

**[ CDA MEMORANDUM CIRCULAR NO. 2005-02,  
January 19, 2005 ]**

**GUIDELINES FOR THE REHABILITATION OF NON-OPERATING  
COOPERATIVES**

Pursuant to the regulatory and development functions of the Cooperative Development Authority (CDA) the following policy guidelines shall apply to non-operating cooperatives requesting for rehabilitation.

*SECTION I. Title* - These guidelines shall be known as the Standard Policy of the Agency for the Rehabilitation of Non-Operating Cooperatives.

*SECTION II. Definition of Terms* -

1. **Non-Operating Cooperative** - a cooperative who has not performed its operational activity and failed to submit its annual report and audited financial statements for at least three consecutive years.
2. **Rehabilitation** - the process of reviving the cooperative operation which were previously classified by the agency as Non-Operating.
3. **Rehabilitation Plan** - a proposed cooperative plan containing developmental activities to be undertaken in order to re-operationalize its business.
4. **Certificate of Completion** - a paper that certified completion of the cooperative on the required rehabilitation program based on the submitted plan.

*SECTION III. Qualification for Rehabilitation of Non-Operating Cooperatives* -

1. The cooperative is willing to undergo audit by an accredited auditor to provide informations of its actual status;
2. At least 75% of the total number of members (but not less than 15) have signified their intention to undergo cooperative re-orientation seminar and rehabilitation process.

*SECTION IV. Requirements* - The applicant must submit the following in duplicate copies:

1. Application letter for rehabilitation stating the purpose/s;
2. Minutes of the General Assembly meeting approving the rehabilitation of the cooperative;
3. List of Interim Officers or newly elected set of Board of Directors (BOD's), Committee members and Management Staff;