

BIBLIOGRAPHY

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ABSTRACT

This study was conducted to identify the services of the cooperative since it started to present, to document what happened to the services and management of the cooperative, to determine the current situation of the coop in terms of service, assets, liabilities, membership and net surplus, to identify the problems encountered by the cooperative and coping mechanisms employed to solve the problems.

The cooperative was organized in 1990 through the initiative of their barangay captain Mr. Marcelo Abela. The first PMES of the cooperative was held on September 15 and 22 1990. In the afternoon of September 22, 1990 the cooperative was formally organized, and was registered with the CDA (Cooperative Development Authority) on February 6, 1991. In the same year the Plan international sponsored the cooperative in implementing the project on the cooperative such as irrigation system in the barangay, establishment of the Alapang Camp Dangwa Elementary School.

Because of the crisis the cooperative had undergone, an election was held in June 5, 1994 and a new set of officers were elected, the CDA gave a rehabilitation period to



revive the operation of the cooperative. The rehab period was October 2007 to December 2010. During the rehabilitation period the cooperative was re-registered to CDA on October 26, 2009. The rehabilitation period ended in December 2010 and the cooperative in moving up.

It is therefore recommended that the cooperative should develop strategy to win back the trust and cooperation of members, PMES should be conducted to those who have not attended and for those who have attended could also attend as a refresher/reminder for them and the cooperative should conduct moral values orientation both to members, officers and staff to inculcate to them cooperation and including Christian ways of living.



INTRODUCTION

Rationale

The common concept of a cooperative is a business entity organized by the people who have a common need and common interest to produce, purchase, or sell goods or services for their own benefits. Cooperatives therefore play vital roles in improving the social and economic conditions of the people which could lead to attaining over economic growth and prosperity in the country. The establishment of cooperatives begin with people who wish to provide themselves with goods and services they need. As such these cooperatives should grow in size, both in membership and economic resources, so that they will be able to provide the needs of the members.

One significant factor in the success of a cooperative is good leadership and management. Another factor is the support from the outside environment. These supports may be in the form of training, legal help and financial aid. The Cooperative Code of the Philippines allows the creation secondary and tertiary cooperatives like unions and federations to provide technical and financial assistance to the primary cooperatives.

The Barangay Alapang Multi-Purpose Cooperative (BALMUCO) is a cooperative that was organized too fast because of the bad effect of the July 16, 1990 killer quake that had devastated some areas in barangay like landslides and destroyed rip-raps. The cooperative had been operating smoothly at the beginning but later it encountered many problems. The members however are still hopeful that it will again improve and revived and will grow as it had been before just after it was organized. This study therefore was conducted to document the experiences and current status of the cooperative. Experiences



good or bad could be lessons that we have to learn from it. It is a basis for planning for betterment of organization.

Importance of the Study

Like a person organization like the cooperatives should learned from its experiences especially those negatives experiences, its ups and down and this is a very good basis to come up with a better strategy or plan to improve an organization. Negative experiences should be basis for change – change for improvement. This study is conducted to document the rise and fall of a striving cooperative as basis for decision in the improvement of management and maybe on the policies to revive the lost trust and patronage of members to the cooperative. Results may also be guide for other cooperatives with the same situation and experience.

Furthermore, this research will serve as reference for those who will be conducting studies on the same interest.

Statement of the Problem

The study aimed to answer the following questions:

1. What are the services offered by the cooperatives since it started up to the present?;
2. What happened to the services and management of the cooperative?;
3. What is the current situation of the cooperative in terms of services, assets, liabilities, membership and net surplus?; and
4. What are the problems encountered by the cooperative and coping mechanisms employed to solve problems?



Objectives of the Study

In order to answer the problem of the study, the following are the objectives of the study:

1. To identify the services of the cooperative since it started up to present;
2. To document what happened to the services and management of the cooperative;
3. To determine the current situation of the cooperative in terms of services, assets, liabilities, membership and net surplus; and
4. Identify the problems encountered by the cooperative and coping mechanisms employed to solve problems.

