



Technical Report

Evaluation and Assessment of the Database for Cooperatives with Savings and Credit Services

by Gilbert M. Llanto and Ma. Piedad S. Geron

Prepared for

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Executive Director, National Credit Council
Department of Finance (DOF), and
Ms. Lecira Juarez, Chairperson
Cooperative Development Authority (CDA)
Republic of the Philippines**

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**Office of Economic Development and Governance
(OEDG), USAID/Philippines**

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Preface

This report is the result of technical assistance provided by the Economic Modernization through Efficient Reforms and Governance Enhancement (EMERGE) Activity, under contract with the CARANA Corporation, Nathan Associates Inc. and The Peoples Group (TRG) to the United States Agency for International Development, Manila, Philippines (USAID/Philippines) (Contract No. AFP-I-00-03-00020-00, Delivery Order 800). The EMERGE Activity is intended to contribute towards the Government of the Republic of the Philippines (GRP) Medium Term Philippine Development Plan (MTPDP) and USAID/Philippines' Strategic Objective 2, "Investment Climate Less Constrained by Corruption and Poor Governance." The purpose of the activity is to provide technical assistance to support economic policy reforms that will cause sustainable economic growth and enhance the competitiveness of the Philippine economy by augmenting the efforts of Philippine pro-reform partners and stakeholders.

Department of Finance (DOF) Undersecretary Gil S. Beltran, Executive Director, National Credit Council (NCC), requested EMERGE, by letter dated September 25, 2006, to assist the Cooperative Development Authority (CDA), among other things, with an "Evaluation and Assessment of the Database for the Cooperative Sector with Savings and Credit Services." EMERGE hired Dr. Gilbert M. Llanto and Dr. Ma. Piedad S. Geron to undertake the job, assisted by Annalyn R. Garay as their research associate, and this is their final report of the completed task.

The views expressed and opinions contained in this publication are those of the authors and are not necessarily those of USAID, the GRP, EMERGE or the latter's parent organizations.

**ECONOMIC MODERNIZATION THROUGH EFFICIENT REFORMS AND
GOVERNANCE ENHANCEMENT (EMERGE) Project**

Final Report

Task 4.2.1.2c: Evaluation and Assessment of the Database for Cooperatives with Savings and Credit Services

TASK OBJECTIVE:

The objective of this task is to improve the capacity of the Cooperative Development Authority (CDA) to regularly monitor performance of cooperatives with savings and credit services in the Philippines. The specific objectives are:

1. To establish a reliable database for cooperatives with savings and credit services which can be used by CDA for supervising and regulating cooperatives; and
2. To develop capacity of CDA to collect reliable and consistent set of data for the its database system.

PROJECT OUTPUTS:

The following were accomplished during the implementation of the task:

- 1) Development of the Cooperative Annual Performance Report (CAPR), new data collection instrument for the CDA
- 2) Approval and adoption by the CDA Board of Administrators of the CAPR
- 3) Development and formulation of the User's manual for accomplishing the CAPR and validating submitted information.
- 4) Training of about 70 Cooperative Development Specialists on accomplishing and validating the information submitted using the CAPR

PROJECT ACCOMPLISHMENT DETAILS:

To accomplish the foregoing objectives, an assessment of the existing data collection instruments of the CDA including the manner by which data is collected using these instruments was done by the team. The assessment was done through the conduct of focus group discussions (FGDs) with cooperative development specialists (CDS) and selected primary cooperatives in six regions (Regions II, IV, VI, VII, X and XII) in December 2006 and January, 2007. The

results of the assessment (see attached report) were presented to the Board of Administrators and the Management Committee of the CDA. The recommendations of the report were adopted by the Mancom for implementation. These are:

- 1) Adoption of a more appropriate instrument for collecting relevant information from the cooperative. The new instrument will replace the annual report, IWP and the general information sheet currently required by the CDA.
- 2) Verification and establishment of the master list of operating cooperatives for regular inspection
- 3) Upon establishment of a verified master list of operating cooperatives, collection of information using the new data instrument in 2008.

Upon adoption of the report's recommendations, the proposed new data instrument identified as the Cooperative Annual Performance Report (CAPR) was pre-tested in twelve (12) primary cooperatives (classified by size of assets) in 4 regions (Regions IV, VI, X and XI) in March, 2007. The draft data instrument was revised to consider the comments and findings during the pre-test and the comments of CDA officers in the Central Office. The revised draft was eventually presented to and approved by the members of the Board of Administrators in April, 2007.

Upon approval of the CAPR, a manual to guide CDS in teaching cooperatives how to accomplish the CAPR and how to verify information submitted by cooperatives using the CAPR was drafted by the team of consultants. To ensure that CDS are able to effectively use the manual, training workshops on the adoption and use of the manual was conducted in Tagaytay and in Davao in July, 2007. About 70 cooperative development specialists attended the training workshops. Participants from each of the regional offices were required to develop their re-entry plan which includes the conduct of re-echo seminars to the other CDS in the region and the conduct of promotion and advocacy activities among primary cooperatives regarding the submission of the CAPR.

The following reports are attached:

- 1) Evaluation and Assessment of the CDA Database
- 2) Cooperative Annual Performance Report (CAPR)
- 3) CAPR User's Manual
- 4) Presentation Materials for Training Workshops

Table of Contents for Attachments

1. Evaluation and Assessment of the Database for Cooperatives with Savings and Credit Services

- **Annex 2A, Form 1a_CAPR Final draft**
- **Annex 2B, Form 1b_CAPR Final draft**

2. Cooperative Annual Performance Report Final Draft (CAPR)

3. User's Manual in Accomplishing the CAPR

4. Presentation Materials during the Training Workshops

- **CAPR Training Objectives**
- **Basic Information on the CAPR**
- **The Story behind the CAPR**
- **Accomplishing the general information**
- **Accomplishing section II**
- **Accomplishing section III**

**Evaluation and Assessment of the
Database for Cooperatives
with Savings and Credit Services**

Prepared by:
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Evaluation and Assessment of the Database for Cooperatives with Savings and Credit Services

1. Introduction

Given the mandate to perform both developmental and regulatory functions over all cooperatives in the country, the Cooperative Development Authority (CDA) has mostly been engaged in the provision of developmental support to the cooperative sector since its creation in 1991. These include, among other things, the conduct of the following activities: conduct of training and seminars on the organization of cooperatives, provision of lending funds, and promotion of the cooperative sector. This resulted in almost 70,000 registered cooperatives as of December, 2005 of which very little information about the status of their operations and financial performance is available. It is surmised, however, that about 50 percent of the registered cooperatives are operating¹. About 80 percent of the reportedly operating cooperatives are engaged in savings and credit operations.

Realizing that cooperatives use members' money in their lending operations, the CDA and the cooperative sector recognized the need to ensure that cooperatives engaged in savings and credit operations are operating in a safe and sound manner. To ensure this, CDA has recently refocused its efforts towards the implementation of effective regulatory and supervisory functions over cooperatives, especially those engaged in savings and credit operations.

In line with the CDA's refocused mandate, the Cooperative Development Authority (CDA) issued a Memorandum Circular directing all credit cooperatives and other types of cooperatives with savings and credit services to adopt the Standard Chart of Accounts (SCA). The establishment of the SCA and its adoption by all credit cooperatives and other types of cooperatives with savings and credit services signal the CDA's firm commitment to effective regulation and supervision and is expected to result in greater transparency in the operations of the cooperatives. Following the adoption of the SCA and its accompanying accounting manual, the CDA issued another Memorandum Circular encouraging the adoption of the COOP-PESOS as the performance standards for cooperatives engaged in savings and credit services. The adoption of the SCA and the COOP-PESOS would also facilitate the evaluation and assessment of the performance of cooperatives. All these efforts are components of CDA's scheme to lay down the basic information infrastructure for the effective regulation and supervision

¹ This is based on the no. of cooperatives submitting annual reports on a regular basis.

of credit and savings cooperatives. An important component of the information infrastructure is a reliable database for the provision of timely and appropriate regulatory and supervisory interventions for cooperatives.

As of December, 2005, there are only about 9,500 of the reportedly 35,000 operating cooperatives that have adopted the SCA. Hence, in June 2006, the CDA launched a massive inspection of all operating cooperatives using the Inspection Working Paper (IWP) developed by the CDA. The information gathered from the massive inspection is expected to establish the benchmark database known as the Cooperative Information System (CIS) for all cooperatives². Aside from the information gathered from the massive inspection the CIS will also include information from the Annual Report and General Information Sheet that is required to be submitted by all cooperatives on an annual basis.

