check stubs and paid checks shall be properly filed.
* The Accountant shall prepare the monthly bank reconciliation statement and sees to it that reconciling items that need to be adjusted are properly recorded at the end of each month.
  1. **Policy on Petty Cash Fund.** This procedure aims to:

1. provide management means to pay small disbursements in cash;
2. prevent commingling of funds; and
3. facilitate the audit of cash entrusted to a custodian.

**Details of the Policy/Procedure**:

* As mentioned above, the cooperative shall set up a fund for disbursements not exceeding P70, 000.00. A Petty Cash Fund custodian, preferably not the treasurer to avoid commingling of collections and this fund shall be designated. A Petty Cash Fund box for the storage of the fund (cash and paid petty cash fund vouchers) should be provided.
* To facilitate review by the Audit and Inventory Committee, the working fund custodian should see to it that the working fund voucher should be distinguished from the regular check voucher by having it printed in a different color.
* The Petty Cash Fund Custodian shall maintain a petty cash fund book in which to record approved working fund disbursements.
* The Petty Cash Fund shall be replenished when at least 75% of the fund has been disbursed.
* It shall be the Manager who approves each petty cash fund voucher. If it is the Manager who is the payee, the Treasurer approves the working fund voucher.
  1. **Policy on cash advances.** This procedure is designed:

a) to reflect in the books of accounts all disbursements immediatelyupon completion of the transaction; and

b) ensure adequate control of cash advances.

# **Details of the Policy/Procedure:**

* On the strength of an approved purchase order or similar document, cash advances are given to persons designated to purchase items for the cooperative. For significant disbursements where canvass procedures are observed, a copy of the canvass sheet duly signed by the canvass committee shall support the purchase order. Only purchases in excess of P10,000.00.00 need canvass of prices.
* For travels in connection with seminars and trainings, an excerpt of the board resolution authorizing officers or staff of the cooperative to attend such activity shall support the request for cash advance. In emergency cases the invitation to a seminar or conference duly approved by the Chairman shall be honored in lieu of a formal board authority by way of a resolution. The Manager approves travel orders of the members of his staff while the Chairman of the Board approves the travel order of the Manager and members of the Board of Directors and other officers.
* Based on the duly approved cash advance request which shall be supported by an approved travel order, a cash disbursement shall be prepared by the accounting clerk and reviewed by the accountant and endorses the same to the Manager for approval. If the person making the cash advance is the Manager, the same shall be approved by the Treasurer***.***
* Travel allowance is set at P300 per day for each officer and member of the management staff while attending seminars within Cebu Province. For trips out of Cebu, the travel allowance shall be P500. The allowance is limited only up to a maximum of ten (10) days, excluding travel time. If the registration fee already includes lodging, meals and snacks, only P200 for seminars within Cebu Province and P350 for seminars/trips outside Cebu Province. The above-mentioned allowance is over and above actual transportation and accommodation expenses in case accommodation is not covered by the registration fee.
* The cash advance shall be liquidated within three (3) working days after delivery of items purchased or in the case of cash advances for travel, within three working days upon arrival. Unspent cash advance shall be returned to the treasurer within the same period.
* Liquidation of cash advances should properly be supported by a liquidation report, which summarizes the expenses/disbursements made to facilitate review by the accounting staff and the audit and inventory committee. Invoices and similar supporting documents should be attached to the liquidation report. To support the unspent portion of the cash advance, which is supposed to be returned to the treasurer within three (3) days after arrival, the official receipt number shall be indicated in the liquidation report for reference purposes.
* The accounting clerk shall then prepare a general journal voucher based on the liquidation report and its supporting documents. The general voucher and the attached supporting documents shall be endorsed to the Manager for approval.
* No further cash advances shall be allowed unless the previous cash advance has been fully liquidated.
* Personal cash advances may be allowed to any staff in cases of emergencies such as death of an immediate member of the family, calamity, etc. Immediate members of the family only include parents, spouse and children. The employee concerned should apply for this benefit and the amount allowed is equivalent to two months salary but not to exceed P10,000.00. This shall be paid through payroll deduction in equal weekly installments for a period of not more than ten (10) months.
* Cash benefits and other compensation of officers and employees may be withheld to settle unliquidated cash advances at the discretion of the Manager.

**4) Protection and preservation of coop assets**. This is mainly designed to:

a) safeguard the assets of the cooperative and

b) check the accuracy and reliability of the accounting records concerning these assets

# **Details of the Policy/Procedure:**

* Small tools and equipment. Small tools and equipment presently under the care of those using them should be inventoried. To establish responsibility over these assets, the ones using them shall be made to accomplish memorandum receipts. These small tools and equipment shall be depreciated using the inventory method.
* Annual inventory of all assets owned by the cooperative. This shall be assigned to an employee under the supervision of the Audit and Inventory Committee based of the schedule of property and equipment prepared by the bookkeeper.
* Dilapidated and unserviceable assets shall be written off the books with the approval of the Audit and Inventory Committee.
* The Board of Directors shall see to it all major assets of the cooperative are adequately insured (e.g. plant and equipment, building and contents therein, etc.)
  1. **Policy on Procurement.** This is designed to assure that:

a) all items purchased and paid for the coop is of the right quantity and quality ;

b) all the properties ordered and paid for the by Cooperative are actually received and accounted for; and

c) that the same are properly recorded in the books of account.

It shall be the duty of the Manager that things needed in operation, most especially in the maintenance of service facilities are acquired with dispatch so as not to disrupt services. He shall also see to it that the interest of the cooperative is protected in the process.

# **Details of the Policy/Procedure:**

* Whoever is in charge of a unit determines the materials needed for repairs and maintenance, supplies needed in the office and other items needed for operation
* He then prepares requisition and issue voucher for the items needed and submit the same to the Manager for approval, who will then prepare the Purchase Order. For amounts in excess of P20,000.00 the Purchase Order shall be approved by the Chairman.
* If canvass is needed, the purchase order is forwarded to the Audit and Inventory who initiates the canvass procedure based on the approved purchase order.
* The Committee conducts a canvass of the items from at least three (3) suppliers and submits the report on canvass to the Board of Directors who will determine what supplier wins the bid, subject to the final decision of the Board.
* The duly approved canvass results serves as the authority of the one who facilitates the purchase to go ahead with the transaction.
* Upon delivery of the items acquired, the person who receives the items and compares the items received against the items per approved purchase order shall accomplish the Receiving Report. He should be particular about the quality and quantity of goods as reflected in the approved purchase order.
* The person who received the items acknowledges receipt of the items delivered and either stores said items or delivers it to the department/person who requested for the items.
* The approved requisition and issue voucher, purchase order approved canvass results shall be submitted to the accounting section that prepares the check voucher and facilitates payment.
* Should the payee as reflected in the check voucher cannot personally come to collect the payment, a duly authorized representative may collect the same.
  1. **Policy on Plans and Budget Preparation.** This is aimed at:

a) harmonizing the budget preparation among the different units involved in the process;

b) involving those who will implement the plans and budget for the year in their preparation; and

c) coming up with a unified stand on the plans and budget when such will be presented to the general assembly for adoption.

It shall be the duty of the Board of Directors to create the Committee on Plans and Budget. It shall be composed of: Chairman of the Board, Manager to represent his staff, a member of the Board, a representative from the Audit and Inventory committee and an qualified expert from the general membership. The secretary of the Board should join the committee for documentation purposes.

**Details of the Policy/Procedure**:

* Each unit/committee should be involved the planning and budgeting process (e.g. Treasury, Administrative, Accounting, Operations)
* The whole process of preparing the plans and budget for the incoming year should start as early as October of each year withthe formation of the budget committee. Tasking and scheduling of meetings follow.
* Each unit shall come up with its own plans with corresponding budgets (to include both operations and capital budgets).
* Once each unit/committee plans and budgets are completed, these are submitted to the Budget Committee for evaluation and study. A date should be scheduled for budget hearing to give time for each unit/department to defend its own plans and budget for the year. Each unit must be able to justify its plans and budgets with figures and strategies on how to achieve them.
* The Plans and Budget Committee, as a body, decides on what to items to include/discard. The output is then consolidated and come up with a proposed plans and budget for incoming year for submission to the Board.
* In a special meeting (no other agenda, except the plans and budget), the Board of Directors shall scrutinize each item in the proposed plans and budget. The Plans and Budget Committee shall be at hand to defend its proposal and explain items, which need further clarification.
* The Board of Directors makes a decision on the budget proposal.
* Through ownership meetings, the plans and budgets for the incoming year are presented and discussed so the members are informed long before the scheduled annual general assembly of the plans of the cooperative for the coming year. This is to avoid useless debates and arguments that will delay or even cause dissensions during the assembly itself. As an unfortunate consequence, a carefully prepared budget may even be mutilated and render the whole process of budget preparation an exercise in futility.
* To give some elbowroom for the officers and staff of the cooperative, an adequate provision for contingencies shall be provided for unforeseen costs and expenses to avoid unnecessary disruption in the services of the cooperative. For significant capital expenditures (urgent major repairs and improvements), a supplementary budget shall be prepared.