Scope and Delimitation of the Study

The study focused on the documentation on the experiences of the cooperative in the past and present, its management, current situation and the problems encountered and coping mechanism employed.



REVIEW OF LITERATURE

Cooperative Defined

A cooperative is an autonomous association of persons united voluntarily to meet their common social and cultural needs and aspiration through jointly owned democratically controlled enterprises. Cooperatives are based on the values of self-helped, self-responsibility, democracy, equality and solidarity (Estalin, 2009).

Three Important Bodies of Cooperatives

The cooperative Development Authority (CDA) mentioned the following three (2) important bodies of the cooperatives namely, the General Assembly and Board of Directors.

The General Assembly. The general assembly is the highest making-body of the cooperative and it is the supreme authority in the management and administration of the affairs of the cooperative. As a supreme body, it decides on matters on BOD management staff.

The general assembly holds at least one meeting a year; date of meeting is fixed in the by-laws, or within 90 days after the close of each fiscal year.

For newly registered cooperatives, a special general meeting must be called within 90 days from date of approval.

The general assembly has the following policies which cannot be delegated: a) to determine and approve amendments to the articles of cooperation and by-laws; b) to elect or appoint the members of the Board of Directors and remove them for a cause; c) to



approve development plans of the cooperative; and d) matters measuring 2/3 vote of all members of the general assembly.

Board of Directors. The Board of Directors (BOD) is the body that formulates policies, directs and supervises the business of the cooperative.

It is composed of five (5) to fifteen (15) elected by the general assembly. Their term must not exceed two years and no directors can serve for more than 3 consecutive terms.

Objectives of Cooperative

From the Cooperative Code of the Philippines, Article 7 of Republic Act 9520 states that the primary objectives of every cooperative are to help improve the quality of life of its members. Towards the end, the cooperative shall aim to (a) provide goods and services to its members, to enable them to attain increased income, savings, investments, productivity, purchasing power and promote among themselves equitable distribution of net surplus through maximum utilization of economic scale, cost sharing and risk sharing; (b) provide optimum social and economic benefits to its members; (c) teach them efficient ways of doing things in a cooperative manner; (d) propagate cooperative practices and new ideas in business and management; (e) allow the lower income and less privileged group to increase their ownership in wealth of the nation; and (f) cooperative with government, other cooperatives and people oriented organizations for further attainment of any of the foregoing objectives (Cayat, 2010).

The cooperative thus, becomes important to its members on a business level and to the community on the development level. For members, over and above the direct use



relation, the contribution of cooperatives improves their quality of life, in general support at home, improved neighbourhood services, etc (Gutknecht, 2005).

The primary objective of the cooperative is to provide goods and services to the members and this enable them to attain increased income and savings, investments, productivity and purchasing power and promote among them equitable distribution of net surplus through maximum utilization of economic scale, cost sharing and risk sharing without however conducting the affairs of the cooperative for charitable purposes (Abasolo *et al.*, 1996).

Cooperatives as a Tool for Development

According to Bentican (2010), in organizing cooperative, first consideration is whether or not there is a need for it. This has to be determined by the organizers. However, since many are poor, it is more likely there is always a need for cooperatives. Cooperatives have been known to have improved the social and economic conditions of the poor. In affluent communities, perhaps there is no need for cooperatives. People in such areas have the resources to meet their needs. Besides, it will be quite difficult to get the interest and cooperation of individuals who are not really concerned with the goals of the cooperatives. That is why only few rich persons are members of cooperatives. They make more money from more lucrative investments.

The Cooperative Development Authority stated the important role of cooperatives in the development of the country under Republic Act 9520. A cooperative creates employment on entrepreneurial opportunities for the country unemployed and marginally employed affecting broader base ownership of the access to productive resources reducing wide income gap and guaranteeing equal and even development



Cooperative Growth

Onagan, *et al.* (1973), mentioned that cooperative through the operation of the principles and doctrine is actively dynamic. One of its inherent characteristics is growth. It develops and expands to all direction until the whole world is merged to the system. As a unit, cooperative increases in size to point where all people in its trading area are absorbed. The cooperative system has its own remedies to accomplish this goal. Its service grows both quantity and in quality commensurate the needs of members. By the operation of patronage refund and by the watchful guidance and encouragement given by the cooperative to improve their economic status, members find themselves actually and actively accumulating wealth as years go by. This dynamic accumulation of wealth is characteristics of and inherent to cooperative.



