



**NOV 22 2021**

**MEMORANDUM NO. 2021-51**

**TO : ALL ELECTRIC COOPERATIVES**

**SUBJECT : GUIDELINES IN THE CONDUCT OR PARTICIPATION OF ELECTRIC COOPERATIVES IN CERTAIN ACTIVITIES**

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### **BASIS**

By virtue of P.D 269, as amended by R.A. 10531, it is a declared State policy to promote the sustainable development in the rural areas through rural electrification. The state declared that total countryside electrification as a primary objective to attain national economic growth. Toward this objective, the NEA is empowered to strengthen the electric cooperatives and to help them become economically viable.

In relation thereto, this memorandum is hereby issued to all ECs, their Board of Directors, General Managers, officers and employees.

### **PURPOSE**

This Memorandum is issued to guide all ECs in the conduct and/or participation in activities which are not directly related to the functions of a distribution utility, but are necessary, incidental or appropriate to accomplish the purpose for which the ECs are organized.

### **OBJECTIVE**

These guidelines are issued for the purpose of securing the financial, operational and economic viability of all ECs.

In the conduct of or in participation in activities as provided by the purpose of this memorandum, all ECs are hereby required to conform to the following:

1. EC facilities, equipment and resources including the services of its officers, employees and other personnel shall be used exclusively for the EC operations and activities. ECs are likewise enjoined to refrain from allowing such facilities, equipment and resources from being used in any way that are not relevant to the purpose for which the EC was organized;
2. All activities to be conducted or to be participated into by the EC shall be for the purpose of developing, advancing or enhancing the EC and/or its officers and employees' welfare and proficiency;

3. All ECs are hereby required to furnish the NEA, for its information and guidance, an official lists of all its activities to be conducted or to be participated into, including those that are already calendared or commenced prior to the effectivity of this memorandum, including but not limited to:
  - i. seminars, trainings and other similar or related activities;
  - ii. out-of-town trips whether for purposes of educational, professional and/or technical development;
4. ECs are hereby required to comply with the Legal Advisory No. 01, series of 2021 dated 29 September 2021; and
5. ECs are advised to conduct and perform activities or operations that are necessary, convenient or appropriate to accomplish the purpose for which the cooperative is organized. Hence, all orders, memoranda and instructions that require EC resources including its officers, employees and other personnel, to be used, to join or participate in any activity that are not relevant to the functions of the EC and/or which do not redound to the advancement of the EC or its officers, employees and other personnel, shall be construed to be conduct prejudicial to the best interest of the EC and its member-consumer-owners, and shall be subject to NEA administrative investigations and disciplinary actions;
6. Conducting, sponsoring or participating in partisan political activities shall not be considered as an advancement or necessary, convenient or appropriate to accomplish the purpose for which the EC is organized, hence they are strictly prohibited.

For strict compliance and guidance.

  
**EMMANUEL P. JUANEZA**  
Administrator

NATIONAL ELECTRIFICATION  
ADMINISTRATION  
Office of the Administrator



NEA-OA267917

EPJ



29 September 2021

**LEGAL ADVISORY NO. 01**  
**Series of 2021**

**TO : ALL ELECTRIC COOPERATIVES (ECs)**

**SUBJECT : ELECTORAL CONTRIBUTIONS AND EXPENDITURES**

Relative to the directive of the NEA BOARD OF ADMINISTRATORS on the above subject and NEA Memorandum No. 2021-40 on the subject, GUIDELINES IN THE CANDIDACY OF EC OFFICIALS AND EMPLOYEES FOR 2022 NATIONAL AND LOCAL ELECTIONS dated 17 September 2021, all ECs are reminded to strictly comply with the pertinent provisions of the Omnibus Election Code, as amended, more particularly on electoral contributions and expenditures as provided under ARTICLE XI thereof, thus:

"SECTION 94. Definitions. - As used in this Article:

(a) The term "contribution" includes a gift, donation, subscription, loan, advance or deposit of money or anything of value, or a contract, promise or agreement to contribute, whether or not legally enforceable, made for the purpose of influencing the results of the elections but shall not include services rendered without compensation by individuals volunteering a portion or all of their time in behalf of a candidate or political party. It shall also include the use of facilities voluntarily donated by other persons, the money value of which can be assessed based on the rates prevailing in the area.

(b) The term "expenditure" includes the payment or delivery of money or anything of value, or a contract, promise or agreement to make an expenditure, for the purpose of influencing the results of the election. It shall also include the use of facilities personally owned by the candidate, the money value of the use of which can be assessed based on the rates prevailing in the area.

(c) The term "person" includes an individual, partnership, committee, association, corporation, and any other organization or group of persons.

**SECTION 95. Prohibited contributions.** - No contribution for purposes of partisan political activity shall be made directly or indirectly by any of the following:

(a) Public or private financial institutions: Provided, however, That nothing herein shall prevent the making of any loan to a candidate or political party by any such public or private financial institutions legally in the business of lending money, and that the loan is made in accordance with laws and regulations and in the ordinary course of business;

(b) **Natural and juridical persons operating a public utility** or in possession of or exploiting any natural resources of the nation;

(c) Natural and juridical persons who hold contracts or sub-contracts to supply the government or any of its divisions, subdivisions or instrumentalities, with goods or services or to perform construction or other works;

(d) **Natural and juridical persons who have been granted franchises, incentives, exemptions, allocations or similar privileges or concessions by the government or any of its divisions, subdivisions or instrumentalities, including government-owned or controlled corporations;**

(e) Natural and juridical persons who, within one year prior to the date of the election, have been granted loans or other accommodations in excess of P100,000 by the government or any of its divisions, subdivisions or instrumentalities including government-owned or controlled corporations;

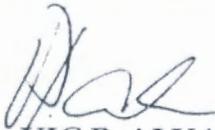
(f) Educational institutions which have received grants of public funds amounting to no less than P100,000.00;

(g) Officials or employees in the Civil Service, or members of the Armed Forces of the Philippines; and

(h) Foreigners and foreign corporations.

**It shall be unlawful for any person to solicit or receive any contribution from any of the persons or entities enumerated herein."**  
(Emphasis supplied)

For your information and guidance.



Atty. VIC P. ALVARO

Acting Deputy Administrator for Legal Services

Noted by:



Atty. ROSSAN S.J. ROSERO-LEE

Officer-in-Charge

NATIONAL ELECTRIFICATION  
ADMINISTRATION  
Office of the Administrator



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