

REPUBLIKA NG PILIPINAS  
REPUBLIC OF THE PHILIPPINES  
KAGAWARAN NG EDUKASYON, KULTURA AT ISPORTS  
DEPARTMENT OF EDUCATION, CULTURE AND SPORTS  
UL Complex, Meralco Avenue,  
Pasig, Metro Manila



*Sarita-Sarita  
sa DECS.*

November 10, 1998

**DECS ORDER**

No. 55, s. 1998

**REVISED IMPLEMENTING GUIDELINES FOR THE TURNOVER OF SCHOOL  
CANTEENS TO TEACHERS COOPERATIVES (DECS ORDER NO. 55, s. 1998)**

TO

- Undersecretaries
- Assistant Secretaries
- Bureau Directors
- Regional Directors
- Directors of Centers/Services
- Schools Superintendents
- Vocational School Superintendents/Administrators
- Chairpersons, Teachers' Cooperatives

1. In order to effectively implement the DECS Cooperative Program and in response to the clamor to clarify and resolve the problems and issues arising from DECS Order No. 55, S. 1996, this Office is issuing the enclosed revised implementing guidelines for the turnover of school canteens to teachers' cooperatives.

2. A Special Committee shall be created at the Central, Regional, and Division Offices to perform the following functions:

- a. Conduct an information campaign to encourage the organization of teachers' cooperatives;
- b. Extend technical assistance to the processing of papers in the organization of the cooperatives;
- c. Assist in the conduct of training on cooperatives;
- d. Monitor and evaluate the management of teachers' cooperatives on school canteen.

3. All queries related to the problems and issues arising from the attached implementing guidelines shall be directed to the Office of the Undersecretary for Finance and Administration, Attn.: Employees Welfare and Benefits Division, DECS Central Office, Meralco Ave., Pasig City.

4. Previous DECS issuances or any provision thereof inconsistent with the enclosed revised implementing guidelines are hereby rescinded.

*Andrew Gonzalez*  
**ANDREW GONZALEZ, FSC**  
Secretary

Incls.:

As stated

Reference:

DECS Order: No. 55, s. 1956

Allotment: 1-- (D.O. 50-97)

To be indicated in the Perpetual Index  
under the following subjects:

**COOPERATIVES**  
**RULES & REGULATIONS**

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## REVISED IMPLEMENTING GUIDELINES ON THE TURNOVER OF SCHOOL CANTEENS TO TEACHERS' COOPERATIVES

### RATIONALE/OBJECTIVES

RA No. 6938 known as the Cooperative Code of the Philippines provides under Article 2 thereof that it is the declared policy of the state to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and empowering people power towards the attainment of economic development and social justice.

In response to this mandate, the Department of Education, Culture and Sports strongly supports the organization of cooperatives among teachers and non-teaching personnel in DECS to train them to be entrepreneurs and to enable them to improve their financial standing. In line with this, DECS Order No. 55, s. 1996, mandated the turnover of school canteens to teachers' cooperatives.

In the implementation of the above-mentioned DECS Order, the promotion of health and nutrition of the students and pupils should be given priority attention. Furthermore, the financial benefits to be enjoyed by the members of the cooperatives in terms of dividends and by the school in terms of their share of the profit from the canteen operation should be closely monitored periodically.

### CRITERIA FOR TURNOVER

1. There must be a teachers' cooperative, duly registered with the Cooperative Development Authority (CDA), existing in the school with the following criteria:
  - 1.1 It has, as one of its purposes, the operation and management of a canteen.
  - 1.2 Membership shall be institutional in nature. The school administrators, teachers and non-teaching staff, such as janitors, clerks and other non-teaching personnel of the school are eligible to become members. The membership shall at least be equal to fifty percent plus one of the total personnel of the school.
2. A Memorandum of Agreement (MOA), substantially in the form hereto attached as Annex "A", specifying the terms and conditions for the operation and management of the canteen, shall be executed between the teachers' cooperative and the DECS, which shall be represented by the school principal and the schools superintendent.
3. There is no valid existing lease contract of the canteen to a private concessionaire. In the event there is an existing lease contract, the same shall be respected until the end of the contract period.