METHODOLOGY

Locale and Time of the Study

The study was conducted in Barangay Alapang Multipurpose Cooperatives from February to March 2011.

Respondents of the Study

The respondents of the study were the management staff of the cooperative, BOD's of the cooperatives (past and present officers). These respondents validated the data taken from the records/reports of the cooperative. However, majority of the past management staff were not interviewed, only a few BOD's from the past were interviewed and this are still the remaining BOD's up to the present.

Data Gathering Procedures

The study made used of secondary from the records and reports of the cooperatives from year 2006 to 2010 as these were the only data available in the cooperative. Key informant interview was done with the management staff and officers of the cooperative using a guide questions.

Data Gathered

Data gathered includes data on services offered by the cooperative, membership, total capital share, total assets and liabilities, net surplus and history and experiences of the cooperative.

Data Analysis

Data was analyzed and presented descriptively.



RESULTS AND DISCUSSION

History of the Cooperative

After the killer earthquake of July 16, 1990 that devastated Baguio City and the different municipalities of Benguet including the Municipality of La Trinidad, there followed typhoons and torrential rains that further destroyed farms and crops of farmers in the area. Erosions were noticed on hillsides and ripraps on residential lots and gardens crumbled down, destroying and burying crops ready for harvest as well as newly planted patches. The barangay residents were in a state of desperation, not knowing what to do as aftershocks from the earthquake were almost in hourly occurrence for almost a month. It was in this scenario that the barangay captain of Alapang at that time Mr Marcelo Abela, in consultation with the Department of Agriculture called an orientation meeting on September 8, 1990 for the purpose of introducing/organizing a cooperative within the barangay to reduce the adverse impact of the earthquake and in order to avail of various assistance being channelled to cooperative and non-government organization.

The residents were sold out to the idea, thus, a pre-membership education seminar (PMES) was held on September 15 and 22, 1990 In the afternoon of September 22, the cooperative was formally organized and named Barangay Alapang Multi-Purpose Cooperative (BALMUCO) with the first elected Board of Directors were Marcelo Abela, Teresita Alveras, Romeo Suayan, Fredirick Laruan, Victor Placi, Lino Quesara, Julliete Bugatan, Francisca Rivera and Leticia Fernando. The Board thereafter, elected Mr Romeo Suayan as Chairman and Mrs Francisca Rivera was elected as Vice-Chairman. Felina Damasco was designated as secretary and Mary Ellen Ogas as treasurer. The cooperative was registered with Cooperative Development Authority (CDA) on February 6, 1991.



In the early part of 1991, Romeo Suayan resigned as chairman and Francisca Rivera took over. It was at this time that Plan International (worldwide NGO) included Alapang in its area of coverage through the initiative of barangay captain Abela. Plan International then linked up with BALMUCO as its local conduit organization. Subsequently thereafter several projects sponsored by Plan International in partnership with the cooperative were implemented such as establishment of the Alapang Camp Dangwa Elementary School, irrigation system of Alapang proper. Labor for these projects was provided by BALMUCO as its counterpart.

In May 1991, the barangay domestic water system constructed and donated by the Japanese government (HIRDP-JICA) was completed and ready for operation. The La Trinidad Water District (LTWD) was then insisting that the water system be turned over to them. However, barangay captain Marcelo Abela with the support of BALMUCO strongly support the barangay's objection to LTWD claim and insisted that the water system should be operated by the cooperative to give meaning to self reliance and cooperativism. The provincial government of Benguet and HIRDP-JICA took cognizant to this stand and BALMUCO began the domestic water supply operation in June 1991.