### B. PERSONNEL POLICIES

1. **Employment of Relatives**. This policy aims to:

a) prevent officers and key officers of the cooperative from instances that may influence their decision-making involving a relative; and

b) to protect the manager and his/her relative from biases made by other employees of the coop.

* An applicant who is a relative of any officer or staff of the cooperative shall be treated with fairness, objectivity and without bias. Any officer or staffs who are relative of the applicant shall inhibit himself/herself in the recruitment process. Likewise, in cases wherein the officer/staff is a direct superior of the relative, the Board of Directors shall designate those who shall decide in matters involving pay and rewards, promotion, performance appraisal as well as employee discipline.
* A “relative” includes the following:
  + Father or father-in-law
  + Mother or mother-in-law
  + Husband or wife
  + Brother or brother-in-law
  + Sister or sister-in-law
  + Son or son-in-law
  + Daughter or daughter-in-law
  + Grandfather or grandfather-in-law
  + Grandmother or grandmother-in-law
  + Granddaughter or granddaughter-in-law
  + Grandson or grandson-in-law
  + Niece or niece-in-law
  + Nephew or nephew-in-law
  + Aunt/uncle or aunt/uncle-in-law

1. **Policy on Pre-employment Examination.** This policy is designed to assure hiring of employees who are not only physically and academically fit, but they should be psychologically fit as well.

a) Each prospective employee shall be required to undergo psychological test by a reputable testing center. His eventual hiring shall depend largely on the result of such test.

1. **Policy on Probationary Employment.**  This policy is designed to assist management to:

a) guide them as to the basis for regularization of probationary employees;

b) set performance targets and standards upon hiring of the employee, and

c) document the process.

The Manager shall conduct performance evaluation and recommends employee’s regularization or termination. The Board or the Personnel Committee, if there is any, approves the recommendation.

**Details of the Policy/Guidelines**:

* Newly hired employees shall undergo a probationary period of a maximum of six (6) months wherein they are subject to performance appraisal. Upon hiring, the Manager is expected to make known to the employee the standards in which he/she will qualify as a regular employee.
* The employee is expected to get an overall satisfactory rating to be considered as Regular employee after the six-month probationary period. Otherwise his contract shall be terminated preferably before the end of the 6th month. An employee may also be terminated anytime within the probationary period for a just cause like when he /she commit an infraction subject to dismissal. Probationary employees shall be notified on the result of their employment status on the 5th month of hiring. Those who pass the probationary period shall be accordingly advised. The same is true to those who did not make it.
* In cases wherein a contractual or casual /temporary employee is absorbed or hired in as regular position whether or not for the same position, he/she shall still be subject to the six (6)-month probationary period.

1. **Policy on Orientation.** This policy aims to:

a) introduce the new employee to the job and to the cooperative,

b) inform the new employee of the policies and procedures, compensation and benefits and the job requirements, and

c) guide the officers and staff to assist the new employee to adjust to his/her job.

The Manager conducts the orientation proper and follow-up activities.

**Details of the Policy/Guidelines**:

* The orientation shall include;
  + Office tour, explanation of the organizational chart of the cooperative, background of the cooperative, personnel policies and procedures, personnel forms and their uses, infractions subject to disciplinary actions, compensation benefits, coop orientation (optional for those with coop background), introduction of the new employee to his direct superior.
  + Information on the names and functions of the co-workers in the department.
  + The department’s major responsibilities and how they relate to the overall operation.
  + Policies and procedures of the department.
  + Details of performance targets and standards.
  + Follow up by the Manager a few days from the new employee’s date of hiring who:
    - Answer any questions the employee might have about the previous orientation sessions
    - Set performance targets and standards to be met within the probationary period and specify appraisal schedule.

1. **Policy on Employee Separation.** This aims to assist management to a) guide them as to the methods by which an employee separates and
2. b) document the process and the separation terms and conditions.

For resignation, the Manager, in consultation with the Board of Directors, agree on the effectivity of the resignation and the activities/tasks to be completed by the employee. For termination of contract, the Manager follows termination effectivity based on employment contract or approves extension. The Board, as a body, approves termination due to health reasons. The Manager conducts the exit interview.

**Details of the Policy/Guidelines**:

**Employee initiated:**

* **Resignation.** Employees shall provide a written resignation letter at least thirty (30) days prior to the termination date to the Manager who shall act on it accordingly. The employee may be released earlier should a replacement be available before the 30th day.
* **Retirement.** Employees shall separate from the cooperative upon reaching the compulsory retirement age under the guidelines on Compensation and Benefits.

**`` Coop initiated.**

* **Termination of contract for contractual and casual /temporary employees.** The Manager shall advise the employee in writing at least thirty (30) days before the contract termination date. If the contract is to be extended, the Manager shall draw up a new contract and have the employee signs thereon at least thirty (30) days before the termination of the old contract.
* **Termination for just cause.** Any employee can be terminated for just cause if he/she commits an infraction that is subject to dismissal based on Policy on Employee Discipline.
* **Termination of probationary employment.** A probationary employee can be terminated for failure to meet the performance standards set at the start of his/her employment.
* **Termination due to poor performance.** A regular employee can be terminated if he/she gets an overall Unsatisfactory rating in his/her performance appraisal.
* **Termination due to health reasons.** Any employee can be terminated if an illness that may make him/her physically or mentally unit for work afflicts him/her. Upon recommendation of the Manager, an employee may be required to undergo physical/medical examination by a physician or in clinic of the cooperative’s choice. The employee shall be terminated or retained based on the result of the said examination. The Board shall formally approve recommendation for termination due to health reasons.
* **Termination due to lay-off.** When the cooperative is not able to continue the employment of regular staff, then they will be retrenched. Benefits will be paid according to legislation. In addition, the cooperative will provide assistance to staff in terms of job referrals and job searches.

# **Exit Interview and Clearance**

The Manager shall conduct the Exit interview of all employees who are about to separate from the cooperative. This is done in order to determine attitudes and information necessary for the improvement of the cooperative’s policies and procedures.

The employee concerned must be cleared of his/her money, property and other accountabilities. For this purpose, a clearance form shall be accomplished and routed at least on the day or after the employee’s last day of work. All payments due to the employee shall be released upon signing of the Release, Waiver, & Quitclaim form.

1. **Policy on Sick Leave.** This policy/procedure is designed to:

a) provide employees a rest for health reasons;

b) guide management in making adjustments as to the schedule and delegation of tasks within their department/offices; and

c) document the process.

The manager approves sick leave application of the employee concerned. The administrative assistant / accounting clerk certifies available sick leave credits and keeps the completed leave application forms.

**Details of the Policy/Guidelines:**

* All regular employees are entitled to sick leave with pay for a period of twelve and a half (12 ½) days per year. Probationary and contractual employees are entitled to pro-rated sick leave credits. Sick leave benefit applies to sickness only.

* Employees who are on sick leave shall notify the office through a letter, phone call or via co-employees. Upon his/her return to work, he/she shall fill out Leave Application form duly signed by the Manager. Sick leave beyond three (3) days shall be supported with a medical certificate and if medical consultation was not availed of, an affidavit shall be executed for this purpose.
* In case an employee plans to have a medical checkup, he/she shall file the leave application at least one (1) week before the scheduled date.
* Tardiness and under time shall only be charged to sick leave credits if they are for health reasons, duly supported by medical certificate.
* Unused sick leave during the year shall be carried over the following year. Sick leave credits in excess of forty-five (45) days shall be converted to cash. At the start of the year, the person in charge of personnel shall submit to the Accounting Department the list of staff with leave credits in excess of forty-five (45) for payment purposes. However, computation shall be based on the employee’s salary as of December of the previous year.
* Upon separation of an employee, the unused sick leave credits shall be converted to cash based on his/her latest salary.

1. **Policy on Vacation Leave.** This policy/procedure aims to:

a) provide employees a few days off in order to rest and unwind;

b) guide management in making adjustments as to the schedule and delegation of tasks within the department/offices;

1. provide opportunity for the coop to check/verify on the work of the employee on vacation leave as part internal control; and
2. document the process.