Thereafter, it shall no longer be renewed and the teachers' cooperative meeting the criteria shall operate it.

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4. If the school site and/or building is donated, the provision, if any, in the Deed of Donation regarding the operation or management of a canteen shall be respected.

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5. Only one canteen shall be established per school.

## II. PERIOD FOR EXISTING TEACHERS' COOPERATIVES TO COMPLY

1. Existing teachers' cooperatives operating and managing school canteens have until the end of School Year 1998-1999 in which to comply with the above criteria for the turnover of school canteens to them:

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2. Failure of the teachers' cooperative to do so within said period shall cause the termination of the privilege granted to the said teachers' cooperative to operate and manage the school canteen. The operation and management of said school canteen shall revert back to the Home Economics Department and the school principal until such time when the criteria are met by the teachers' cooperative concerned.

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## III. OPERATIONAL MANAGEMENT

1. The teachers' cooperative shall see to it that none of its members shall use their official time in attending to the activities of the canteen and of the cooperative. Hence, a cooperative shall hire a full time manager to manage and operate the school canteen. The designated Home Economics canteen teacher shall inspect the quality and handling of food served, canteen sanitation, use of facilities and making available the facilities for laboratory purposes of the students. The canteen teacher shall see to it that EPP/THE students continue to serve in the canteen as part of their hands-on experience in Home Economics and Entrepreneurship. They shall be given ratings which shall be part of the EPP/THE marks in the card. If a teacher wants to serve as full time manager in the cooperative, he must go on leave without pay and receive her salary from the cooperative, subject to Civil Service law and rules.

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2. The canteen shall continue as a laboratory for Food Service Management/Culinary Arts and for Home Economics for secondary and elementary classes, respectively. These classes may supply the canteen with products of their laboratory work such as snacks and meals.

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3. The teachers' cooperative shall be allowed to use rent-free, the site occupied by, and the existing facilities of the canteen for its operation. Repairs of canteen/cooperative facilities or building shall be charged

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against the cooperative. A space in the canteen may be provided for goods on consignment which may be brought in by the teacher and sold by the canteen staff.

4. The school canteen should provide cheap, sanitary and nutritious food such as: fresh milk, fresh fruits and fruit drinks, boiled root crops, high-calorie indigenous recipes and the like. The use of iodized salt in food preparation is encouraged.
5. Snacks, lunch supplements and school lunch for sale should be limited to foods that can be easily prepared and will best supplement the children's home diet. However, sale in school canteens of certain convenient empty-calorie foods such as kropecks, chips, curls and other air-filled "sitsiryas", candies, carbonated/synthetic juice drinks/beverages, and artificially colored water/sugar-based ice candies is strictly prohibited.
6. Hired people handling food in the canteen should be required to undergo training for food handlers; obtain a certificate of good health from the local/provincial/city/municipal health department; and observe personal hygiene.
7. All properties acquired by the cooperative for the canteen shall be donated to the school once the cooperative ceases to operate the canteen.
8. The sharing of the gross income derived from the operation of the canteen shall be on an 90:10 basis, ninety percent (90%) for the cooperative and ten percent (10%) as the share of the school which shall be computed and remitted monthly by the cooperative to the school. Fifty percent (50%) of the share of the school shall be used to finance the supplementary feeding program and the remaining amount shall be utilized for meeting the other expenses/needs of the school.
9. Separate water and light meters for the school canteen should be installed. Cooperatives already operating the school canteen but have not installed separate meters for valid reasons must enter into temporary agreement with the school authority for the settlement of their accountabilities pending approval of their application for installation.
10. Operational practices that will be detrimental and prejudicial to the welfare of the students, teachers and to the school as a whole and any violation of the provisions of the Memorandum of Agreement and the operational management guidelines shall be grounds for the return of the canteen operation to the school.
11. The teachers' cooperative shall hold the school free and harmless from any and all liabilities and damages that may arise from its operation and management of the school canteen.