Services Offered by the Cooperative, its Description, and Current Status

The services of the cooperative was not change by the new management and officers, it is still being offered but with some revisions and changes on regulations and policies which was approved and amended by the General Assembly in the General Assembly meeting held on May 1, 2010 at the La Trinidad Municipal Gym, Alapang, La Trinidad, Benguet. These services are the domestic water supply, Kid Tipid Deposits,



Savings and time deposits, consumers store and loan services. Loan services includes regular loan, emergency loan, and special loan granted to individual or group for livelihood purposes.

Domestic water supply. The domestic water supply system is the first service offered by the cooperative and is extended to all qualified members. The connection shall be on first come first served basis and will depend on the availability of water mainlines in the area where they could tap water. The determination of the location of mainlines and the areas supplied depend on the cooperative taking into consideration the equitable distribution of water. The water supplied by the cooperative to members and community is affordable at P295.00 for the first minimum consumption of 10 cubic meters per month, an additional of P25.00 payment in every excess cubic meter consumption (in excess of 10 cubic meters) but not to exceed 20 cubic meters and and an addition of P35.00 for every excess cubic meter consumption in excess of 20 cubic meters up to 35 cubic meters. Consumption in excess of 31 cubic meters shall be considered as commercial and shall be charged P70,000 per cubic meters. Water rates are subject to change upon approval of the Board of Directors, 10% surcharge is imposed on unpaid bills after due date. Requirements must be a member of the cooperative, must have undergone Pre- Membership Education Seminar (PMES) and must pay the required fees and dues. Required fees and dues are membership fee of P200.00; initial share capital (paid-up) P2,000.00; water deposit P300.00; water connection fee P200.00, savings deposits P500.00; water meter (subject to price increase) P1,250.00 and ball valve P350.00 with a total amount is P4,800.00.

Kid Tipid Deposits. The “Kid Tipid” is a deposit program open to all minors aged five years old to seven years residents within the cooperative’s area of operation including



school children in the area. A minimum initial of fifty pesos is accepted and the deposit will earn an interest of six percent (6%) per annum compounded quarterly; parents or guardians of children less than eight (8) years old may assist their child in making deposits and withdrawals; first withdrawal from account can only be allowed after continuously depositing for at least three (3) months or after accumulating a total deposit balance in the amount of P500.00 and deposits maybe done anytime during office hours. Incentives is provided in the form of cash awards or prizes will be given to top “kid tipid’ savers on a periodic basis, and “kid tipid” savers with a minimum account balance of P2,500 during their birthday will receive a birthday gift from the cooperative. A separate passbook shall be issued to “kid tipid” savers and a separate account is prepared for this program.

Savings and time deposits. The savings and time deposits is open to all regular, associate members and even to non-members. Savings deposits earns a six percent (6%) interest per annum computed on average daily balance and compounded quarterly; at least a minimum amount of two hundred pesos (P200.00) balance deposits to earn an interest; dormant account deposits with less than P500 for a period of one year will be charged a service fee of P30.00 per month; withdrawals from savings deposits in the amount of P20,000.00 pesos and above should be filed 2 days before withdrawal; twenty (20%) of total savings deposits shall be held as reserve and should not be used for loan services and withdrawals in the amount of P5,000 and below can be done anytime during office hours. On the time deposits, the following terms and conditions is followed; minimum amount accepted is P10,000.00; minimum length of time is three (3) months; interest rates will be computed depending upon the amount and length of time evolved which will be from 7% to 14% per annum depending on the prevailing interest rates within the locality; time



deposits shall be covered by a Certificate of Time Deposit to be issued by the cooperative stating name and address of the depositor, amount and length of time involving the deposit and time deposit can be renewed by the depositor upon approval of the management. In case of pre-termination before due date the account shall be treated as ordinary savings account with 6% interest per annum and subjected to service charge of P150.00 and a one week notice of pre-termination is required from the depositor.

Loan services. The addition of the loan and savings services in 1992 had ushered the full blast and smooth sailing of activities of BALMUCO as a noted cooperative.

