COURSES OF ACTION ON THE FAILURE TO SUBMIT THE REQUIRED ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS AFTER 30 SEPTEMBER 1992

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The Central Office received a number of queries from the Legal Officers of the extension offices inquiring into the process of handling cooperatives who failed to submit the annual report and audited financial statements in spite of the extension granted until 30 September 1992. In view thereof, the Board during its meeting held on November 10, 1992, resolved to approve the following courses of action to be taken by our field personnel concerning such violation of our administrative order:

a. To be strict and to express the idea that the Authority can penalize the cooperatives for their failure to submit the annual reports and audited financial statements.

b. The above may be done by the Area Cooperative Director by issuing a formal letter to the concerned cooperatives as formatted in Annex "A" (see below).

If the erring cooperatives fail to respond with the above, the next recourse would be to:

c. Be very strict with such cooperatives by sending a follow-up letter as shown in Annex "B" (see below).

d. If the concerned cooperatives still do not apply, then, proceed with the filing of a petition for mandamus with the proper court.

e. Depending on the outcome of the litigation, initiate cancellation proceedings.

f. The above steps however may be dispensed with if the erring cooperatives opt for voluntary dissolution under Articles 65 and 66 of RA 6938.

Please be guided accordingly.

Adopted: 10 Nov. 1992

(Sgd.) CANDELARIO L. VERZOSA, JR.

Executive Director

ANNEX "A"

_____ (Date)

The Board of Directors/Officers

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Ladies and Gentlemen:

Please be informed that as of 30 September 1992, your cooperative has failed to file an annual report nor submitted an audited financial statement on the affairs of your cooperative. The annual report is required to be submitted under Article 54 of the Cooperative Code of the Philippines and under Rule 2 of the Rules and Regulations Implementing the Cooperative Code; while the audited financial statements are required under Section 3(f) of Republic Act No. 6939.

Your are hereby ordered to appear before the undersigned within fifteen (15) days and show cause and submit in writing why your certificate of registration should not be suspended or cancelled for such failure to file the annual report in accordance with law and for violation of the administrative requirements of this Authority.

Your immediate consideration of this matter is of vital concern to your cooperative.

Very truly yours,

_____

(Extension Office Director)

ANNEX "B"
The Board of Directors/Officers

_____
_____
_____

Ladies and Gentlemen:

Please be informed that as of 30 September 1992, your cooperative has failed to file an annual report nor submitted an audited financial statement on the affairs of your cooperative. The annual report is required to be submitted under Article 54 of the Cooperative Code of the Philippines and under Rule 2 of the Rules and Regulations Implementing the Cooperative Code; while the audited financial statements are required under Section 3(f) of Republic Act No. 6939.

You are hereby ordered to file the said annual report and audited financial statements with this Authority within thirty (30) days from receipt of this Notice. Failure on your part to file the annual report within the period stipulated will leave the Authority no recourse but to file a petition for mandamus with the proper court. At the same time, cancellation proceedings based on Article 68 (3) will also be initiated against your cooperative.

Please take cognizance of this matter immediately.

Very truly yours,

_____
(Extension Office Director)

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