The manager schedules and approves leave application of the employee concerned. The administrative assistant or personnel in charge certifies available vacation leave credits and keeps completed leave application forms.

**Details of the Policy/Guidelines**:

* All regular employees including contractual employees are entitled to vacation leave pay for a period of twelve and a half (12 ½) days after one year of continuous service.
* At the start of the year, it is the responsibility of the Manager to schedule the vacation leaves of his/her staff, taking into consideration the requests of the employees and the needs of the department/office. All employees must utilize their vacation leave credits for the year so the staff must take their vacation as scheduled. In the event that the schedule of an employee is not availed of because of conflict with the need of his/her services, the Manager is expected to re-set the schedule. If re-set/reschedule is not really possible because of too much to do, unused vacation leave during the year shall be carried over the following year. However, there shall be no more than one (1) year’s vacation leave that may be carried over.
* An employee who would go on vacation leave shall fill out the Leave Application form and seek approval from the Manager at least two (2) weeks before taking the leave.
* In case of emergency, vacation leave may be taken in short notice. If the employee is not able to submit a Leave Application form, he/she shall notify the office through a letter, phone call or via co-employees. Upon return to work, he/she shall fill out the leave form duly approved by the Manager.
* Vacation leave credits shall not be converted to cash.

1. **Policy on Maternity Leave.**  This policy aims to:

a) give enough rest to the pregnant female employee during her period of recovery and /or nursing of her newly-born child;

b) guide management in making adjustments as to the schedule and delegation of tasks within their department/offices; and

c) document the process.

It shall be the responsibility of the Manager to approve maternity leave schedule of the employee concerned and for the Administrative Assistant/Accounting Section to check and keep the required documents.

**Details:**

* All female employees who have been employed for six (6) months or more are entitled to a maximum of sixty days (to include Sundays and Holidays) maternity leave with pay in case of pregnancy.
* As soon as the female employee learns that she is pregnant, she shall notify the office immediately.
* The maternity leave benefits may be availed at least two (2) week before the expected delivery and the remaining weeks after delivery. If she fails to avail her pre-delivery leave, she may avail the full sixty (60) days leave after delivery.
* She shall submit a copy of the birth certificate of the newly born child or a medical certificate if the pregnancy did not result in live birth.
* Any employee who extends her maternity leave for health reasons shall secure a medical certificate reflecting her condition that she is unfit for work and the probable date of return to work. In this case, the staff concerned shall apply for sick leave. In the absence of medical certificate and if she fails to return to work on the date specified in her leave application, she is declared absent without leave (AWOL) and shall be dealt with accordingly.
* Unused maternity leave is not converted to cash.

1. **Policy on Paternity Leave.** This policy aims to:

a) help the male employees lend support to his pregnant spouse (legal or common-law) during her period of recovery and/or nursing of the newly-born child;

b) guide management in making adjustments as to the schedule and delegation of tasks within their department/offices; and

c) document the process.

It shall be the responsibility of the Manager to approve paternity leave schedule of the employee concerned and for the Administrative Assistant/Accounting Staff to check and keep required documents.

# **Details of the Policy/Guidelines**

* All male employees (regular, contractual and probationary employees) are entitled to up seven (7) working days paternity leave with pay provided that the spouse has delivered a child or has had a pregnancy that did not result in live birth.
* As soon as the male employee learns that his spouse is pregnant, he shall notify the office immediately
* The employee may enjoy the paternity benefits before, during or after the delivery of his spouse. The seven (7) days paternity leave days if the delivery or recovery is difficult, the Manager may approve extra special leave if the employee has special leave credits.
* The employee concerned shall submit a copy of the birth certificate of the newly born child or a medical certificate if the pregnancy did not result in live birth.
* In the event that the paternity leave benefit is not availed of, it shall not be convertible to cash.

1. **Policy on Work Schedule**. This policy is designed to:

a) set the standards for work attendance, and

b) promote excellent customer service and fair teamwork.

It shall be the Manager who approves any changes in the regular working hours of this/her staff.

**Details of the Policy/Guidelines:**

* The cooperative’s standard working hours consists of six (6) working days and one (1) days out of every week designated as rest day. Sunday, however, may not be necessary the designated rest day, especially those performing maintenance works.
* The normal workday is eight (8) hours. Unless otherwise provided, the working hours shall be 8:30 a.m. to 12:00 noon; then 1:30 p.m. to 6:00 p.m. Employees are entitled to two 15-minute coffee/snack break (one in the morning and one in the afternoon). They are also entitled to a lunch break of one (1) hour from 12:00 noon to 1:00 p.m.
* The employees are expected to work the minimum hours per week. Some employees may work flexible hours to service the demands of the member-clients. All employees are expected to behave responsibly and submit leave forms for absences. The Manager shall ensure that the staff is treated equitably and that the cooperative is getting a fair day’s work from its employees.
* Each employee must accomplish a daily time record, which should be filled up when reporting in the morning and before leaving the office in the afternoon. In the case of the manager, he shall be required to the office first thing in the morning and stay for at least two (2) hours to deal with instructions to employees and other administrative matters that need his personal attention. Likewise, in the afternoon, he is required to report to the office at least before the 5:00 p.m. which is the official closing hour.
* A locator chart designed to monitor the whereabouts of each staff shall be prominently displayed in the office. This should be updated daily.

1. **Policy on Personnel Records Access.** This policy aims to provide the employee and the Manager concerned access to the personnel records.

The Administrative Assistant shall be responsible in maintaining the individual files of employees.

**Details of the Policy/Guidelines:**

* Individual files (201 files) shall be safeguarded and treated with confidentiality. The Administrative Assistant shall maintain these files.
* An employee is allowed to access to his/her own records in the presence of the one in charge of these files. No document shall be removed from the file but photocopies may be made.
* Employees shall promptly report any changes in their residence address, civil status, educational attainment and other pertinent information. This information is needed in case of emergency or whenever change in job assignments is contemplated.
* The Manager is allowed to access the 201 files of his staff. However, any employee is prohibited to see the 201 file of another employee.

1. **Policy on Mediation and Conciliation.** This is designed to

a) help promote open and transparent process to resolve differences among coop employees; and

b) provide an avenue to protect the rights of the employees.

It shall be the duty of the Committee on Complaints and Grievances to investigate and settle any complaints and grievances of the coop employees. The Administrative Assistant keeps copies of relevant documents in the respective 201 files.

**Details of the Policy/Guidelines:**

* **Definition**
* **Complaint** means an employee’s expressed (written or oral) feelings of dissatisfaction with some aspects of his/her working conditions, relationships or status, which are outside his/her control. This does not include those involving disciplinary actions that are governed by separate rules.
* **Mediation and Conciliation Procedure** refers to the method of determining and finding the best way to remedy the specific cause or causes of the complaint or grievance.
* **Scope.** The mediation and conciliation procedure shall be applied when the violation, discontent or dissatisfaction arises on the day-to-day working relationships between or among officers and employees. It shall not apply to cases of dissatisfaction with official actions finally taken by management nor in disciplinary actions.
* Complaints may refer to any of the following:
* Improper distribution of work assignments
* Improver placement of staff
* Arbitrary exercise of discretion in the use of resources
* Interpersonal practices which may cause conflicts between employees and officers.
* Composition of Grievance Committee. The Committee shall be composed of:

Chairman: Manager

Secretary: BOD Secretary

Members: Chairman of the AIC

Representative from the BOD

**Procedure:**

1. Filing of the Grievance

* Any staff shall first consult his/her Manager on any discontent or dissatisfaction.
* If he/she is dissatisfied with the result or if the respondent is the Manager, the employee concerned shall elevate the case in writing to the Chairman of the Audit and Inventory Committee who shall then forward the complaint to the Board of Directors. However if the Manager is involved, the Board of Directors act on the employee’s complaints.

1. Conference

* At least three (3) members of the Committee, including the Secretary shall be present.
* A co-employee of his/her own choice may accompany the complainant. Likewise, the subject of the grievance shall be granted the same opportunity to present his/her side.
* At the end of the conference, the Chairman shall ensure that the proceeding of the meeting has been summarized stating, among others, issues rose and the resolutions thereof. All members of the Committee present shall affix their signatures on said summary.
* The Committee shall render a decision in writing within two (2) working days.
* If the aggrieved party is satisfied with the decision, both parties shall sign a written agreement attested by the members of the Committee.