MEMORANDUM OF AGREEMENT

NOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement (MOA) is entered into by and between:

(Name of the Teachers' Cooperative)
a teachers' cooperative duly organized and registered under Philippine laws, with office address at
and represented in this act by its duly authorized President,
(Name of President)
the "COOPERATIVE"

and

THE DEPARTMENT OF EDUCATION, CULTURE AND SPORTS, a government entity under Philippine laws, with office address at UL Complex, Meralco Avenue, Pasig City, Metro Manila and represented in this act by its duly authorized representatives,
(Name of Principal)
and
(Name of School & Address)
Superintendent of the
(Name of Schools Division Superintendent)
Division of
(Name of Division)
and hereinafter referred to as the "DECS"

WITNESSETH: That

WHEREAS, R.A. No. 6938 known as the Cooperative Code of the Philippines provides under Article 2 thereof that it is the declared policy of the state to foster the creation and growth of cooperatives as a practical vehicle for promoting self-reliance and harnessing people power towards the attainment of economic development and social justice;
WHEREAS, In response to this mandate, the DECS strongly supports the organization of cooperatives among teachers and non-teaching personnel in DECS to train them to be entrepreneurs and to enable them to improve their financial standing,

WHEREAS, in line with this DECS Order No. 55, s. 1996 mandated the turn-over of school canteens to teachers' cooperatives;

WHEREAS, DECS Order No. \_\_\_\_\_, s. 1998 provides for the continuing implementing guidelines on the turn-over of school canteens to teachers' cooperatives;

WHEREAS, the COOPERATIVE meets the criteria provided for under DECS Order No. \_\_\_\_\_, s. 1998 for the turn-over of the \_\_\_\_\_ (Name of School)

canteen to the COOPERATIVE;

WHEREAS, the DECS is willing to turn-over the management and control of the said school canteen to the COOPERATIVE and the COOPERATIVE is willing to manage and control said school canteen within the guidelines provided under said DECS Order No. \_\_\_\_\_, 1998;

NOW THEREFORE, promises considered, the parties hereby agree on the following terms and conditions of this Memorandum of Agreement:

### 1. Responsibilities of the DECS

- 1.1 The DECS shall turn-over management and control of the existing school canteen premises rent free to the COOPERATIVE upon the signing of this MOA;
- 1.2 The DECS shall also turn-over the existing school canteen furniture and equipment listed in Annex "A" and made an integral part hereof to the COOPERATIVE upon the signing of this MOA;
- 1.3 The DECS shall not allow the operation of another canteen within the school premises;
- 1.4 The DECS shall designate a Home Economics canteen teacher who shall inspect the quality and handling of food served, canteen sanitation, use of facilities and making available the facilities for laboratory purposes of the students; and
- 1.5 The School Principal in behalf of DECS shall use fifty percent (50%) of its share in the operation of the school canteen to finance the supplementary feeding program and shall utilize the remaining amount for meeting the other expenses/needs of the school.

### 2. Responsibilities of the COOPERATIVE

- 2.1 The COOPERATIVE shall hire a full time manager to manage and operate the school canteen;
- 2.2 The COOPERATIVE shall see to it that none of its members shall use their official time in attending to the activities of the canteen;
- 2.3 The COOPERATIVE shall be responsible for quality and handling of food served, canteen sanitation, the proper use of facilities and to make available the facilities for laboratory purposes of the students required by the Home Economics canteen teacher;

### 3. Term of

The term of this MOA. This MOA shall be for five (5) years, upon its expiration, DECS to lease out

### 4. Sharing

The sharing shall be on a 90/10 (10%) as the share of the COOPERATIVE accounts on the audit of the School corresponding ten