Since the benchmark database in the CIS will also be used for the regulation and supervision of cooperatives engaged in savings and credit services, it is important that such database is reliable and contains relevant information. This review was commissioned to determine and assess the reliability and validity of the information contained in the CDA existing database. Information in the data base comes from a diverse source, namely, (a) IWP, (b) GIS, (c) Annual Report and (d) audited financial statements (annual). This review will also assess the sufficiency of the information contained in the database with respect to the requirements for effective regulation and supervision. Section 2 discusses the framework in assessing and evaluating the current database of CDA with specific focus on the data needs for effective off-site supervision while Section 3 of the report discusses the current reporting system of the CDA and the proposed report requirements under the Manual of Rules and Regulations (MORR)³. Section 4 assesses and evaluates the existing reporting system and database of the CDA.. Section 5 proposes a revised database system including the report requirements and the activities that need to be conducted to establish a more reliable database system.

2. Framework for the Assessment and Evaluation of the Database

As stated in the framework for regulation and supervision for cooperatives engaged in savings and credit services and considering the total number of cooperatives in the country, CDA, along with deputized cooperative

² The Cooperative Housing Foundation (CHF) is currently providing the necessary assistance for the development of the Cooperative Information System (CIS). The CIS aims to consolidate all the data collected currently being collected by the CDA.

³ The Manual of Rules and Regulations (MORR) was developed and formulated by the CDA in collaboration with the NCC and the various cooperative federations. The MORR contains various provisions related to the conduct of safe and sound operations of cooperatives, i.e. governance, management, lending and savings operations, internal control, capitalization etc.

federations, will use both off-site and on-site supervision to monitor and ensure the safety and soundness of the performance of cooperatives.. Effective regulation and supervision requires an accurate and reliable database containing sufficient information on the status of cooperative operations.

Off- site supervision allows the regulator/supervisor to identify negative trends and emerging problems such as unmanaged risks, and others related to the cooperative's operations or transactions. The negative trends and problems are identified using the reports and data submitted to the regulator. Ratio and peer group analysis are usually employed to determine specific warning signs regarding the operations of the cooperative. Using results of off-site supervision, the cooperative is immediately notified of the situation to resolve the identified issues and address the immediate problem before it becomes serious enough to negatively affect the whole cooperative operations.

On-site supervision, on the other hand, takes off from the results of off-site supervision and requires an examiner to conduct actual examination of the books and operations of the cooperative. On-site or actual examination is recommended to be done annually.⁴ Using the reports from off-site supervision as basis, the examiner goes to the cooperative concerned to conduct a series of examination procedures to determine the economic and financial status of the cooperative. Examination focuses on the following: key trends, ratios, operations and management.

Both off-site and on-site examination requires a database that is complete, transparent, accurate and reliable. In view of this, the existing database of CDA should at the least be characterized by the following:

2.1. Complete and sufficient to support supervisory requirements. The database should contain data that provides specific information on the performance and operations of the cooperative. Data indicating the financial condition and operations of the cooperative is important. For instance, data indicating the quality of loans should be readily available in the cooperative since loans comprise the bulk of the assets of a cooperative engaged in savings and credit operations,. The database for supervisory requirements should at the least provide the following information:

- 2.1.1. Statement of Financial Condition (Balance Sheet accounts)
- 2.1.2. Statement of Operations (Income and expenses accounts)
- 2.1.3. Aging of delinquent accounts

⁴ Depending on the status of the the cooperative operations, special examination may also be conducted within the year. Special examination are conducted on top of the regular examination.

- 2.1.4. Other loan information (e.g. loans to directors, officers and management, write-offs, etc.)
- 2.1.5. Investment information including types, and maturities
- 2.1.6. Savings information
- 2.1.7. External credit information
- 2.1.8. Miscellaneous information (information on who performed the last audit, membership profile etc.)

The foregoing information is important for the supervisor to be able to perform ratio analysis and determine negative trends and warning signs. Results of these analyses will provide relevant information that will indicate if there is any existing or potential problems regarding cooperative operations that need specific attention from the supervisor. The results of the analysis are also important to be able to identify and evaluate the different risks taken or faced by the cooperative and the adequacy of the risk management system used by the organization. The data should also be able to provide information for peer group analysis so the cooperative will know how it fares vis-à-vis cooperatives in similar category.

- 2.2. Transparent. The database should contain information that is useful for both regulators and management, hence, should be collected and processed in a timely manner. The information in the database should likewise be accessible and usable hence should be structured and made available in forms that are useful for both the management of the cooperative and the regulator. Transparent information should, likewise, be comparable. The information in the database should allow the comparison of cooperative performance over time and among peer cooperatives.
- 2.3. Accurate. The database should reflect the actual state of the cooperative's operations. An accurate database should provide for a standard definition of accounts and variables. Standardization will eliminate individual interpretation that could result in incorrect information or misstatement of the true financial condition of the cooperative. Aside from using standard definition of accounts and variables, using a standardized format is also important in ensuring the accuracy of information. Along with the standardized format, there should also be a detailed explanation on how specific reports should be completed.
- 2.4. Reliable. The reliability of the information collected for a database hinges largely on the knowledge, capacity and understanding of person accomplishing the forms for inclusion in the database. It is very important that the person responsible for the submission of data understand the data requirements and where those information will be

used. In this regard, it is important that individuals accomplishing the form for database submission are trained so that they provide accurate and reliable information. The accuracy and reliability of the data depend also on the efficiency of the data processing procedures used by CDA. This will require as well the presence of highly trained individuals who will be tasked with data processing and production.

3. Reporting and Database System of the CDA

3.1 Current Reporting requirements of CDA.

At present, CDA requires all cooperatives to submit Annual Reports with the accompanying audited financial statements and General Information sheets. These reports are required to be submitted to the CDA by the first quarter of every year. Aside from submitting these information, cooperatives are also inspected annually by the Cooperative Development Specialists using the Inspection Working Paper. The Inspection Working Paper contains detailed information that range from the organization, operations, membership and financial status of the cooperatives. Trainings attended by officers as well as trainings conducted by the cooperative concerned are also required to be provided during the inspection of the cooperative.

Given these report requirements, the CDA has established three database systems. These are: the Cooperative Registration and Information System (CRIS), the Cooperative Annual Report and Information System (CARIS) and the Cooperative Classification and Information System (CCIS). The CRIS is a system that contains the relevant information from the cooperative upon registration. The CARIS on the other hand, contains information from the annual report and the general information sheet while the CCIS collates all the information from the annual inspection conducted by the CDS. The CCIS classifies cooperatives according to various categories (e.g. small, medium and large cooperatives). It is noted that these three systems are independent silos of information without any mechanism to cross check or validate particular information in one silo with information in other silos. There has been no attempt to make these systems capable of communicating with each other. There is much to improve in making these systems internally consistent and integrated for better functionality with respect to regulation and supervisory needs of CDA. Annex 1 provides a more detailed discussion of these reporting systems.

In June, 2005, the CDA conducted a massive inspection of cooperatives to be able to establish a more accurate benchmark

information on the number of operating cooperatives in the country. The inspection was conducted for a period of about five months (May to September) using a 13 page questionnaire. Information collected from the massive inspection was supposed to provide the benchmark information for the supervision and examination of cooperatives.

3.2 Proposed Reporting requirements under the Manual of Rules and Regulations

Along its thrust to focus efforts on its regulatory and supervisory mandate over all cooperatives, the CDA Board of Administrators (BOA) has approved the Manual of Rules and Regulations for cooperatives engaged in the provision of savings and credit services on January 25, 2007⁵. The MORR prescribes the various rules, regulations and requirements that must be followed and complied with by cooperatives engaged in savings and credit services. Among other things, the MORR has a section mandating the submission of the following reports on a regular basis:

**Table 1
Reports Required under the MORR**

Report Category	Subject of Report	Frequency of Reporting	Deadline for Submission to the Authority
A1 (Reports to be submitted to the Authority)	1. Statement of Financial Condition*	Quarterly	May 15, August 15, November 15, February 15
	2. Statement of Operation*	Quarterly	-do-
	3. Statement of Cash Flows*	Quarterly	-do-
	4. Notes to Interim financial statements and other disclosures	Quarterly	-do-
	5. Summary of Aging Report	Quarterly	-do-
	6. Statement of Utilization of Statutory Funds	Quarterly	-do-
A2 (Reports and schedules to be prepared)	Related schedules such as: 1. Bank reconciliation	Monthly	

⁵ The BOA-approved MORR will be submitted to the Secretary of the Department of Finance for endorsement to the Office of the President for final approval.