1. Implementation

* The decision of the Committee shall take effect immediately upon receipt by the parties involved unless the aggrieved party is not satisfied with the decision and he/she appeals to the Board of Directors within fifteen (15) days from receipt of the decision in case of appeals. The Board must render a decision within ten (10) working days.
* All records and written proceedings involving grievances shall form part of the 201 files of the parties involved.

1. **Policy on Safety, Health & Environment.** This policy/procedures aims to:

a) reduce the risk of injury and ill-health caused by work;

b) explain employee and employer responsibilities on safety and health at work;

c) provide employees with a pleasant, safe and environmentally sensitive working environment; and

d) guide management to incorporate safe working practices into the day-to-day activities in their respective work areas.

The Manager, in close coordination with the Board of Directors, establishes procedures, ensures its proper implementation for promoting safe working conditions and monitors programs to correct reported safety and health hazards. The Manager recommends medical examination and treatment of an employee’s work-related injury or illness. The Chairman of the Board approves medical examination and treatment to employees suffering work-related injury or illness. The Manager investigates accidents and recommends measures to eliminate safety and health hazards.

**Details of the Policy/Guidelines:**

**Safety and environment employer responsibilities:**

* Management shall maintain at least minimum safety and health facilities, as follows:
  + First aid kits
  + Fire extinguishers
  + Fire exits and exit signs
  + Proper lighting and ventilation
  + Electrical and plumbing installations
  + Hygienic and clean rest rooms
* Clearly display safety and health rules in the workplace (e.g. no smoking signs).
* Investigate all accidents or near accidents and implement practical remedial action.
* Give all new staff safety induction relevant to their work.
* Identify instances where personal security may be at an unacceptable risk (e.g. insurgency in service area) and assure that alternative work arrangements are put in place to manage the higher risk (e.g. suspending visits to the areas concerned).
* Encourage and provide practical support to reduce waste, conserve energy and maintain equipment in good working order.

**Safety and environment employee responsibilities:**

**The Employees shall:**

* Observe safe working practices.
* Report any hazards, accidents, near accidents or instances where risk to personal security is increased.
* Participate in accident investigations and other activities designed to reduce risk in the workplace.
* Report for work in appropriate mental and physical condition and advise the Manager of any major change in their health condition.
* Keep their work areas clean and neat at all times. Observe 5’S.
* Practice waste avoidance, recycle whenever possible and conserve energy and reduce electricity use by putting off lights, electric fans and air-conditioning units during brown-outs and lunch breaks.
* Maintain equipment in good working order.
* Responsible use of computer (playing games is relaxing but not at the expense of the cooperative).

#### Health

* Qualified applicants shall undergo pre-employment medical examination and shall fill out a medical history form to determine heir fitness for the job.
* Declining performance and increased absenteeism may justify a medical examination by a physician/clinic of the cooperative’s choice.
* Any employee who suffers work-related injury or illness should report to the Manager who recommends him/her to medical examination and treatment subject to the approval of the Chairman of the Board of Directors. In this case, the employee concerned shall file the necessary documents; keep medical appointments and return to work when cleared by the physician who certifies his/her fitness to work. Failure to report for work after receiving said clearance shall be dealt with accordingly.

1. **Policy on Employee Discipline.** This policy is designed to

a) instill and enhance individual responsibility and respect towards his/her work, co-employees and to the cooperative as a whole;

b) define various infractions/offenses and their corresponding sanctions, and

c) establish a uniform penal code for the cooperative.

The Manager notifies, conducts investigation and imposes disciplinary sanction to the employees, which is limited to written warning and suspension. The power to approve preventive suspension and dismissal is reserved for the Board of Directors. The Administrative Assistance maintains notices, minutes and documentary evidence.

##### Details of the Policy/Guidelines

* No employee shall be subject to disciplinary action without due process. Any employee who commits an infraction shall be notified of the offense and be given a chance to be heard.
* **Definition of terms**
* Disciplinary action/sanction – the corrective measure meted out to an employee aimed at bringing about a fuller comprehension of and conformity with the cooperative’s rules and regulations and/or established authority.
* Offense/infraction – violation of the cooperative’s rules and regulations, policies and procedures.
* Oral/verbal warning – an oral admonition given to an employee for an infraction of a rule and warning him/her that repetition of the offense will be dealt more severely.
* Written warning – written reprimand prepared upon an employee’s repetition of an offense in which a verbal warning was previously given, or commission of a more serious offense which requires a stronger disciplinary action than an oral reprimand, and warning the employee the repetition of the same offense will subject him/her to suspension.
* Suspension – temporary lay-off made in writing and warns the employee that repetition; of the same offense will mean dismissal.
* Dismissal – termination of an employee for cause and after due process.
* **Circumstances Affecting Liability**
  + The imposition of penalties will take into consideration the mitigating as well as the aggravating circumstances. In the appreciation thereof, these must be invoked or pleaded by the proper party otherwise these circumstances will not be considered in the imposition of penalty against the respondent.
  + If the respondent is found guilty of two or more charges, the penalty imposed shall correspond to the most serious charge or offense and the rest may be considered as aggravating circumstances.
  + The imposition of the penalty shall consider the following:
    - The minimum penalty shall be imposed where only mitigating and aggravating circumstances are present.
    - The medium penalty shall be imposed, where no mitigating and aggravating circumstances are present or when both are present as they equally offset each other.
    - The maximum penalty shall be imposed where only aggravating and no mitigating circum- stance are present.

**Procedure**

* Whenever an employee commits an offense, the Manager shall take the following steps:
* Notify the offender asking him/her for a written explanation within three (3) days from receipt of the notice. If the offender refuses to acknowledge receipt of the notice, ask two (2) witnesses to sign on the copy of the notice. If no written explanation is given, send a notice of investigation to the employee concerned. If he/she refuses to acknowledge receipt of the notice, ask at least two (2) witnesses to sign on the copy of notice of investigation.
* If the written explanation is sufficient, impose disciplinary action, if applicable.
* If the written explanation is not enough or if there are matters/issues that need to be clarified, send a Notice of Investigation to the offender. Again, if the employee concerned refuses to acknowledge receipt of the notice, ask at least two (2) witnesses to sign on the copy of the notice.
* Prepare Minutes of Investigation in which all those present shall sign thereon. True copies of the documentary evidence and sworn statements of witnesses, if any, shall be attached to the Minutes.
* If the employee is guilty of the offense, the appropriate disciplinary action shall be imposed. If the offense warrants a warning, counsel the employee and emphasize the penalty for the repetition of the same offense. Accomplish the employee warning notice, a copy of which shall be placed in his/her 201 file. If the offense warrants an official reprimand, issue the warning and emphasize to the offender the penalty for the repetition of the same offense.

If the offense calls for a suspension as penalty, issue a Notice of Disciplinary Action (for suspension as penalty) and endorse the same to the Board of Directors for final action. The same would be true in the case of dismissal from service as a penalty. If the employee concerned refuses to acknowledge receipt of the disciplinary action notice, ask at least two (2) witnesses to sign on the copy of the notice.

***(Note: In case the person who commits an offense is the Manager himself, it shall be the Board of Directors who will initiate the investigation. The foregoing procedures still apply.)***

* **Preventive Suspension.** Preventive suspension is not a punishment or penalty for misconduct in office but is considered to be a preventive measure. The period within which the offender is placed under preventive suspension shall not be considered part of the actual penalty of suspension imposed upon the staff found guilty. The Board of Directors shall have the final say on cases of preventive suspension.
* The coop management may preventively suspend any staff pending an investigation if any of the following condition exist:
  + The continued presence of the subject constitutes an immediate and serious threat to the lives of other personnel or the security of the cooperative’s property.
  + His/her presence may cause an interruption or disruption of operations.
  + It is necessary to prevent him/her from committing the violation inimical to the interests of the organization.
* **System of Sanctions**

|  |  |  |
| --- | --- | --- |
| DEGREE | No. or Frequency  of Offense | SANCTION |
| 1st | 1st offense  2nd offense  3rd offense | Oral/verbal warning  Official/written warning  Suspension of 1 to 30 working days |
| 2nd | 1st offense  2nd offense  3rd offense | Official/written warning  Suspension of 1 to 30 working days  Dismissal for cause |
| 3rd | 1st offense  2nd offense | Suspension of 1 to 30 working days  Dismissal for cause |
| 4th | 1st offense | Dismissal for cause |

It should be noted that when suspension is recommended, the initiator has freedom and leeway to choose the degree commensurate to the gravity or the extenuating circumstances involved in the case.