Currently, there are three type of loan services offered by the cooperative; emergency loan, regular loan and special loan. Emergency loan is a short term loan with a ceiling of P2,500.00 per individual member, with a service fee of P75.00, payable within the period of 3 months – in monthly or semi monthly instalment and an interest rate of 1.5% per month. Only regular members with good standing and have paid the minimum subscribed share capital of P5,000.00 is qualified to avail of the emergency loan, Collateral is not required and are subject to the approval of the General Manager or in his absence, the Chairman of the Board. For non-payment on due date, a 7 days grace period is given but after 7 day a surcharge of 5% per month is imposed on the unpaid balance and delinquent borrower shall not be able to avail an emergency loan within the current year.

Regular loan covers prudential and productive needs of members such as for agricultural, commercial, industrial and other including salary loan. The interest for regular loan is the same as emergency at 1.5% per month, must have fully paid minimum capital share, must have at least minimum savings of P500.00 must secure a certificate of good standing from the cooperative and must not have other unpaid obligations from the



cooperative. Others requirements include loan retention fund of 5% from loan and added to the member's share capital or savings deposits account, co-maker is required with the same qualification as the borrower, collateral is also required, for real estate collaterals a Certified True Copy of Land Title accompanied with certificate of non-tax delinquency issued by Municipal Treasurer's office. For vehicle collaterals, required are certificate of registration, latest vehicle registration and picture of vehicle. Applicants for salary loan must execute an authority for the cooperative to directly collect instalment repayments from his employer. Associate member can also avail of regular loan provided he has a minimum savings account deposit of P500.00 or minimum current time deposit amounting to P10,000.00 and must come up with adequate required collateral. Approving body for regular loan are: for P5,000.00 and below, approved by the General Manager as recommended by the Credit Committee and above P5,001.00, to be approved by the Board of Directors by majority votes as recommended by the Credit Committee and received by the General Manager.

Special loan are applicable for livelihood projects granted to individual or groups through the cooperative by other agencies (government or non-government); accommodation loans for the implementation of local government community projects on a case to case basis; and special arrangement loans not covered by emergency and regular loans. For livelihood projects granted to group or individual through other agencies is governed by the following terms; a six percent (6%) shall be added to the interest being charged by the funding agency, a processing fee of P150 shall be collected from the borrower, a Memorandum of Agreement (MOA) shall be executed between the cooperative and the individual or group fund recipients; loan repayments shall be course through the



cooperative; projects shall be closely monitored by the cooperative and in case of default in loan repayment instalments, the cooperative may take over the project to protect its interest and the trust of the funding agency. The accommodation loans and special arrangements loans are governed by the following terms; a special loan agreement shall be executed specifying the terms and conditions of the loan, interest rates shall vary on case to case basis as determined by management, the cooperative may require hard capital on a case to case basis, the cooperative may take over the prosecution of the project in case of non-compliance to plans and specifications and in cases of undue delays and abandonment of the project by the borrower with expenses charged to the borrower and project shall be monitored by the cooperative.

Consumers stores. The cooperative operated 2 consumer stores in July 1992, one in Camp Dangwa and one in Alapang proper to cater to the needs of the community. However, the Camp Dangwa store had stop operation in 1994, another store was established in Km 5 of the La Trinidad, Market; BALMUCO Snacks and Eatery which sells snacks and does catering activities.

Membership Situation

The only available data for the membership and others information about the cooperative is from 2006 to 2010. This situation had made it very difficult for the new officers in planning on the revival /rehab of the cooperative. As shown in Table 1 and number of members had been increasing from 2006 to 2010. However, the rate of increase is not that high , from 2006-2007 the increase in members is 4.2%, from 2007 to 2008 rate had decreased to 1.4%, 2008-2009 rate increased to 3.1 % and from 2009 -2010 rate of increase was 3.0%. Though the increase is not that big, this is already a good indicator that



some residents are again starting to trust the cooperative, the officers and management and the cooperative is successful in building back the trust of members and residents in the community.