- 2.4 It shall see to it that the hired people handling food in the canteen shall undergo training for food handlers and shall obtain certificate(s) of good health from the local/provincial/city/ municipal health office and shall observe personal hygiene;
- 2.5 It shall provide cheap, sanitary and nutritious food such as fresh milk, fresh fruits, fruit drinks, boiled root crops, high calorie indigenous recipes and the like and shall use iodized salt in food preparation;
- 2.6 It shall limit snacks, lunch supplements and school lunch for sale to food that can be easily prepared and will best supplement the children's home diet and shall ban the sale of convenient empty calorie food such as ketchup, chips, curls and other air-filled "sitsirvas", candies, carbonated/synthetic juice drinks/beverages and artificially colored water/sugar-based ice candies;
- 2.7 The COOPERATIVE shall provide a space in the canteen for goods on consignment which may be brought in by the teacher and sold by the canteen staff;
- 2.8 The COOPERATIVE is prohibited from sub-leasing the whole or part of the school canteen premises or to sub-contract the operation of said school canteen to third parties;
- 2.9 Repairs of the school canteen premises and facilities, due to normal wear and tear, shall be the responsibility of the COOPERATIVE;
- 2.10 All properties acquired by the COOPERATIVE in the operation of the canteen shall be donated to the DECS once the COOPERATIVE ceases to operate the canteen;
- 2.11 Upon the signing of this MOA, the COOPERATIVE shall install separate water and electric meters for the school canteen and shall be responsible for the payment of the bills for the use of said utilities; and
- 2.12 The COOPERATIVE shall hold the DECS free and harmless from any and all liabilities and damages that may arise from its operation and management of the school canteen.

### 3. Term of the MOA

The term of this MOA is for a period of five (5) years starting from the date of this MOA. This MOA may be renewed under the same terms and conditions for another five (5) years, upon notice in writing given by the COOPERATIVE thirty (30) days prior to its expiration. Failure of the COOPERATIVE to give said notice shall entitle the DECS to lease out said school canteen to third parties or to operate it.

### 4. Sharing of the Gross Income in the Operation of the School Canteen

The sharing of the gross income derived from the operation of the school canteen shall be on a 90/10 basis, ninety percent (90%) for the COOPERATIVE and ten percent (10%) as the share of DECS which shall be computed and remitted monthly by the COOPERATIVE to the DECS. The COOPERATIVE shall maintain proper books of accounts on the operation of the school canteen which shall be open for the inspection and audit of the School Principal in the determination of the gross income and the corresponding ten percent (10%) share of DECS.



5. Pre-termination of the MOA

The MOA may be pre-terminated by DECS if the COOPERATIVE is guilty of operational practices that are detrimental and prejudicial to the welfare of the students, teachers and the school as a whole or if it violates any of the provisions of this MOA or if it violates the operational management guidelines provided under DECS Order No. \_\_\_\_\_ of 1998.

IN WITNESS WHEREOF, the parties have affixed their signatures this \_\_\_\_\_ day of \_\_\_\_\_ 1999 at \_\_\_\_\_

REPUBLIC OF THE

BEFORE ME  
day of \_\_\_\_\_

Name

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

known to me and Memorandum of Acknowledgment is \_\_\_\_\_ page. They acknowledge

WITNESS ME

THE DEPARTMENT OF EDUCATION,  
CULTURE AND SPORTS (DECS)

(COOPERATIVE)

By:

By:

\_\_\_\_\_  
President

\_\_\_\_\_  
School Principal

and

\_\_\_\_\_  
Schools Division Superintendent

Signed in the Presence of:

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ACKNOWLEDGMENT

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BEFORE ME, a Notary Public for and in \_\_\_\_\_ this \_\_\_\_\_  
day of \_\_\_\_\_, 199\_\_\_\_, personally appeared the following affiants:

Name	Community Tax Receipt	Date/Place Issued
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

ICATION,  
ECS)

known to me and to me known to be the persons who executed the foregoing Memorandum of Agreement consisting of five (5) pages including this page where the acknowledgment is written which are signed by the parties and their witnesses in every page. They acknowledged before me that this is their own voluntary act and deed.

WITNESS MY HAND AND SEAL

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