* **Classification of Offenses and Corresponding Sanction**

The list of offenses with their corresponding sanctions attempt to unify all the existing rules and regulations currently being promulgated. The classification cannot admittedly contain all the violation. Therefore, management must exercise its authority and recommend policy changes, if any, from time to time.

|  |  |  |
| --- | --- | --- |
| NATURE OF OFFENSE | SPECIFIC OFFENSES | DEGREE OF SANCTIONS |
| **Insubordination** | 1. Discourteous acts or deeds toward officers and key staff | 2nd |
|  | 2.Willful refusal to render overtime despite reasonable advance notice(s) | 3rd |
|  | 3. Willful failure to carry out verbal or written instructions. | 3rd |
|  | 4. Refusing to answer questions in any investigation authorized or conducted by the cooperative unless such answers would violate his/her constitutional rights. | 3rd |
|  | 5. Willfully insulting or disrespecting the honor or person of a coop officers or employee through derogatory acts. | 3rd |
|  | 6. Disregarding or disobeying any currently implemented memos, orders, safety rules, office regulations or signs | 3rd |
|  | 7. Willfully defying or disregarding the cooperative authority. | 3rd |
|  | 8. Willfully refusing to cooperate in the cooperative’s undertakings. | 3rd |
|  | 9. Making false, vicious or malicious statements about any officer or employee or about the Cooperative or its services. | 4th\ |
|  | 10. Deliberately restricting output or engaging in work slowdown, stoppage or boycotts. | 4th |

|  |  |  |
| --- | --- | --- |
|  | SPECIFIC OFFENSES | DEGREE OF SANCTIONS |
| Attendance | 1. Taking unplanned absence without official permission, or being absent, the subject fails to notify or advise, if in the opinion of the Cooperative, the cause is not justified | 1st |
|  | 2. Incurring habitual and excessive unexcused tardiness for work. Arriving late for five (5) times in a 30-day period is considered habitual. | 1st |
|  | 3. Incurring absences without official leave for five (5) or more days | 2nd |
| **Undesirable conduct and** **behavior** | 1. Doing unauthorized undertaking during office hours within the Cooperative premises | 1st |
|  | 2. Indulging in illegal and unofficial vending, solicitation or collection of contribution at any time within the Cooperative premises. | 1st |
|  | 3. Littering | 1st\ |
|  | 4. Using profane or indecent language in addressing another person. | 1st |
|  | 5. Distributing written or printed matters of any description or subversive documents at any time within the Cooperative. | 1st |
|  | 6. Failing to pay just debts or habitually in delinquent in payment of debts. | 2nd |
|  | 7. Improperly withdrawing, removing or distributing cooperative records, equipment, tools or other assets from the coop premises without the Cooperative’s authority. | 4th |
|  | 8. Using Cooperative’s time, materials or equipments for personal or unauthorized business. | 3rd |
|  | 9. Drinking any alcoholic beverages during office hours or within the Coop premises, except on occasions and in locations authorized by management and/or reporting to work or performing work while under the influence of liquor or drugs. | 3rd |
|  | 10. Engaging in gambling, horseplay or malicious mischief, running, scuffling or throwing things, this may result in injury to persons or destruction of property. | 4th |
|  | 11. Bribing, offering or accepting anything of value in exchange for a job or other favors. | 4th |
|  | 12. Conviction of a criminal offense or a crime involving moral turpitude. | 4th |
|  | 13. Indulging in usurious practice. | 4th |
|  | 14. Willfully misusing, destroying, defacing or damaging Coop property or equipment. | 4th |
|  | 15. Indulging in drug addiction particularly bringing in, possessing, distributing, or using habit- forming drugs unless permitted by medical authorities. | 4th |
|  | 16. Committing acts of vandalism such as, writing on walls, posting, altering or removing any matter on bulletin boards unless specifically authorized. | 4th |
|  | 17. Committing bodily harm on co-employees inside Coop premises; particularly threatening, provoking or instigating a fight with fellow employees. | 4th |
|  | 18. Gambling at any time within Coop premises or taking part in any book-making, gambling, lottery or other game of chance on Coop time or property, or gambling together with or in view of clients. | 3rd |
|  | 19. Committing any immoral offense or act which violates common decency. | 4th |
|  | 20. Concealing or possessing any deadly or prohibited weapon or firearms at any time within Coop premises, unless duly permitted/authorized by law. | 4th |
| Dishonesty | 1. Possessing or using other peoples’ property or tools without prior consent of authority. | 1st |
|  | 2. Stealing or attempting to steal any document, record, tools or Coop assets from other co-employees or from the Coop. | 1st |
|  | 3. Malversation of Coop funds. | 4th |
|  | 4. Obtaining materials or fraudulent orders at warehouse, workstations or other assigned workplaces. | 4th |
|  | 5. Substituting Coop materials or fraudulent orders at warehouse, workstations or other assigned workplaces. | 4th |
|  | 6. Engaging in unauthorized sale of Coop property for personal benefit or pecuniary gain. | 4th |
|  | 7. Engaging or conniving in anomalous transactions. | 4th |
|  | 8. Tampering with or falsifying personal records either when applying for employment or during employment. | 4th |
|  | 9. Falsifying any statement record or document or making false, malicious or misleading information concerning an employee, the organization or its service with intent to deceive. | 4th |
|  | 10. Obtaining salaries or properties of fellow employees, supplier or customers without proper authority. | 4th |
|  | 11. Committing other acts of dishonesty. | 1st to 4th |
| **Negligence of Duty** | 1. Loafing such as:  a) Leaving office premises for personal reasons during office hours without due/written permission.  b) Wasting time and prolonging rest periods more than what is authorized.  c) Frequently receiving visitors during office hours for personal business, or receiving or making frequent personal phone calls.  d) Loitering in comfort room, canteen, co-employee’s workplace or any other place away from the subjects assigned workplace while on duty.  e) Cutting working hours without prior request from immediate superior. | 1st  1st  1st  1st  2nd |
|  | 2. Releasing or taking out from any place, warehouse or storage or delivers more than what is authorized in the invoice delivery receipt, gate pass or authority with or without the intention to appropriate or materially benefit from the act. | 3rd |
|  | 3. Failing to report loss of Coop property or damage of products as soon as practicable or failing to report any accident or injury involving Coop employees. | 3rd |
|  | 4. Causing considerable damage to or loss of materials, parts of equipment or endanger the efficiency of machines or safety of personnel through gross negligence or carelessness. | 3rd to 4th |
|  | 5. Sleeping while on duty at any time within Coop premises. | 3rd to 4th |
| **Violation of specific Coop Rules and** **Regulations pertaining to** | 1. Health, safety and environment;  a) Creating or contributing to poor housekeeping and unsanitary conditions.  b) Failure to practice waste avoidance or recycle when necessary.  c) Failure to report any hazards or instances where risk to employee safety or personal security is increased.  d) Endangering other employees’ health with communicable disease which because of carelessness, endangers his/her fellow employees; this is also applicable to smoking outside designated areas.  e) Spitting, urinating or performing other unhealthy acts in areas other than those designated.  f) Failing to comply with official procedures on the proper operation of machines.  g) Failing or refusing to submit to medical examination.  h) Driving any vehicle while under the influence of liquor or drugs.  i) Driving any type of Coop vehicle recklessly or at excessive speed beyond the area speed limit or those set by coop policy.  j) Smoking in restricted areas or carrying matches or lighters or having open lights or fires within prescribed areas where such practice is forbidden.  k) Using, removing or tampering with fire protection equipment for purposes other then fire fighting.  l) Operating an office machine, equipment or tool without authority; operating, using or repairing the same to which the employee is not authorized or has been assigned to operate, use or repair.  m) Intentionally destroying or damaging safety equipment or machines  n) Committing other negligent violations of any established health and safety rules. | 1st to 3rd  1st  2nd  2nd  2nd  2nd to 3rd  3rd  4th  3rd  3rd to 4th  4th  3rd  4th  2nd to 4th |
|  | 2. Security  a) Causing the loss of pre-numbered forms or documents due to carelessness or negligence.  b) Giving away restricted company information voluntarily and willfully to outsiders or to those not authorized to possess such information.  c) Engaging in forms or acts of sabotage or espionage against management.  d) Violating other security measures promulgated from time to time. | 3rd  4th  4th  2nd to 4th |
|  |  |  |

1. **Employee Benefits**
   1. **Mandated by law.**  The Board of Directors shall see to it that the employees of the cooperative are given the following benefits:
      1. SSS coverage;
      2. PAG-IBIG coverage;
      3. Phil Health coverage;
      4. 13th month pay; and
      5. Retirement benefits.