Table 1. Total number of members from 2006 and rate of increase

YEAR	TOTAL NUMBER OF MEMBERS	PERCENTAGE RATE OF INCREASE
2006	550	-
2007	573	4.2
2008	581	1.4
2009	599	3.1
2010	617	3.0

Capital Share, Assets and Liabilities

The cooperative is currently recovering still some files/records on the capital share from the start of the cooperative to present. But as of this time, the cooperative had only the data from 2006 to 2010. The data shows that assets in 2006 was high because of grants (financial assistance) and other assistance provided by the Office of Northern Cultural Communities (ONCC) through the Executive Director Ronald M. Cosalan for the Rehabilitation period which started in 2007 to December 2010. Assets decreased from 2007 to 2008 due to the different rehab activities conducted including the external auditing of the cooperative and the payment of financial accountabilities of the cooperative to BENECON, CoopBank, withdrawal by a member on the regular savings and the Kid Tipid savings withdrawal. On the third year of the rehab period 2009 assets starts to increase until



in 2010. Liabilities is increasing due to the revival of the credit (loans) services where the cooperative got a loan fund from the Coop Bank of Benguet and the Aboitiz Foundation.

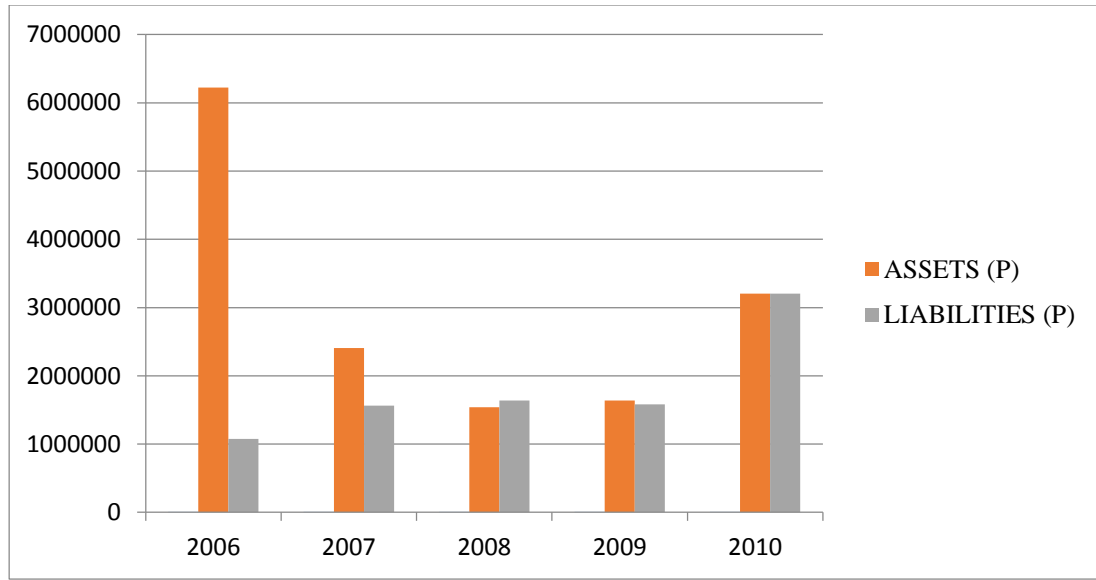


Figure 1. Assets and liabilities of the cooperative from 2006-2010

Net Surplus Utilization

The net surplus of the cooperative is distributed as follows; General Reserve Fund, Education and Training Fund (local), Due to CETF-APEX, Cooperative Building Fund, Interest on Share Capital and Patronage Refund. The cooperative have not distributed the net surplus because from the start of the rehab period the cooperative is settling the financial accountabilities such as the unpaid bills from BENECO, loan from CoopBank, the regular savings withdrawn by a member in the previous management and the Kid Tipid withdrawals. Table 2 shows the net surplus of the cooperative from 2006 to 2010. Results show that the net surplus had increased from 2006 to 2010.

Table 2. Net surplus of BALMUCO from 2006 to 2010



YEAR	NET SURPLUS (P)
2006	(83,557.48)
2007	(391,104.23)
2008	(403,640)
2009	715,721.40
2010	431,161.57

Problems Encountered

According to the general manager, the cooperative lack funds to finish the rehabilitation of the domestic water system, they cannot locate the leakages because the water pipes are buried under the residential area, thus, big amount of water is wasted. The cooperative also lack facilities in the office that results to poor performance in making reports. Another problem is that many members have not undergone PMES that is why many are not aware of the policies of the cooperative.