Report Category	Subject of Report	Frequency of Reporting	Deadline for Submission to the Authority
and maintained at all times within the credit cooperative)	2. Aging of loans receivables 3. Loans receivables, savings/ time deposits, subscribed and paid-up share capital 4. Investments 5. Accounts payable 6. Loans payable 7. Accrued Expenses 8. Property and Equipment	Monthly Monthly Monthly Monthly Monthly Monthly Monthly	
B	1. Audited Financial Statements including notes and disclosures 2. COOP-PESOS Report (Using audited financial statements) 3. Annual Report to CDA 4. List of Directors/Officers and their Bio-data 5. Report on Crime and Losses (see pro-forma below)	Annually Annually Annually Annually As changes occur As crime/incident occurs	May 15 May 15 60 days after end of fiscal year Thirty (30) days after the general assembly meeting Fifteen (15) days following assumption of office Fifth (5 th) business day from knowledge of crime or incident

4. Assessment and Evaluation of the Database for Cooperatives

As mentioned in the preceding section, the database of CDA should provide relevant and appropriate information for effective regulation and

supervision of cooperatives. Such database should be useful for both off-site and on-site supervision function. Aside from reviewing the existing reporting system of the CDA, focus group discussions (FGDs) with CDS specialists and selected primary cooperatives were conducted to be able to assess and evaluate the CDA database.

The FGDs with CDS specialists were focused on the following:

- a. Strategies implemented and process undertaken by the CDS in the conduct of the massive inspection;
- b. Problems and difficulties encountered in the conduct of the inspection;
- c. Encoding and data processing methodologies implemented and;
- d. Reliability of the data and information gathered during the inspection.

On the other hand, the FGDs with key officers and staff of the primary cooperatives were focused on determining the following:

- a. the cooperative's level of understanding regarding the use of the information being collected;
- b. the cooperative's ability to provide the various information required with specific focus on financial data;
- c. the cooperative's preferences in submitting the required information and;
- d. the cooperative's ability to comply with the reporting requirements under the Manual of Rules and Regulations (MORR).

Based on the review and using the results of the focus group discussions, the following observations are made:

4.1. Information in the required reports is insufficient for supervision and examination.

As discussed in section 2, for effective supervision and regulation, there are specific data requirements that must be collected from the cooperative. These information are needed to give the regulator/supervisor a general idea of cooperative operations. The following table shows that the data required in the IWP, Annual Report and the General Information Sheet even when put together is not sufficient to meet the data requirements for effective off-site supervision. The reporting requirements however, in the MORR will provide the needed information for regulation and supervision. It is noted that the MORR reporting requirements are not adequately met by existing data capture methods or systems used by CDA.

Table 2
Important Information for Effective Off-Site Supervision

Information Needed	Submission of information required in the MORR	Collected in the IWP	Collected in the Annual Report	Collected in the General Information Sheet
General Information				
1. Name and address of cooperative	√	√	√	√
2. Email and website address	Not explicit	×	×	×
3. Contact information of coop (e.g. name of contact person, phone numbers and email address) to include primary and secondary contact persons	Not explicit	√	×	×
4. Affiliation with a federation	Not required to be provided to the Authority in regular reports	√	√	
5. Business Alliance with the Federation or other cooperatives		√		
Financial Information				
<i>Statement of Condition Accounts</i> ⁶	Statement of Condition to be submitted quarterly		Audited Financial Statement is required as an attachment	
1. Cash		√		
2. Investments		√		
3. Loans Receivable		√		√
6. Allowance for Probable losses on Loans				
7. Fixed Assets		√		

⁶ Statement of Condition and Statement of Operations using the SCA should be submitted. These statements should contain specific information on the accounts enumerated in the table.

8. Prepaid Expenses				
9. Other Assets		√		
10. Other funds and deposits		√		
11. Total Assets		√		√
12. External Credit (Loans and Accounts Payable)				
13. Savings and Deposit liabilities				√
14. Other Liabilities				
15. Interest on Share Capital Payable				
16. Patronage Refund Payable				
17. Due to CETF				
18. Taxes Payable				
19. Accrued Expenses		√		
20. Total liabilities		√		
21. Donations and grants				
22. Paid-up capital		√		√
23. General Reserve fund		√		
24. Optional Reserve fund		√		
25. Education and Training fund		√		
<i>Statement of Operations Accounts</i>	Statement of Operations to be submitted quarterly		Audited Financial Statement is required as an attachment	
1. Interest on loans				
2. Income from Investments				
3. Fee income				
4. Other income				
5. Total gross income				
6. Interest expense on deposits				
7. Interest expense on borrowings				
8. Salaries and wages		√		
9. Employees benefits		√		
10. Mandatory contributions (SSS, PhilHealth, Pag-ibig)		√		
11. Travel expenses				
12. licenses and taxes		√		
13. Provision for loan losses				
14. Loan servicing expense				

15. Depreciation		√		
16. Total Expenses				
17. Undivided Net Surplus		√		√
<i>Aging of Delinquent Accounts broken down by 1 to 6 months portfolio at risk; more than 6 months to 12 months and more than 12 months PAR</i>	√	x		
<i>Information regarding Loans to Directors, Officers, Management, Staff and Related interests</i>				
1. Loans Outstanding	√	x		
2. Loans granted for the year	√	x		
3. Schedule of Delinquent Loans based on PAR (1 month to 6 months, greater than 6 months to 1 year, more than 1 year)	√	x		
4. Amount of charge-off, year to date	√	x		
5. Amount of recoveries on charge-off, year to date	√	x		
<i>Information on Cooperative Investments</i>				
1. Types of Investments	√	√		
2. Schedule of Investment including maturities	Not explicitly required	x		
<i>Information on External Credit</i>				
1. Types of external credit	√	√	√	
2. Maturity Schedule of External Credit	Not explicitly required	x		
<i>Savings and Share Capital Information</i>				
1. Amount of savings deposits (classified by type)	Required in the Statement of Condition	√		
2. Amount of Member Share Capital (classified into preferred and common shares)	Required information in the Statement of Condition	Total amount of paid-in required but not broken down into preferred and common shares		

3. Number of Savings account by maturity (time and ordinary savings deposits)	x	√		
4. No. of members with deposit accounts	x	√		
<i>Allocation of Net Surplus</i>				
1. Amount allocated to the various statutory funds (general reserve fund, optional fund, CETF)	√	√		
2. Amount of Dividends Declared	Required in the financial statements	√		
3. Amount of Dividends Distributed	Required in the financial statements	√		
Miscellaneous Information				
1. Who performed the last audit	x	Information whether audit was conducted included but not information on who conducted and when audit was conducted		
2. Date of last audit	x	Information whether audit was conducted included but not information on who conducted and when audit was conducted		
3. Type of system used for loan and savings account of members	x			
4. Number of regular and associate members	x		√	
5. Number of members, broken down by sex	Required in the COOP-PESOS		√	
6. Number of potential members	X			
7. Report on Crimes and Losses	√			

<i>Other information for the computation of the COOP-PESOS</i>				
1. Compliance with the following: <ul style="list-style-type: none"> a. CDA requirements b. BIR requirements c. LGU requirements d. DOLE requirements 		√		
2. Information on the last General Assembly Meeting <ul style="list-style-type: none"> a. No.of attendees b. Audited FS presented c. Development plan presented d. Election of BOD conducted as prescribed in the by-laws 			√	
3. Operations and Management related checklist <ul style="list-style-type: none"> a. Presence of manual of operational policies b. Information related to the meetings of the BOD and committees c. Management related information 		√		
4. Plans and Programs <ul style="list-style-type: none"> a. Development plan b. Approved annual plan and budget c. Code of ethics d. Conduct of annual Performance review 		√		

4.2. Information collected in the various data instruments is redundant.

It is observed that some information collected in the various systems are redundant. For instance, the audited financial statement is already required as an attachment to the annual report. During inspection, some information already contained in the audited financial statements are again asked.

4.3. Status and operation of database system vary across regions.

The operation of the various database systems is not uniform across regions. In some regions, the systems (CRIS, CARIS and CCIS) are no longer functioning. It is also observed that the type of available data across region varies. In view of this, it is not clear how consolidation at the national level is done considering that data across regions vary.

4.4. Information collected from the massive inspection will not provide sufficient and accurate benchmark information for supervision and regulation.

Focus group discussions conducted among the CDS revealed that data collected from the massive inspection will not provide sufficient, reliable and accurate benchmark information for supervision and inspection in view of the following findings:

4.4.1. On the preparations undertaken prior to the conduct of the massive inspection:

4.4.1.1. Varying methods were employed by the various regional offices to notify cooperatives regarding the conduct of the inspection. To some cooperatives, letters of notices were given while to others, verbal notices through the CDS or through phone calls were made. In some cases, SMS was used to notify the cooperatives.

4.4.1.2. Regional offices have varying understanding on the rationale and objective of the massive inspection. The following are some of the reasons cited as the objective or description of the massive inspection done in June, 2005.