C. **OTHER ADMINISTRATIVE MATTERS**

1. Board Meetings
   1. The Manager, Treasurer and the Accountant should be present in all board meetings.
   2. The Manager shall render a management report that covers results of operation, activities during the month, update on on-going projects, if there are any. Incorporated in the management report are the highlights on financial operation, results on membership campaign, etc.
   3. The Manager shall also inform the Board of all correspondences received by the cooperative and inform them of the action taken or to be taken on such correspondence.
   4. The presence of the Treasurer and Accountant is vital in case there are some questions on the details of the management report; otherwise some decisions will be delayed because of lack of vital information.
   5. There should be a representative from the Audit and Inventory Committee during each board meeting. The purpose is obvious since it is the eyes and ears of the cooperative and should know first hand what is going on.
   6. The Secretary shall furnish each officer expected to be present in the meeting a copy of the minutes of the previous meeting at least three (3) days before the scheduled date.
   7. The Secretary shall furnish the Chairman and the Manager the Summary of Board Resolutions/decisions passed during each meeting within five (5) working days after such meeting especially if the decisions made need immediate implementation.

**FTBARICUATRO**

**02 October 2005**

**10:30pm**

**MACTAN ISLAND MULTI PURPOSE COOPERATIVE**

Lapu-Lapu City

**RESOLUTION TO INCREASE THE SALARIES OF THE MANAGER AND STAFF**

Resolution No. 01 - 2010

WHEREAS, Mactan Island Multi Purpose Cooperative (MIMPC) is manned by dedicated, responsible and committed Manager and Staff;

WHEREAS, the Manager of Mactan Island Multi Purpose Cooperative (MIMPC) has equipped herself by enrolling to a Masters Degree Program to meet the management needs of the present times;

WHEREAS, the Management has worked hard to increase income and decrease operational expenses without jeopardizing the operation of the cooperative;

WHEREAS, increase in salary shall be consistent with existing Labor Laws of the Republic of the Philippines;

WHEREAS, careful study shall be undertaken by the new set of BOARD OF DIRECTORS as to the amount of increase in salary of each personnel and shall be benchmarked with the salary scheme of the existing cooperatives in the Philippines;

WHEREAS, incentives shall be given to the management staff if performance this Fiscal Yearn 2010 exceeds targets set by the Board of Directors;

WHEREAS, performance of the personnel shall be done by semester using the Performance Evaluation System approved by the Board of Directors;

NOW, THEREFORE, on motion of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ duly seconded by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, be it

RESOLVED as it is hereby resolved that this RESOLUTION TO INCREASE THE SALARIES OF THE MANAGER AND STAFF shall take effect on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

CARRIED UNANIMOUSLY.

**MACTAN ISLAND MULTI PURPOSE COOPERATIVE**

Lapu-Lapu City

**RESOLUTION TO INCREASE THE HONORARIA OF THE BOARD OF DIRECTORS AND OFFICERS DURING MEETINGS/GATHERINGS**

Resolution No. 02 - 2010

WHEREAS, Mactan Island Multi Purpose Cooperative (MIMPC) Board of Directors and Committee Officers received very minimal amount of honoraria to compensate services rendered during meetings;

WHEREAS, to demand services of the Board of Directors and Officers during meetings and gathering an equitable amount shall be given;

WHEREAS, the increase in honoraria shall be based in the cooperatives financial operational which is affordable on the part of cooperative;

WHEREAS, careful study shall be undertaken by the new set of BOARD OF DIRECTORS as to the amount of increase in honoraria of each Board of Director or Officer and shall be benchmarked with the honoraria scheme of the existing cooperatives in the Philippines;

WHEREAS, incentives shall be given to the Board of Directors and Officers if performance this Fiscal Year 2010 exceeds targets set by the General Assembly;

NOW, THEREFORE, on motion of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ duly seconded by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, be it

RESOLVED as it is hereby resolved that this RESOLUTION TO INCREASE THE HONORARIA OF THE BOARD OF DIRECTORS AND OFFICERS shall take effect on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

CARRIED UNANIMOUSLY.

Note: 600 increase

AUTHORIZATION

This is to authorize Bibiana Degamo, the Manager of Mactan Island Multi-purpose Cooperative, to represent with Philippine Cooperative Central Fund Federation (PCF) in lieu of Edgar Taghoy, who resigned from Mactan Coop, last July 19,2010.

The Manager, Bibiana Degamo, will perform any acts as may be necessary or required to carry into effect the authority given.

Issued this 21st day of August 2010.

Yolita Augusto

Chairperson

**MACTAN ISLAND MULTI PURPOSE COOPERATIVE**

F. Martir Street, Barangay Poblacion

Lapu-Lapu City, Philippines

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

EXCERPT FROM THE MINUTES OF THE REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS OF

MACTAN ISLAND MUTI-PURPOSE COOPERATIVE HELD AT MIMPC CONFERENCE ROOM, F. MARTIR

STREET, BARANGAY POBLACION, LAPU-LAPU CITY ON MAY 15, 2010 AT 9 O’CLOCK IN THE MORNING.

Present : Mr. LINDLEY ORBISO Chairman, BOD/Presiding

Mr. EDGAR O. TAGHOY Vice-Chairman, BOD

Ms. YOLITA D. AUGUSTO Member, BOD

Ms. MARVIE O. VALENDEZ Member, BOD

Mr. FERRY SIA Member, BOD

Mr. JESUS VENTIC FORMENTERA Member, BOD

Ms. MARY JANE FLORES Board Secretary

Absent: NONE

Others Present: Ms. Melody Cabahug Chairman, AICOM

Ms. Franzel Dakay Member, AICOM

Ms. Celine Kinaadman Secretary, AICOM

Ms. Melonie Nueva

Ms. Bibiana Degamo General Manager, MIMPC

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

RESOLUTION NO. BOD 2010-01

Series of 2010

A RESOLUTION APPROVING THE AMENDMENTS TO ITEM NO. 22 OF THE LENDING POLICY

OF MACTAN ISLAND MULTI-PURPOSE COOPERATIVE

AS PER REVISED POLICIES, SYSTEMS AND PROCEDURES APPROVED ON APRIL 5, 2010.

WHEREAS, as provided for in Article 9, no. 4 of RA 9520 otherwise known as The Cooperative

Code of 2008 which states that a cooperative has “the power, right, and capacity, to adopt bylaws… and

to amend and repeal the same” in accordance with RA 9520;

WHEREAS, as per Article 38 of RA 9520, “The Board of Directors shall be responsible for the

strategic planning, direction-setting and policy formulation activities of the cooperative.”

WHEREAS, certain Policies on Lending particularly on Offsetting calls for amendments to meet

and address the ever evolving lending and offsetting situation of Mactan Island Multipurpose

Cooperative;

NOW THEREFORE, on motion of all the Members of the Board of Directors, duly seconded by

the same, be it, to wit:

RESOLVED, as it is hereby being resolved, to approve as it is hereby being approved to amend

Item No. 22 of the Lending Policy of Mactan Island Multi-Purpose Cooperative, which the status quo

read as follows:

“Offsetting of fixed deposit will be done to overdue accounts if loan balance is equal to his/her

fixed deposit.”

RESOLVED FURTHER, that the afore-stated provision of the Lending Policy of Mactan Island

Multi-Purpose Cooperative, be amended as follows:

“The member who has offsetted his/her account and wants to avail of MIMPCs lending services

after the offsetting took place shall make an additional fixed deposit.”

“The member who has offsetted his/her account shall be granted only after the lapse of two

months after the fixed deposit has been made and the amount approved for loan shall not be

more than double of the amount of the fixed deposit.”

“The delinquent member who has recourse to offsetting of his account shall be put under

warning and possible penalty of a 25% slash off in his/her succeeding loan applications.”

RESOLVED FURTHERMORE, that the above amendments shall take effect immediately after

approval, and any preceding policies and bylaws directly inconsistent thereof are hereby repealed,

modified, or amended; and that any part of this amended policies which is in contradiction to the

provisions of RA 9520 is hereby deem null and void ab initio.

RESOLVED FINALLY, that copies of this resolution be furnished to: MIMPC Management,

Cooperative Development Authority, and other offices and agencies concerned for their information and

guidance.

CARRIED AND APPROVED on the 15th Day of May 2010 at Lapu-Lapu City, Philippines.