The problems caused by the previous management had not been solved because up to the present, the cooperative is still paying some financial accountabilities like the regular savings withdrawn by a member and still some of the Kid Tipid withdrawals.

Coping Mechanism to Problems Encountered

Because of the crisis and problems that the cooperative had undergone, an election was held in June 5, 1994, a new set of officers were elected but at that time the cooperative was already financially unstable with accounts payable reaching the six figure mark. The cooperative was about to collapse but the new leadership painstakingly nursed back the cooperative on its feet by instituting record procedures, prescribing relevant policies and



embarking on expansion in the domestic water supply with the financial assistance of ONCC.

A three year rehabilitation period was requested from CDA for BALMUCO to revive its operation. The rehab period then started October 2007 until December 2010. The cooperative requested an external audit, thus external audit to the cooperatives was conducted. In November, 2007 the Board filed a case against the treasurer of the previous management for the unexplained whereabouts of cash as shown in the external audit results.

The major activities during the rehab period were to settle the Financial Accountabilities such as: unpaid bills from BENECA in the amount of P706, 863.13; loan from Coop Bank of P550, 000.00; Regular Savings withdrawn by a member of P103, 621 and Kid-Tipid withdrawals of 63,058.97. (BALMUCO, Annual and General Assembly Report, 2011). However, until this time the cooperative is still paying some of these financial accountabilities. In the Annual Report (2011), other accomplishments reported was the construction of an office building, revival of the credit (loans) services – a loan fund from the Coop Bank of Benguet and the Aboitiz Foundation through HEDCor and the Water System Rehab and Expansion Project funded by the Peace and Equity Foundation (PEF) with a project amount of P I million.

It was also during this rehab period that BALMUCO was re-registered with the CDA on October 26, 2009 pursuant to the requirement of Republic Act No. 9520 or known as the Cooperative Code of 2008. Furthermore, it was during this rehab period that the third amendments by specific provisions of the Articles of Cooperation and By-Laws were done during the General Assembly in May 1, 2010. Changes / amendments done on the



Articles of Cooperation and By-Laws were presented in the table below. The cooperative became more strict in the implementation/imposing policies and regulations of the cooperative.

Table 3. Amendments of the Articles of Cooperation and By-Laws

REFERENCE PROVISION	OLD PROVISION	PROPOSED APPROVED AMENDMENT	ACTION TAKEN
Articles of Cooperation		Additional to the old provision	Unanimously approved
Art. 2 Purposes	Domestic water supply and Delivery	Water refilling station	
	Transportation	Savings and loans services	
	Housing Development	Booth rental or leasehold	
	Construction Contracting	Sale of basic commodities	
	Janitorial Services		
	Gasoline Service Station		
	Other essential Services		
Art. 9 of Board of Directors	...the number shall be nine (9)	The number shall be five (5)	Unanimously approved
By-Laws			
Art. 11 Membership Sec. 2 and Sec. 6	... twenty percent (20%)	... ten percent (10%)	Unanimously approved



Table 3. Continued...

REFERENCE PROVISION	OLD PROVISION	PROPOSED APPROVED AMENDMENT	ACTION TAKEN
Sec. 12 Termination of Membership	Withdrawal or expulsion	Automatic, voluntary or involuntary	Unanimously approved
Art. III –Title	Government	Administration	Unanimously approved
Art. IV- Sec. 9. Removal of Director and Committees	...removed by 2/3	...removed by 3/4	Pursuant to RA 9520
Art. V Committees	Audit and inventory committee	(Additional committees to the old provision)	Pursuant to RA 9520
	Election committee	Mediation and conciliation committee	
	Audit and inventory committee	(Additional committees to the old provision)	Pursuant to RA 9520
	Election committee	Mediation and conciliation committee	
	Education and training committee	Ethics committee	
	Credit and savings committee		
Art. VII Capital structure Sec 2. Continuous Capital Build-up	a)At least 50% of annual interest on capital and patronage refund	(Additional to the old provision)	Unanimously approved
	b)At least 5% of each good procured/service	d)At least 5% of his monthly income or an amount not less than 100.00 per month	



acquired from the cooperative

Table 3. Continued...