- Massive inspection is a more elaborate and extended IWP with more information to be gathered from the cooperatives;
- Massive inspection is being conducted to gather relevant information for the CDA presentation at the Coop summit in Palawan;

- Massive inspection is being conducted to determine the actual number of operating cooperatives in the area.
- Massive inspection will provide and establish benchmark information on the cooperative sector
- Massive inspection is part of the regular inspection work conducted annually

4.4.1.3. Varying strategies were adopted within and across regions to prepare for the conduct of the massive inspection. To ensure that the inspection will be completed within the time frame allotted, the following strategies were adopted by the different extension offices:

- Conduct of briefing on how to use the new IWP – the length of the briefing varied per region. Some conducted one-day briefing while some regions had 3 to 4 hours briefing
- Deploying all staff including the non-technical and administrative personnel in the conduct of the massive inspection
- Use of “center” or “clustering’ strategy to collect the information required in the IWP. Under this strategy, cooperatives were asked to report to a designated area in the region, e.g., a municipality, with required information in hard copies, that will be the basis for filling up the IWP.
- Use of buddy system for large cooperatives with multiple business operations (not clear to me what buddy system is)

4.4.2. On the actual conduct of the inspection

4.4.2.1. The time allotted for the conduct of the massive inspection was very limited. All regional offices visited were unanimous in highlighting the very short time provided for the massive inspection in terms of time allocated to prepare for the conduct of massive inspection, time allocated for the actual conduct of massive inspection and time allocated for initial data processing at the regional level, and also at the head office. Due to time constraint, all regional offices mobilized all the field CDS and the regional staff during the conduct of the inspection. In some regions, the non-technical personnel were also deployed. It is noted that there is a significant margin of error in collecting and processing data arising from severe time constraint and the use of non-CDS staff, who were not adequately trained for the conduct of massive inspection.

4.4.2.2. In some regions, the total number of operating cooperatives (defined as those submitting required reports (i.e.annual report, audited FS, and general information sheet)) was used as the master list for the inspection. This resulted in the following:

- There were coops that are not in the master list but were found to be operating;
- There might have been operating coops (actually operating but not submitting reports, hence by CDA definition not operating) but were not inspected because they are not in the master list.

4.4.2.3. Some information are not readily available from the coop like the membership profile by sector and by gender. These information are not monitored by the cooperatives and hence, it took time before they can be provided to the CDS doing the inspection. In the same way, information on the various trainings conducted and attended by the coop and financed out of the CETF is also not readily available from the cooperative.

4.4.2.4. There were no specific guidelines coming from the Central Office regarding instructions on how to fill up the data requirements in the IWP. This resulted in varying interpretation of the specific data requirements among CDS. In short, there was no manual of operations that could have guided CDA staff who were involved in data collection and processing.

4.4.2.5. There was no sufficient budget provided for the travel and transportation expenses of CDS. There was also very limited resources for the reproduction of the materials for the IWP. Hence, in one region, they used the IWP form that was used for pre-testing since the final IWP from the Central Office came in late. They did not reproduce again due to resource constraints.

4.4.3. On the encoding and processing of information

The following observations were noted in the encoding and processing of information gathered from the massive inspection:

- No cleaning up and validation of information in the IWP was done prior to encoding.

- There was no standardized coding manual used, hence the probability of varying (individual) interpretation of information among encoders is high.
- Encoders (which include both technical and non-technical staff) were not briefed regarding encoding and processing of information
- Microsoft Excel was used in encoding. Excel is not the appropriate vehicle for database management; hence the probability of error in data processing is high.

4.5. Cooperatives are not given feedback on the how the data submitted to the CDA is being used.

Based on the focus group discussions held with the key officers and staff of selected primary cooperatives, it was found out that cooperatives are interested in knowing how the information gathered from them are being used by the CDA. Specific feedback on the result of the inspection conducted on their cooperative is also considered valuable by the cooperatives. Some cooperatives even raised their need for a peer rating coming from CDA. Feedback was provided in only a few instances.

4.6. Cooperatives prefer the use of just one data instrument.

Some of the cooperatives interviewed raised the redundancy of information being collected from them. For instance, financial information are being required from them during inspection even if they have already submitted audited financial statements to the CDA. They also noticed that information in the annual report, general information sheet and the IWP are almost the same, hence they indicated their preference for the use of just one data instrument.

5. Conclusion and Recommendations

The foregoing discussion raised the issue of the reliability and accuracy of the results of the massive inspection conducted in 2005. More so, the inadequacy of information currently being required from cooperatives for effective supervision and regulation is also highlighted. In view of the foregoing and considering the importance of a complete, accurate and reliable database for CDA to effectively carry out its regulatory and supervisory functions, the following are recommended for immediate implementation in 2007:

- 5.1. Adoption of a more appropriate instrument for collecting relevant information from the cooperative. The new instrument will replace the annual report, IWP and the general information sheet currently

required by the CDA. The proposed new instrument will provide the required information for off-site supervision and will be useful for examiners doing on-site supervision. Following the adoption of the proposed new data instrument, the following activities should be conducted in 2007:

- i. pre-testing of the new data instrument
- ii. revision of the instrument based on the results of the pre-test
- iii. development of the manual for data collection
- iv. conduct of the training of trainers on data collection
- v. development of the software for the data instrument
- vi. development of the manual on the use of the new software for data collection, encoding and processing
- vii. training of CDS on accomplishing the data instrument using the software to be developed
- viii. information dissemination on the use of the newly developed data instrument

Activities i to iv may be provided assistance by USAID through EMERGE project while activities v to vii will be provided assistance under the Developing Financial Cooperatives Project funded by JFPR. The information dissemination component however, may be conducted with the assistance of the various local cooperative development councils.

5.2. Verification and establishment of the master list of operating cooperatives for regular inspection through the conduct of the following:

- i. Drafting of the one-page information sheet to establish the master list and the accompanying instruction on how to accomplish the questionnaire
- ii. Development of necessary software for the consolidation and processing of the data in the one-page information sheet Data collection from all registered and operating cooperatives⁷ using the one-page information sheet
- iii. Issuance of the Cooperative Identification Number (CIN) with control from the CDA central office.

5.3. Upon establishment of a verified master list of operating cooperatives, collection of information using the new data instrument can start in early 2008. CDS will be required to visit and collect the required information from all cooperatives that have been assigned a CIN.

⁷ These refer to all registered cooperatives that have actual operations. These cooperatives may not be submitting regular reports to the CDA but are actually in operation.

ANNEX 1 Current Reporting System adopted by the CDA for its Existing Database

Data Instruments

The CDA generates three major reports: (a) Inspection Working Paper ; (b) Annual Report; and (c) the Cooperative Registration

a. Inspection Working Paper

The Inspection Working Paper (IWP) is a mandatory report accomplished at the end of each fiscal year. The system has recently integrated the latest Memorandum Circulars and regulations issued by the CDA for effective monitoring of compliance of coops. The Inspection Working Paper or MIS Form 6 is divided into seven areas: (i) General Information; (ii) Membership Mobilization and Participation; (iii) Leadership or Management; (iv) Compliance with Legal Requirements; (v) Business Operations; (vi) Networking and Linkaging; and (vii) Social Concerns.

General Information. The cooperative's name, address, registration number and date, nature of business, the sector to which the coop belongs based on their business or economic activity, area of operation, status (whether active, inactive, cancelled, merged or consolidated) and term of existence are contained in this section.

Membership Mobilization and Participation. Major information gathered under this area includes the following: composition of membership, membership size, number of members allowed to vote in the Annual General Assembly, resources mobilized among members particularly the amount of share capital and savings generated; payment of obligations as well as participation of the members in education seminars, among others.

Leadership or Management. This section provides information on the composition of the Board of Directors (BOD), the different committees and the core management team (CMT); trainings attended by members of the BOD, the different committees and the CMT; financial and non-financial policies and procedures, i.e., if formulated and implemented; and existence of cooperative development plan.

Compliance with Legal Requirements. This section focuses on the compliance of cooperatives with the requirements specified under R.A. 6938 including annual report, updated bond and books to be kept; financial statements required under R.A. 6939; tax payments as required by BIR regulations; compliance of coops with LGU laws such as getting business permit or certificate of accreditation; compliance with labor and related laws including minimum wage, SSS/Philhealth and Pag-Ibig; and compliance with other

applicable laws, e.g., if a bank, compliance with the laws of Bangko Sentral ng Pilipinas, among others.

Business Operations. Information on the cooperative's business operations are detailed in this section especially with respect to the type of services offered by the coop and the coop's financial condition for each type of service delivered.

Networking and Linkaging. This section provides data on the local as well as international affiliations of the cooperative including linkages with other sectors such as local government units (LGUs), non-government organizations (NGOs), government organizations (GOs) and people's organizations (POs), among others.

Social Concern. The cooperative's participation in matters of local governance particularly in the Local Development Council can be found in this section. Also included are the following: involvement of the coop in the community's health and sanitation, environmental, cultural and sports activities and on employment generation, i.e., the number of people employed by the cooperative.

b. Annual Report

The cooperative annual report is also required at the end of each fiscal year. The annual report information sheet (MIS Form 5) is divided, as follows: (i) General Information; (ii) Membership; (iii) Training; (iv) Economic Aspect; and (v) Additional Information.