Certified True and Correct:

Ms. MARY JANE FLORES

Board Secretary

ATTESTED and APPROVED:

Mr. LINDLEY ORBISO Mr. EDGAR O. TAGHOY

Chairman, BOD/Presiding Vice-Chairman, BOD

Ms. YOLITA D. AUGUSTO Ms. MARVIE O. VALENDEZ

Member, BOD Member, BOD

Mr. FERRY SIA Mr. JESUS VENTIC FORMENTERA

Member, BOD Member, BOD

Draft Resolution by EDTAGZ

F. Martir Street, Barangay Poblacion

Lapu-Lapu City, Philippines

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**EXCERPT FROM THE MINUTES OF THE REGULAR MONTHLY MEETING OF THE BOARD OF DIRECTORS OF MACTAN ISLAND MUTI-PURPOSE COOPERATIVE HELD AT MIMPC CONFERENCE ROOM, F. MARTIR STREET, BARANGAY POBLACION, LAPU-LAPU CITY ON JUNE 19, 2010 AT 2 O’CLOCK IN THE AFTERNOON.**

Present : Mr. LINDLEY ORBISO Chairman, BOD

Mr. EDGAR O. TAGHOY Vice-Chairman, BOD/Presiding

Ms. MARVIE O. VALENDEZ Member, BOD

Mr. FERRY SIA Member, BOD

Mr. JESUS VENTIC FORMENTERA Member, BOD

Ms. MARY JANE FLORES Board Secretary

Absent: Ms. YOLITA D. AUGUSTO Member, BOD

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**RESOLUTION NO. BOD 2010-02**

Series of 2010

A RESOLUTION APPROVING THE INCREASE OF THE MANAGEMENT’S REVOLVING FUND

FROM ONE HUNDRED THOUSAND PESOS (P100,000.00) TO

TWO HUNDRED THOUSAND PESOS ONLY (P200,00.00)

WHEREAS, the Management has been granted to have a One Hundred Thousand Pesos Revolving Fund as cash fund to cater the contingency needs/day to day expenses/emergency loan grants/emergency withdrawal and other purposes of the same nature related to the everyday transactions of Mactan Island Multipurpose Cooperative;

WHEREAS, due to the increasing number of members who avail of the services of the Cooperative, and the urgent demand for increased revolving funds for the management to have a responsive and efficient delivery of such services, the Board of Directors has discerned the need to address this concern affirmatively;

NOW THEREFORE, on mass motion, duly seconded by the same, be it, to wit:

RESOLVED, as it is hereby being resolved, to approve, as it is hereby being approved, to increase the Management’s Revolving Fund from One Hundred Thousand Pesos (P100,000.00) to Two Hundred Thousand Pesos Only (P200,00.00);

RESOLVED FURTHER, that all rules and regulations on standard accounting and auditing procedures shall be strictly complied in the conduct and holding of this activity;

RESOLVED FINALLY, that copies of this resolution be furnished to: MIMPC Management, AICOM, MIMPC Treasurer, and other Committees or persons concerned for their information and guidance.

CARRIED AND APPROVED on the 5th Day of June 2010 at Lapu-Lapu City, Philippines.

CERTIFIED TRUE AND CORRECT:

Ms. Marijane Flores

Board Secretary

**ATTESTED and APPROVED:**

Mr. LINDLEY ORBISO Mr. EDGAR O. TAGHOY

Chairman, BOD/Presiding Vice-Chairman, BOD

Ms. YOLITA D. AUGUSTO Ms. MARVIE O. VALENDEZ

Member, BOD Member, BOD

Mr. FERRY SIA Mr. JESUS VENTIC FORMENTERA

Member, BOD Member,BOD

REPUBLIC OF THE PHILIPPINES)

CITY OF CEBU)S.S

**SECRETARY'S CERTIFICATE**

I, Marijane Flores, Filipino citizen, of legal age, and with postal address at Lapu-lapu City, after having sworn to in accordance with law, hereby depose and say, that -

I am the Corporate Secretary of MACTAN ISLAND MULTI-PURPOSE COOPERATIVE, a cooperative duly organized and existing in accordance with the laws of the Republic of the Philippines, and with principal office address at Booc, Virtudazo Building Lapu-lapu City;

At the General Assembly, held at Vista Mar Beach Resort and Country Club Angasil, Mactan, Lapu-lapu City on April 4, 2010, during which a quorum was present and acting throughout, the following resolution was unanimously approved and adopted, to wit:

**Resolution No. 02-2010**

WHEREAS, there is a need to amend the provisions of By-laws of Mactan Island Multi-Purpose Cooperative to conform to the new law under R.A. 9520;

WHEREAS, Article III, Section 2 shall now increase the number of Board of Directors from five (5) to seven (7);

WHEREAS, Article III, Section 1 shall now refer to R.A. 9520 instead of R.A. 6938, and to change from fiscal year to calendar year (January to December);

WHEREAS, Article III, Section 12a with respect to disqualification of the Board, will now be worded to party list representative being officer where she/he represent instead of “Barangay Officials”;

WHEREAS, the last paragraph of Article III, Section 13 shall now be deleted, to wit: “Provided that no director shall serve for more than 3 consecutive terms;

WHEREAS, the removal of Directors and Committee members under Article III, Section 17, shall be ¾ instead of 2/3;

WHEREAS, under Article III, Section 24, there shall be a creation of new committee which is the conciliation Mediation Committee;

WHEREAS, there should be a creation of new committee for Ethics Committee under article III, Section 25;

WHEREAS, there is a need to delete the Cooperative Guarantee Fund under Article IV, Section 3;

WREREAS, Under Article VI No.3, the land and building fund, optional fund and other necessary fund the total of which shall not exceed seven (7) percent;

WHEREAS, under Article VI No.4, the community development fund should not be less than 3% of the net surplus;

WHEREAS, Article VII, Section 2 should delete the R.A. 6938 and change to R.A. 9520; and section 6 should delete the wording settlement of disputes.

“RESOLVED, FURTHER, that the foregoing resolutions shall remain valid and subsisting unless otherwise revoked or amended”

IN WITNESS WHEREOF, I have affixed my signature this 6th day of November 2010 at Lapu-lapu City, Philippines.

Marijane Flores

Corporate Secretary

Attested by:

Yolita D. Agusto

Chairman of the Board

SUBSCRIBED AND SWORN to before me this 6th day of November 2010 at Cebu City.

Doc. No. \_\_\_\_\_\_\_;

Page No. \_\_\_\_\_\_\_;

Book No. \_\_\_\_\_\_\_;

Series of 2010.

BOARD RESOLUTION

No. 02-09

WHEREAS, at the regular meeting of the Board of Directors of MACTAN ISLAND MULTI-PURPOSE COOPERATIVE, held on 24 April 2009, during which a quorum was present, the following resolution was approved:

“RESOLVED, that the Chairperson, MARILYN S. ANDALES is authorize to attend the General Assembly conducted by VCF this coming May 2009.”

“RESOLVED FURTHER”, that the Chairperson is given full authority as voting delegate in the said General Assembly for and in behalf of said cooperative.”

NOW, IT IS HEREBY RESOLVED THAT the Chairperson, MARILYN S. ANDALES is hereby given full authority as voting delegate in the General assembly to be conducted by VCF this coming May 2009, for and in behalf of cooperative and the same has been approved.

I hereby certify the correctness of the above resolution.

Teresita Bandolon

Corporate Secretary

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_ 2009 at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Philippines.

# **Doc. No.\_\_\_\_**

Page No. \_\_\_\_

Book No. \_\_\_

Series of 2009.

BOARD RESOLUTION

No. 02-09

WHEREAS, at the regular meeting of the Board of Directors of MACTAN ISLAND MULTI-PURPOSE COOPERATIVE, held on 18 April 2009, during which a quorum was present, the following resolution was approved:

“RESOLVED, that the General Manager, BIBIANA P. DEGAMO is authorize to attend the General Assembly conducted by VCF, VICTO NATIONAL AND CLIMBS.”

“RESOLVED FURTHER”, that the General Manager is given full authority as voting delegate in the said General Assembly.”

NOW, IT IS HEREBY RESOLVED THAT the General Manager, Bibiana P. Degamo is hereby given full authority to vote in the General assembly to be conducted by VCF, VICTO NATIONAL AND CLIMBS, for and in behalf of cooperative and the same has been approved.

I hereby certify the correctness of the above resolution.

Teresita Bandolon

Corporate Secretary

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_ 2009 at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Philippines.