REFERENCE PROVISION	OLD PROVISION	PROPOSED APPROVED AMENDMENT	ACTION TAKEN
		c)As per capital build-up scheme as formulated and directed by the BODs	
Art X Settlement of Disputes	None	Included in the By-Laws now	Pursuant to RA 9520
Art. XI Misc. Sec. 4 Annual Report	Audited financial statements	a)Cooperative Annual Performance Report (CAPR) b)Social Audit Report c)Performance Report d)Audited Financial Statement duly stamped "Received" by BIR e) List of officers and trainings undertaken/completed	Pursuant to RA 9520

Aside from the Articles and By-Laws some policies of the cooperative were also changed and amended by the General Assembly. These policies include policy on interest rate of loans and surcharges which decreased from the old high interest rate. On administration policies, disciplinary actions imposed on members during assemblies



tremendously increased and with some alternatives if fines is not settled. Through this members will become active in cooperative activities and assemblies.

The rehab period had ended in December 2010 and the cooperative is moving up, the only problem or dilemma now is how to encourage the members to patronize the services of the cooperative and regains trust of members to the management and officers. Very few of the members were availing credit and saving services.

Table 4. BALMUCO amendments on loans and administration policies

REFERENCE PROVISION	OLD PROVISION	PROPOSED APPROVED PROVISION	ACTION TAKEN
On Loans			
Interest rate	2% per month	1.5% per month	Unanimously approved by the GA
Surcharge	7% per month	3.5% per month	
On Administration Policies (Disciplinary action for members)			
Unjustified absence during regular/special general assembly	P20.00	P500.00 or an equivalent of 5 days no water supply if the penalty will not be settled	Unanimously approved by the GA
Unexcused walk-outs prior to the adjournment of Gen. Assembly	P10.00	P250.00	Unanimously approved by the GA
Unruly behaviour during meetings or any coop activities/assembly	P50.00	P300.00 or it will be sent out	Unanimously approved by the GA



SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

This study was conducted to document the experiences of Barangay Alapang Multi-Purpose Cooperative. Specifically, the cooperative aimed to identify the services of the cooperative since it started up to present, document what happened to the services and management of the cooperative, determine the current situation of the cooperative in terms of services, assets, liabilities, membership and net surplus, and identify the problems encountered by the cooperative and coping mechanism employed to solve problems.

Secondary data were used in the study validated by the past and present officers and management staff of the cooperative. Finding shows that the cooperative was in crisis in 1993 just less than a month after the hiring of a General Manager in December 1992. With the new sets of elected officers, the cooperative is starting to become stable.

Services offered in the past is still the services offered now because all were revived but changes had been done on the terms, conditions and policies as approved and amended by the General Assembly held in 2010. Services offered are domestic water supply, “Kid Tipid” savings, Savings and Time Deposits and Loan Services. Types of loans offered are; regular loan, emergency loan and special loans.

The cooperative was given 3 years by the CDA to revive its operation. The rehab period started in October, 2007 until December 2010. The cooperative was re-registered with the CDA on October 26, 2009.



Conclusion

Despite the bad experiences of BALMUCO, there were still officers who have the courage and are persistent that the cooperative will survive. The serious need of the water supply service of the cooperative had helped also in the cooperative and participation of other members of the cooperative. Thus, in overall analysis this is the only service that is most preferred by the members. As to the savings and credit, this is the least patronized except for emergency needs of cash.

Recommendation

Cooperative should develop strategy to win back the trust and cooperation of members in order to patronize other services of the cooperative. PMES should be conducted to those who have not attended and for those who have attended could also attend as a refresher/reminder for them. If possible, the cooperative should conduct moral values orientation both to members, officers and staff to inculcate to them cooperation and including Christian ways of living.



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