General Information. This contains basic information such as the name of the cooperative, registration date, address or location, nature of business, commodity involved, area of operation and status of the cooperative, i.e., whether merged or consolidated.

Membership. The number and type or composition of membership is found in this section. Also asked is the bond of membership, number and gender of directors and number of employees whether full-time or part-time, male or female.

Training. Under this section, information required include frequency of meetings with respect to the coop's general assembly, board meetings and committee meetings; the number and type of trainings conducted by the coop and number of participants in these trainings.

Economic Aspect. This section presents details on the cooperative's total assets vis-a-vis liabilities and income vis-a-vis costs.

Additional Information. The cooperative's involvement in livelihood projects, i.e., the number and type of projects as well as the amount involved are gathered under this section. This also includes information on the coop's lending activities such as the amount of loans granted to members and

number of members granted with loans. Amendments to the coop's articles of corporation and by-laws are also asked in this section.

c. Cooperative Registration.

The information required in this report is gathered from cooperatives that register with the Cooperative Development Authority. Information is further updated when the cooperative's articles of cooperation and/or by-laws are amended. The information sheet is divided into three parts: (i) General Information; (ii) Membership; and (iii) Others.

General Information. This section contains the cooperative's basic profile including name, address, type of registration, category of coop, i.e., whether primary, secondary or tertiary; nature of business, commodity involved, type of cooperative, e.g. credit, consumers or marketing cooperative; bond of membership, membership composition, area of operation and capitalization.

Membership. This includes number of board of directors, regular members, associate members, number of members for secondary coops and number of members for tertiary coops.

Others. The date of the coop's annual general assembly, term of existence, fiscal year, assisting organization as well as contact person can be found in this section.

Data Collection Methods

The Cooperative Development Specialist II (CDS II) is generally responsible for accomplishing the different reports. For the registration report, the CDS II accomplishes the information sheet (MIS Form 4) based on the documents submitted by the newly registered cooperatives. The annual report information sheet (MIS Form 5), on the other hand, is completed based on the audited financial statements as well as annual reports of the cooperatives. Finally, the inspection working paper or MIS Form 6 is accomplished following visitation or inspection of the cooperatives by the staff from the CDA which they undertake once a year to validate the data/documents submitted by these coops.

Data Processing

In 2002, the CDA attempted to integrate all reports into one system called the Integrated Cooperative Information System (ICIS) in order to simplify the process of consolidating information. However, the CDA extension offices have yet to fully comply with the ICIS. There are still several offices that follow the separate processing systems for each type of report. For instance, the Cooperative Registration Information System (CRIS) is used in processing the MIS Form 4 (Registration Information Sheet); the Cooperative Annual Report Information System (CARIS) for MIS Form 5 (Cooperative Annual Report); and the Cooperative Classification Information System (CCIS) for MIS Form 6 (Inspection Working Paper).

Annex 2A

FORM 1A

Statement of Financial Condition of Cooperatives engaged in Savings and Credit Services

Name of Cooperative
 Address of Cooperative
 CIN
 Statement of Financial Condition
 As of

	Current Year	Prior Year
ASSETS		
<i>Current Assets</i>		
Cash on Hand		
Cash in Bank		
Petty Cash Fund		
Revolving Fund		
Cash Advances to Officers & Employees		
Short Term Investment		
Loans Receivable		
Current		
Restructured		
Past Due		
In Litigation		
Total Loans Receivables		
Less: Allowance for Probable Losses on Loans		
Receivables from Accountable Officers & Employees		
Other Receivables		
Unused Office Supplies		
Prepaid Expenses		
<i>Total Current Assets</i>		
<i>Long-Term Investments</i>		
Cooperatives		
Government Securities/Bonds		
Others		
<i>Total Long-Term Investments</i>		

Property & Equipment		
Land		
Land Improvements		
Less: Accumulated Depreciation – Land Improvements		
Building		
Less: Accumulated Depreciation – Building		
Furniture, Fixtures & Office Equipment		
Less: Accumulated Depreciation – FF & OE		
Transportation Equipment		
Less: Accumulated Depreciation – Trans. Equipment		
Leasehold Rights and Improvements		
Total Property & Equipment		
Other Assets		
Organizational Costs		
Computerization Costs		
Other Funds and Deposits		
Due from Head Office/Branch Subsidiary		
Assets Acquired in Settlement of Loans		
Other Land		
Other Building		
Less: Accumulated Depreciation – Other Building		
Miscellaneous Assets		
Total Other Assets		
TOTAL ASSETS		
LIABILITIES		
Current Liabilities		
Savings Deposits		
Time Deposits		
Loans Payable – Short Term		
SSS/ECC/Phil health Premium & Pag-ibig		
Contributions Payable		
Withholding Tax Payable		
Accrued Expenses		

Interest on Share Capital Payable		
Patronage Refund Payable		
Due to CETF (Apex)		
Unearned Income		
Other Payables		
Total Current Liabilities		
Long-Term Liabilities		
Loans Payable – Long Term		
Revolving Capital Payable		
Retirement Fund Payable		
Other Long –Term Payables		
Total Long-Term Liabilities		
Other Liabilities		
Deposits for Share Capital Subscription		
Project Subsidy Fund Payable		
Mutual Benefit Funds Payable		
Due to Head Office/Branch/Subsidiary		
Total Other Liabilities		
TOTAL LIABILITIES		
EQUITY		
Members' Equity		
Common Share Capital – Authorized Share		
Capital _____ Shares @ P_____ par value		
Subscribed Share Capital – Common		
Less: Subscription Receivable – Common		
Paid-Up Share Capital – Common		
Treasury Shares (Common)		
Preferred Shares Capital – Authorized Share		
Capital _____ Shares @ P_____ par value		
Subscribed Share Capital – Preferred		
Less: Subscription Receivable – Preferred		
Paid-Up Share Capital – Preferred		

Total Paid-Up Share Capital		
*Undivided Net Surplus		
Total Members' Equity		
Donations/Grants		
Donations and Grants		
Statutory Funds		
Reserve Fund		
Education & Training Fund (Local)		
Optional Fund		
Total Statutory Funds		
TOTAL LIABILITIES AND EQUITY		

Annex 2B

FORM 1B

Statement of Operations of Cooperatives engaged in Savings and Credit Services

Name of Cooperative

Address of Cooperative

CIN

Statement of Operations

For the years ended

	Current Year	Prior Year
REVENUE		
Interest Income from Loans		
Service Fees		
Filing Fees		
Fines, Penalties, Surcharges		
Membership Fees		
Income/Interest from Investment		
Miscellaneous Income		
Total Revenue		
EXPENSES		
Financing Costs		
Interest Expense on Deposits		
Interest Expense on Borrowings		
Other Charges on Borrowings		
<i>Total Financing Costs</i>		
Administrative Costs		
Salaries and Wages		
Employees' Benefits		
SSS, ECC, PhilHealth, Pag-Ibig Contributions		
Retirement Benefit Expense		
Officers' Honorarium & Allowances		
Training/Seminars		
Office Supplies		
Power, Light and Water		
Travel and Transportation		
Insurance		
Repairs and Maintenance		
Rental		
Taxes and Licenses		
Professional Fees		
Communication Expense		

Representation		
General Assembly Meeting Expenses		
Meetings and Conferences		
Bank Charges		
Collection Expenses		
Litigation Expenses		
Affiliation Fees		
Social Services Expenses		
Promotional Expenses		
Periodicals, Magazines, Subscriptions		
General Support Services		
Members' Benefit Expenses		
Miscellaneous Expenses		
Depreciation and Amortization		
Amortization of Leasehold Rights & Improvements		
Provision for Probable Losses on Loans		
Total Administrative Costs		
Total Expenses before Subsidized Project Expenses		
Add: Subsidized Project Expenses		
TOTAL EXPENSES		
Net Surplus before Project Subsidy		
Add: Project Subsidy		
Net Surplus on Operations		
Add/(Deduct) Extraordinary Items		
Gain or Loss on Sale of Acquired Assets/		
Property & Equipment		
Gain or Loss on Investment		
NET SURPLUS (FOR ALLOCATION)		
Reserve Fund – Minimum of 10% of Net Surplus (NS)		
Coop Education & Training Fund – Maximum of 10% of Net Surplus		
Optional Fund – Maximum of 10% of Net Surplus		
Amount Available for Interest on Share Capital and Patronage Refund		
NET SURPLUS (AS ALLOCATED)		



Cooperative Development Authority
Ben-Ior Building
Quezon Avenue
Quezon City

Cooperative Annual Performance Report

As of December 31, _____

To: The Primary Cooperative Concerned

This report contains the information requirements that should be submitted by all registered primary cooperatives that have been issued a Cooperative Identification Number (CIN) by the CDA. Cooperatives with savings and credit services are required to provide the additional information required in III.E.1 to 8. Please note that Tables III.E.7 (Capital Adequacy) and IV (COOP-PESOS rating) will be automatically computed given the information submitted by the cooperatives and therefore requires no input from the cooperative.