# **Doc. No.\_\_\_\_**

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BOARD RESOLUTION

No. 01-09

WHEREAS, at the regular meeting of the Board of Directors of MACTAN ISLAND MULTI-PURPOSE COOPERATIVE, held on 20 January 2009 at Booc Virtudazo Building, Lapu-lapu City, during which a quorum was present;

WHEREAS, the MACTAN ISLAND MULTI-PURPOSE COOPERATIVE will Guarantee the Loan application of Bertilla Sanchez with VCF;

WHEREAS, the Cooperative will only Guarantee the total amount of SEVEN HUNDRED THOUSAND PESOS (P700,000.00) Loan Application of Sanchez with VCF;

WHEREAS, the Cooperative will issued Checks to VCF to cover the total loan application thereof.

NOW, IT IS HEREBY RESOLVED THAT the MACTAN ISLAND MULTI-PURPOSE COOPERATIVE will Guarantee the Loan application of Bertilla Sanchez amounting to P700,000.00 with VCF and the same has been approved.

I hereby certify the correctness of the above resolution.

Teriseta Bandolon

Corporate Secretary

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_ 2009 at Cebu City, Philippines.

# **Doc. No.\_\_\_\_**

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“ANNEX A”

MACTAN ISLAND MULTI-PURPOSE COOPERATIVE

Booc, Virtudazo Building Lapu-lapu City

SECRETARY’S CERTIFICATE

I, Teresita Bandolon, of legal age, married, Filipino and with office address at Booc Virtudazo Building Lapu-lapu City, after having been duly sworn to in accordance with law, hereby depose and state:

1. That I am the Corporate Secretary of Mactan Island Multi-Purpose Cooperative, an entity duly organized and existing under and by virtue of the laws of the Philippines;

2. That I have in my custody, as secretary, the records of the minutes of the resolutions of the Board of Directors;

3. That at the regular meeting of the board of Directors was duly called, a quorum was constituted to conduct business on February 18, 2009 at its Principal office of the above stated address at 6;00 O’clock in the evening;

4. That in the said meeting the following resolution was duly deliberated on a unanimously approved:

BOARD RESOLUTION

GRANTING FULL AUTHORITY TO THE GENERAL MANAGER, BIBIANA P. DEGAMO TO REPRESENT THE COOPERATIVE IN ALL COURT CASES.

RESOLVED AS IT IS HEREBY RESOLVED, THAT the General Manager, Bibiana P. Degamo, is hereby authorized to initiate the filing of collection/civil and criminal cases against delinquent borrowers of the COOPERATIVE, with full authority to appear before the court/s, in any stage of the proceedings including the pre-trial conference and mediation proceedings; to enter into stipulation and admission of the facts and of documents as maybe made during the proceedings; to settle and enter into an amicable agreement under certain terms and condition the parties may deem fair and reasonable; and to submit any and all issues involved for alternative modes of dispute settlement with full power of delegation.

RESOLVED FINALLY, that the said authority will continue to be in full force and effect until a contrary Board Resolution for the revocation or substitution of herein authority be passed by the Board.

IN WITHNESS WHEREOF, I hereunder set my hand this \_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_at Cebu City, Philippines.

TERESITA BANDOLON

COOP SECRETARY

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_\_\_\_\_\_\_\_, at Cebu City, Philippines. Affiant exhibited to me her CTC #\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Issued on\_\_\_\_\_\_\_ issued at\_\_\_\_\_\_\_\_\_\_\_\_.

Doc. No.\_\_\_\_\_\_\_

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Book No.\_\_\_\_\_\_\_

Series of 2009.

# Republic of the Philippines)

Cebu City )S.S.

# VERIFICATION AND CERTIFICATION OF NON-FORUM SHOPPING

I, BIBIANA DEGAMO, of legal age, Filipino, single/married with office address at Booc Virtudazo Building Lapu-lapu City, after having duly sworn to in accordance with law, do hereby depose and say:

1. That I am the representative of the complainant in the above entitled case;
2. That I caused the preparation of the foregoing Complaint;
3. That I have read the same and all the allegations therein are true and correct to the best of my own personal knowledge and based on authentic records;
4. I have not commenced any other action or proceedings involving the same issues with the Supreme Court, the Court of Appeals, or any tribunal or quasi judicial agency, and that should I thereafter learn that similar action or proceeding has been filed or is pending, I shall undertake to inform the Court of such fact within five (5) days therefrom.

**IN WITNESS WHEREOF**, I have hereunto set my hand on January 22, 2010 in the City of Cebu, Philippines.

BIBIANA DEGAMO

Affiant

CTC No. 07343005

Issued on 1/6/10

Issued at lapu-lapu City

**SUBSCRIBED AND SWORN** to before me at the date and place above-written. Affiant exhibited to me his Community Tax Certificate as written above.

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MACTAN ISLAND MULTI-PURPOSE COOPERATIVE

Booc, Virtudazo Building Lapu-lapu City

Amount: **P/ 262,100.00** Date: **October19, 2010**

PROMISSORY NOTE

For value received, I promise to pay to the order of the MACTAN ISLAND MULTI-PURPOSE COOPERATIVE, the sum of **Two Hundred Thousand PESOS (\_P/200,000.00)** Philippine currency, under the following terms and conditions:

1. Interest rate per annum **24%**;

2. Mode of payment ( x )Monthly amount **\_P/ 21, 842.00** ( )Quincena amount \_\_\_\_\_\_\_\_

( ) Weekly amount \_\_\_\_\_\_\_\_\_\_\_( ) Daily amount \_\_\_\_\_\_\_\_\_\_\_

3. Payment to begin on **November 29, 2010** Maturity Date **October 19,2011**;

4. Should I fail to pay any instalment as it falls due I shall be charged fines at the rate of **2% per** month on the amount not paid, provided that should my failure to pay cover more than one instalment, the 2% fines shall be imposed on the total accumulated amount in default each month, until the amount is fully paid.

5. The time is the essence of this note, so that in the event that I fail to pay at least three (3) instalments thereof, I shall be considered in default without need of demand and the whole obligation shall become due and demandable.

6. If this note is placed in the hands of an attorney for collection, there shall be paid in addition to the principal, accrued interest and fines, a sum equivalent to 25% but not less than P1,000.00 in any ca se for attorney’s fees, aside from costs and actual expenses of litigation which in no case shall be less than P1,000.00.

7. That in case of retirement, death, dismissal or any reason the services herein borrowers are already dispensed with by the employer, the said employer shall deduct out of my retirement benefits, pension or emoluments, the amount still due to the Cooperative, under this instrument.

8. The Cooperative is authorized to collect from the paymaster out of my salary/allowances the instalments/interests/fines due under this instrument.

9. Any action on this instrument shall be brought before the proper court in **Lapu-lapu City Hall of Justice**. Philippines.

**Charito B..Degamo** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

MAKER SIGNATURE HUSBAND/WIFE

ANITA I. BAGUIO \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

CO-MAKER SIGNATURE CLIENT ID

SIGNED IN THE PRESENCE OF: 1)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_2)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

WITNESS WITNESS

CLIENT ID\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I HEREBY AUTHORIZE

MACTAN ISLAND MULTI-PURPOSE COOPERATIVE

TO ASSIGN MY LOAN OBLIGATIONS

COVERED BY HEREIN PROMISSORY NOTE

AND INCLUDING THE SECURITIES

COVERING THE ABOVE.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

MAKER

Republic of the Philippines)

City of Cebu )S.S

# AFFIDAVIT

I, BIBIANA P. DEGAMO of legal age, Filipino with postal address at Lapu-lapu City, after having sworn to, do hereby depose and state:

That I am the General Manager of MACTAN ISLAND MULTI-PURPOSE COOPERATIVE with business address at Booc Virtudazo Building Lapu-lapu City;

That our Cooperative was subjected to tax mapping on February 12,2009 and found out that a certain requirement was not complied;

That we have purchased a cash Register machine on \_\_\_\_\_\_\_\_\_ with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_;

That from the time we bought the aforementioned machine up to December 2007, we only used it as tutorial;

That the subject machine was only used on January 2008 and exclusively with our members/clients to the exclusion of others;

That we were not informed by the seller that we will have to register our machine with the Bureau of Internal Revenue upon purchased and we thought all along that all requirements had already been complied;

That I executed this affidavit to attest to the veracity of the truth of the foregoing and for whatever purpose this may serve.

IN WITNESS WHEREOF, I hereunto affixed my signature this 5th day of March 2009 at Cebu City, Philippines.

BIBIANA P. DEGAMO

Affiant

SUBSCRIBED AND SWORN to before me this 20th day of February 2008 at Cebu City, Philippines. Affiant exhibited to me her CTC#11700596 issued on 1/7/08 at Cebu City, Philippines.

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