This report should be accomplished by the primary cooperative and should be submitted to the CDA annually. The information required in Section I (General Information) should be submitted to the CDA on or before 60 days after the end of the fiscal year while the information required in Sections II and III (Financial Information) should be submitted to CDA on or before 90 days after the end of the fiscal year. The cooperative, may however submit both sections at the same time provided it does not exceed the prescribed period.

All cooperatives should designate and authorize an employee of the cooperative who will accomplish the report, preferably the cooperative accountant. All reports should be certified true and correct by either the Chairman of the Board or the Manager prior to submission to the CDA. The CDS assigned should check the report to ensure that the information is complete and accurate. The CDS will input the information submitted by the cooperative into the Cooperative Information System (CIS).

Please complete this Report using accounting and statistical information from the cooperative's records.

I. GENERAL INFORMATION

(Please provide update on the required information as of the period covered).

A. Name of Cooperative as of latest amendment: _____

B. Present Address of Cooperative: _____

C. Type of Cooperative: _____

D. Business Activity Engaged in: _____

E. Name of Contact Person: _____

a. Email Address: _____

b. Phone Number: _____

c. Fax Number: _____

F. Registration/Confirmation Number: _____

G. Cooperative Identification Number (CIN): _____

H. Information on Members of Cooperative

Particulars	Male	Female	Total
No. of Regular members			
No. of Associate members			
Total No. of Members			

I. Information on Compliance to Requirements

<i>Please check if the following requirements have been submitted/complied with:</i>	<i>Please check (✓) if complied with, otherwise put an (x)</i>
COMPLIANCE	
1. Compliance with administrative and legal requirements of CDA	
a. Are the Bonds of Accountable Officers current?	
b. Are the Articles of incorporation and by-laws updated? If yes, was it amended and registered?	
c. Are Share Capital Certificates/Passbooks issued to members and regularly updated whenever necessary?	
d. Are CDA required reports accomplished in the prescribed format and submitted within the prescribed period?	
2. Compliance with BIR requirements	
a. Have annual registration requirements of the BIR been submitted?	
b. Are appropriate taxes, if any, withheld and remitted?	
c. Is the cooperative knowledgeable and clarified as to its tax exemption privileges and tax obligations with BIR?	
d. Are the Books of Accounts registered?	
3. Compliance with LGU requirements	
a. Has the local business permit/license been acquired?	
4. Compliance with DOLE requirements	
a. Are the legal minimum wage & 13th Month Pay to employees complied with?	
b. Have the mandatory insurance premiums to the following agencies been remitted?	
i. SSS	
ii. PhilHealth	
iii. HDMF (Pag-ibig)	
c. Are employees provided additional retirement plans other than those provided by law?	
d. Upon retirement, are employees paid?	
ORGANIZATION	
5. Membership participation	
a. Has the quorum requirement as indicated in the cooperative's by-laws been achieved during the conduct of the recent General Assembly Meeting?	
b. Is the authorized capital of the coop fully subscribed?	
c. If the coop's authorized capital is not fully subscribed, does the coop have a Capital Build-up program where 70% of members (regular and associate) participate?	
d. Do 70% of the members have savings deposits with the cooperative?	
e. Does the cooperative have an Annual Program and Development/Strategic Plan that was approved by the General Assembly?	

6. Membership Education	
a. Are pre-membership education seminars for new members regularly conducted?	
b. Is cooperative education regularly conducted for current members?	
7. Affiliation and Linkages	
a. Does the coop have depositors that are below 18 years old? If yes, has the coop established a Laboratory Cooperative ?	
b. Was the coop involved in community service?	
c. Did the coop pay annual dues, CETF, loans and other accounts to the federation/union of their choice?	
d. Did the coop have business alliance with federations?	
e. Did the coop have business alliance with other cooperatives?	
OPERATIONS AND GOVERNANCE	
8. Does the coop have written Manual of Policies and Procedures with specific provisions on the following:	
a. Membership	
b. Loaning	
c. Savings deposits	
d. Time deposits	
e. Financial management	
i. Asset/liability management	
ii. Accounting	
ii. Internal control and audit	
f. Human resource development	
i. Hiring, promotion and firing	
ii. Staff development	
iii. Compensation/benefits	
iv. Performance appraisal	
v. Job description	
9. Governance and Management	
a. Does the cooperative have a Code of governance and ethical standards?	
b. Are the BOD and Comiittee members elected in accordance with the coop by-laws and election procedures/guidelines?	
c. Does the Board of Directors meet on a regular basis (at least once a month)?	
d. Do all the committees meet on a regular basis (at least once a month)?	
e. Does the board conduct periodic review of policies?	
f. Are all the meetings of the Board of Directors properly recorded and updated?	
g. Are all the meetings of the committees properly recorded?	
h. Is there a full-time and qualified manager in the coop?	
i. Is there a policy on succession of the manager and other key top positions?	
j. Do all employees have individual personnel files?	
k. Does the cooperative have an organizational structure?	
PLANS/PROGRAMS AND PERFORMANCE	
10. Does the cooperative have defined objectives, plans and programs particularly on the following:	
a. vision, statement of mission and goals	
b. development or strategic plan	
c. approved annual plan and budget	

11. Do the BOD and Management conduct monthly review and assessment of the cooperative's actual performance in relation to its targets?	
---	--

J. Information on Audit

1. Internal Audit

- a. Frequency of internal audit _____
- b. Date of Last Audit Report _____
- c. Who conducted the internal audit (Name and designation) _____

2. External Audit

- a. Date of last audit _____
- b. Period of Operation Covered by the last audit _____
- c. Who conducted the audit _____

3. Does the coop have audited financial statements? _____ **If yes, please proceed to section III. If none, please proceed to section II.**

II. FINANCIAL INFORMATION FOR ALL TYPES OF COOPS WITH UNAUDITED FINANCIAL STATEMENTS

	Amount
Financial Condition	
Assets	
Loans receivable	
Accounts receivable	
Liabilities	
Paid-up Share Capital	
Donations and Grants	
Reserves	
General Reserve Fund	
Optional Reserve Fund	
CETF	
Volume of Transactions	
Loan releases	
Sales/Gross Receipts	
Operations	
Revenues	
Expenses	
Undivided Net Surplus	
Allocation for general reserve fund	
Allocation for optional fund	
Allocation for CETF	
Amount for distribution	
Interest on share capital	
Patronage refund	

III. FINANCIAL INFORMATION FOR ALL TYPES OF COOPS WITH AUDITED FINANCIAL STATEMENTS

(NOTE: Cooperatives that are NOT engaged in savings and credit services shall fill out Section III.A to III.D. Cooperatives engaged in savings and credit services shall skip Section III.A and shall fill out Sections III.B to III.E.)

A. Basic Information on Financial Condition and Operations

	Amount
Financial Condition	
Assets	
Loans receivable	
Accounts receivable	
Liabilities	
Paid-up Share Capital	
Donations and Grants	
Reserves	
General Reserve Fund	
Optional Reserve Fund	
CETF	
Volume of Transactions	
Loan releases	
Sales/Gross Receipts	
Operations	
Revenues	
Expenses	
Undivided Net Surplus	
Allocation for general reserve fund	
Allocation for optional fund	
Allocation for CETF	
Amount for distribution	
Interest on share capital	
Patronage refund	

B. Information on Investments

Type of investment	Investment will mature within One to 3 years (1)	Investment has maturity of more than 3 years to 5 years (2)	Investment with more than 5 years maturity or maturity period not specified (3)	Total Amount (1) + (2) + (3)
Long term Deposits in banks				
Investment in Cooperative Federation				
Government Securities				
Others (pls. specify)				
Total Investments				

C. Information on External Borrowings

Source of Credit	Amount of Outstanding External Borrowings as of reporting period
Foreign Loans	
amount in foreign currency	
conversion rate	
amount in local currency	
Local loans	
Government Financial Institutions	
Private Financial Institutions	
Others, please specify	
Total Amount of External Borrowings	

D. Information on Savings Deposits

Type of Deposits	Regular Members			Associate Members		
	No. of Members with deposit accounts	No. of Accounts	Total Amount	No. of Members with deposit accounts	No. of Accounts	Total Amount
Withdrawable savings deposits						
Time deposits						
30 days						
more than 30 days to 90 days						
More than 90 days to 1 year						
More than 1 year to 5 years						
More than 5 years						
Non-withdrawable savings (For share capital subscription)						
Other types of deposits, please specify						
T o t a l						

E. Other Financial Information for Cooperatives with Savings and Credit Services

1. Detailed Information on Financial Condition - Please fill up the attached Form 1A

2. Detailed Information on Operations - Please fill up the attached Form 1B

3. Information on Loans Receivable

Particulars	No.	Amount
By Type of Loan		
Production loan		
Consumption/Providential loan		
Microfinance Loan		
Real Estate loan		
Other types of loans (please specify)		
By Maturity		
Less than six months		
more than six months to one year		
more than one year to 3 years		
more than 3 years		

4. Aging of Delinquent Accounts- using Portfolio at Risk (PAR)

Particulars	No.	Amount
Current Loans		
Delinquent loans		
Loans outstanding with one-day missed payments up to 30 days		
Loans outstanding with missed payments of 31 days up to 12 months		
Loans outstanding with over twelve months missed payments		
T o t a l		

5. Loan Loss Information

Particulars	No.	Amount
Loans written off during the year		
Loans recovered within the year		

6. Loans to Directors, Officers, and Staff

Particulars	No. of Loan Accounts	Amount
1. Loan Information		
DOSRI Loans outstanding		
Current		
Loans with PAR		
- Less than 12 months		
- Over 12 months		
2. Loan loss information		
Loans written off during the year		
Loans recovered within the year		

7. Compliance to capital adequacy ratio (networth to risk asset ratio)

Particulars	Amount
Total Capital	
Paid-in members' share capital	
Donated capital	
Less: Unbooked allowances	
Total net worth	
Total Assets	
Less: Non-risk assets	
Total Risk Assets	
Net worth to risk asset ratio	

8. Allocation of Net Surplus

Particulars	Mandatory Percentage Allocation	Amount Allocated	Amount Distributed
Allocation			
General reserve fund			
Optional fund			
Cooperative Education and Training Fund			
Amount for Distribution			
Interest on share capital			
Patronage refund			
Total amount of undivided net surplus			

IV. COOP-PESOS Rating

		Weight	Resulting Ratio	Score/Points	Rating	Peer Average
COOP indicators						
Compliance with Administrative and Legal Requirements						
Organization						
Operations and Management						
Plans, Programs and Performance						
TOTAL COOP points						
COOP RATING						
PESOS indicators						
<i>P</i> ortfolio quality						
Portfolio at Risk						
Allowance for Probable Losses on Loans						
<i>E</i> fficiency						
Asset yield						
Operational Self-sufficiency						
Rate of Return on Member's Share						
Loan portfolio profitability						
Cost per peso of loan						
Administrative efficiency						
<i>S</i> tability						
Solvency						
Liquidity						
Net Institutional Capital						
<i>O</i> utreach						
Growth in membership						
Trend in external borrowings						
<i>S</i> tructure of Assets						
Non-earning assets/Total assets						
Total deposits/Total assets						
Net Loans receivables/Total assets						
Total members' share capital/Total assets						
Total PESOS points						
PESOS RATING						
COOP-PESOS RATING						

Prepared By:

Certified True and Correct:

Accomplishing and Validating the Cooperative Annual Performance Report (CAPR): Guide for Cooperative Development Specialists (CDS)

This Guide provides useful information for Cooperative Development Specialists (CDS) in helping cooperatives accomplish the CAPR and in validating the information contained in the accomplished CAPR. It can be used by the CDS in campaigning for the submission of the required data and information using the CAPR among primary cooperatives. Answers to frequently asked questions about the CAPR as well as detailed instructions on how to accomplish the CAPR are provided in this guide.

Aside from providing relevant information for advocating the submission of the necessary information using the CAPR, this guide also contains specific validation procedures that should be used by the CDS in checking the veracity and accuracy of submitted information. Part I provides basic information on the CAPR while Part II provides detailed instructions on how to accomplish the CAPR and how to validate the various data and information submitted by the primary cooperative.

CAPR: Some Basic Information

I. What is the CAPR?

The Cooperative Annual Performance Report or the CAPR is the primary means by which the Cooperative Development Authority (CDA) collects annual financial and operational data for all types of cooperatives registered with the CDA. It consolidates the data requirements in the Annual Report (AR), General Information Sheet (GIS) and the Inspection Working Paper (IWP).

CDA will regularly review the type of data collected using the CAPR and will make adjustments as necessary to reflect current operations of all types of cooperatives.

II. What is the purpose of the CAPR?

The CAPR will:

- a) provide relevant and updated information that will be useful in determining the status of operations and performance of the cooperative sector;
- b) help CDA gather and consolidate data that will provide cooperatives specific information on how their operations fare vis-a-vis other cooperatives in the same category ;
- c) provide relevant and useful information for off-site supervision of cooperatives engaged in savings and credit services;
- d) provide useful information for deputized supervisors in determining the scope of examination;

III. Why do coops need to submit the CAPR?

The information submitted by primary cooperatives using the CAPR will provide key information on the operations and performance of the cooperative sector. This information is useful in determining the appropriate support to promote the growth and development of cooperatives. This information will also help CDA in monitoring the performance of cooperatives.

Cooperatives, especially those engaged in the provision of savings and credit services need to submit the CAPR because the data gathered from the CAPR will be used by the CDA in the regulation and supervision of cooperatives. Effective supervision is necessary to ensure that cooperatives, especially those that are engaged in savings and credit services, have safe and sound operations resulting in the protection of the cooperative members.

IV. What kind of information will be gathered using the CAPR?

The CAPR consolidates the information requirements currently contained in the AR, GIS, and the IWP. The following information will be gathered using the CAPR:

- a. **General Information** - this section contains basic information about the cooperative such as name, address, type of cooperative, nature of business activity engaged in and the Cooperative Identification Number (CIN). Aside from the basic information, this section also asks information on cooperative membership, information regarding cooperative compliance to various administrative and legal requirements and information on audit.
- b. **Financial information** – this section contains information regarding the statement of financial condition and statement of operations of the cooperative. Since there are still cooperatives that are not availing of external audit services, separate sections are provided for cooperatives that have audited financial statements and for cooperatives that do not have audited financial statements. Only key financial information will be collected from those cooperatives without audited FS.

Other information required in this section are: information on investments, information on external borrowings, information on savings, and information on allocation of net-surplus.

For cooperatives engaged in savings and credit services, additional detailed information on the following required:

- i. Information on loans receivables
- ii. Aging of loans receivables using Portfolio at Risk
- iii. Loan loss information
- iv. Aging of loans to Directors, Officers and Staff (DOS)
- v. Loan loss information on DOS
- vi. Information on Capital Adequacy

V. Will cooperatives be given feedback on their operations?

At present, only cooperatives engaged in the provision of savings and credit services will be given specific feedback on their operations. This will be done through the resulting COOP-PESOS rating. The rating will automatically be generated once the completed CAPR has been submitted to the system. Peer averages of the various PESOS indicators will also be provided to the cooperatives. This will provide information on how the performance of a specific cooperative compares with the performance of other cooperatives in the same category (e.g. cooperatives with the same asset size).

VI. Who should submit the CAPR?

All primary cooperatives that have been issued a Cooperative Identification Number (CIN) are required to accomplish and submit the completed CAPR.

VII. Who among the officers in the cooperative should be accomplishing the CAPR?

All cooperatives should designate and authorize an employee of the cooperative who will accomplish the report, preferably the cooperative accountant. All reports should be certified true and correct by either the Chairman of the Board or the Manager prior to submission to the CDA.

VIII. When should a cooperative submit the CAPR?

Cooperatives are required to submit the CAPR in two phases. Section I (General Information) should be submitted on or before 60 days after the end of the fiscal year while Sections II and III (Financial Information) shall be submitted to the CDA on or before 90 days after the end of the fiscal year. The cooperative, may however submit both sections at the same time provided it does not exceed the prescribed period.

IX. Where and how does a coop submit the CAPR?

The cooperative shall submit the accomplished CAPR to the Regional Extension Office of the CDA where it is registered. The cooperative may submit the accomplished CAPR through either of the following means:

- a) Personal delivery to the CDA extension office
- b) Registered mail
- c) Electronic mail
- d) The Cooperative Development Specialist in-charge of the cooperative

CDA will prepare an internally developed software for use by all cooperatives in the annual submission of the CAPR. The software will contain auto sum features and data entry controls to help minimize errors in reporting. When data entry is complete, the cooperative may submit the accomplished CAPR to the CDA via electronic means.

Alternatively, the cooperative may submit the hard copy of the accomplished CAPR to the regional extension office in-charge of the cooperative. The CDS in charge of the submitting cooperative shall be responsible for encoding the information found in the hard copy of the CAPR into the database system.

X. Who will check and validate the veracity and accuracy of information submitted by cooperatives?

The CDS assigned to the cooperative shall check the submitted CAPR to ensure that the information provided for by the primary cooperative is complete and accurate. Primary cooperatives submitting electronically will directly encode the data into the Cooperative Information System (CIS). In case of hard copy submissions, the CDS in charge of the cooperative will encode the information into the CIS.

After encoding, the CDS in-charge will review the veracity and validity of information submitted by the primary cooperative. He/she shall forward the encoded and verified CAPR to the Senior CDS. The Senior CDS will review the submitted CAPR to check the completeness and consistency of information. After reviewing, the Senior CDS will then approve and submit the completed CAPR to the database system.

Annex 1 shows the flowchart of information and decision points prior to the submission of information into the database system.

Accomplishing the CAPR and validating the submitted information

I. General Information

This section shall be filled out by all types of primary cooperatives that have been issued a Cooperative Identification Number (CIN).

Purpose of the section. This section requires basic information that provides a general profile of the cooperative.

Source of information. Information required in this section may be gathered from any of the following:

- a) Cooperative's registration documents
- b) Cooperative's articles of cooperation and by-laws
- c) Membership information documents

Guidelines for filling out and Validation Procedure. The following guidelines shall be followed in accomplishing this section. Specific validation procedures that shall be used by the CDS in reviewing the CAPR submission of primary cooperatives are also provided below:

Specific Information Required	Instructions for filling out the information	Validation Procedure
A. Name of Cooperative	Provide the name of the cooperative as registered with the CDA. If the cooperative's name has been amended after registration, the name of the cooperative in the amended articles of cooperation shall be used.	Cross check with the registration documents. Also, cross check with the data entry in the Cooperative Information System (CIS).
B. Present Address of the Cooperative	Provide address where the cooperative is currently holding office.	Cross check with the registration documents. Also, cross check with the data entry in the Cooperative

		Information System (CIS).
C. Type of Cooperative	<p>Indicate the type of cooperative as shown in the cooperative's latest amended by-laws. A cooperative may only be classified in any of the following types of cooperatives:</p> <ul style="list-style-type: none"> i. Credit ii. Consumer iii. Service iv. Producer's v. Marketing vi. Multi-purpose 	<p>Cross check with the registration documents.</p> <p>The type of cooperative indicated in this section should match the type of cooperative indicated in the Cooperative Information System (CIS).</p>
D. Business Activity engaged in	<p>Indicate the type of business activity in which the cooperative is actually engaged in. A cooperative may be engaged in any of the following business activity:</p> <ul style="list-style-type: none"> a. savings and credit services b. marketing services c. production services d. transport services e. trading of consumer goods f. educational services g. health services 	<p>Cross check with the information provided for in the Articles of Cooperation. If they do not match, cross check with the registration documents (i.e. the cooperative by-laws)</p> <p>Also note that the type of business activity in which the cooperative is engaged in should match the type of cooperative, e.g. credit cooperatives should be engaged in savings and credit services, transport cooperative shall be engaged in the provision of transport services, etc.</p>
E. Name of Contact Person	<p>Provide the name of the person who can be contacted by the CDA for clarification regarding information in the CAPR. The contact person may either be the accountant</p>	<p>Cross check with the information provided for in the CIS.</p>

	accomplishing the CAPR or the Manager of the coop.	
F. Registration /Confirmation Number	Provide the number issued by the CDA to the cooperative upon registration/confirmation.	The number provided should match the registration/confirmation number provided for in the Cooperative Information Sheet and/or the Certificate of Registration logbook.
G. Cooperative Identification Number	Indicate the identification number provided by the CDA.	The number provided should match the number provided by the CDA upon submission of the Cooperative Identification Number Registration Form (CINRF).
H. Information on the members of the cooperative	Provide the number of regular and associate members classified by gender.	The total number of male and female cooperative members should match the total number of regular and associate members.
I. Information on compliance to requirements	On the space provided, put a √ if the answer to the question is YES and put an X if the answer is NO.	The following may be used in validating answers to specific questions in this section. Note, however, that answers to questions that do not have any validation procedure in this section can only be validated on-site.
		1.a to 2.a) Answers to these questions can be validated on-site.
		2.b) if answer is yes, there should be an entry in the tax payable account in Form 1A

		2.c to 2.d) answers to be validated on-site
		3.a) if answer is yes, there should be an entry in the taxes and license account in Form 1B
		4.a) answer to be validated on-site
		4.b. i to iii) if answer is yes, there should be an entry in SSS, EC, Philhealth, Pag-ibig Contributions account in Form 1B
		5.a) answer to be validated on-site
		5.b) if answer is yes, there should be no entry in the subscription receivable account in Form 1A
		5.b) if answer is no, there should be an entry in the subscription receivable account in Form IA. Note that this cannot be validated for cooperatives that do not have audited financial statements.
		5.c.) answer to be validated on-site
		5.d) if answer is yes, validate answer with the answer in III.D (total no. of regular and associate members with deposit accounts should be

		greater than or equal to 70% of total no. of members in I.H)
		6.a to 11) answers to be validated on-site
J. Information on Audit	Provide specific information on internal and external audit conducted. I.J.1.a) Provide information on how many times internal audit was conducted during the period covered.	
	I.J.1.b and c) Provide information on the following: <ul style="list-style-type: none"> • date of the last internal audit conducted • who conducted the audit 	
	I.J.2. a to c) Provide information on the following: <ul style="list-style-type: none"> • date of the external audit conducted • who conducted the audit during the period covered by the CAPR submission.	Cross check information provided with the audited financial statements submitted. I.J.2.a to c should be filled up if answer in I.J.3 is yes . OR if I.J.2 is filled up, I.J.3 should have a yes answer. CONVERSELY, if I.J.2 is not filled up, I.J.3 should have a no answer.

II. Financial Information for Cooperatives with Unaudited Financial Statements

This section shall be filled out by primary cooperatives that do not have any audited financial statements for the reporting period covered. Cooperatives that do not have any information provided in Section I.J.2 should accomplish this section.

Purpose of the section. This section provides financial information on key accounts of the cooperative which would be useful in determining the financial status and performance of the cooperative.

Source of Information. The information required in this section may be gathered from the cooperative's unaudited financial statements (i.e. the statement of financial condition or the balance sheet and the statement of income and expenses). The cooperative should fill out the required information as recorded in the cooperative's books of accounts.

Validation Procedure. The following validation may be performed in reviewing this section of the completed CAPR.

- a) $\text{Assets} = \text{Liabilities} + \text{Paid-in Share Capital} + \text{Reserves} + \text{Donations and Grants}$
- b) $\text{Reserves} = \text{General Reserve Fund} + \text{Optional Fund} + \text{CETF}$
- c) $\text{Undivided Net Surplus} = \text{Revenues} - \text{Expenses and};$
- d) $\text{Undivided Net Surplus} = \text{Allocation for General Reserve Fund} + \text{Allocation for Optional Fund} + \text{Allocation for CETF} + \text{Amount for Distribution}$
- e) $\text{Amount for distribution} = \text{Interest on Share Capital} + \text{Patronage Refund}$

III. Financial Information for Cooperatives with Audited Financial Statements

This section shall be filled out by primary cooperatives with audited financial statements for the reporting period covered. Cooperatives that provided specific information in section I.J.2 and answered yes in section I.J.3 should accomplish this section.

Purpose of the section. This section provides financial information regarding the status of operations and performance of the cooperative. All types of cooperatives with audited financial statements are required to accomplish the relevant parts of this section as described below.

Source of information. The information required in this section may be gathered from the cooperative’s audited financial statements (preferably the adjusted trial balance, if available) and the various financial schedules accompanying the audited financial statements.

Guidelines for filling out and validation procedures. The following guidelines should be followed in accomplishing this section. Specific validation procedures which shall be used by the CDS in reviewing the CAPR submission of cooperatives are also provided below:

Specific Information Required	Instructions for filling out the information	Validation Procedure
	Primary cooperatives that are NOT engaged in savings and credit operations shall fill out section III.A to III.D. Primary cooperatives that are engaged in savings and credit operations shall, however skip section III.A and fill out sections III.B to III.E.	
A. Basic Information on Financial Condition and Operations	This section should only be filled out by cooperatives that are NOT engaged in the provision of savings and credit services. This are the following: <ul style="list-style-type: none"> • consumers cooperatives, • service cooperatives, • producers cooperatives, • marketing cooperatives and • multi-purpose cooperatives that are NOT engaged in credit services. 	If answer in Section I.C is either of the following: <ul style="list-style-type: none"> ○ Consumers cooperative ○ Service cooperative ○ Producers cooperative ○ Marketing cooperative THEN this section should

	<p>Cooperatives engaged in the provision of savings and credit services should skip this section and proceed to Section III.B.</p> <p>Multi-purpose cooperatives engaged in the provision of savings and credit services should also skip this section and proceed to Section III.B.</p> <p>Using the audited financial statements, provide information on the selected accounts. Information on these accounts is also available from the accompanying disclosure statements and financial schedules.</p>	<p>be filled out.</p> <p>This section should be left blank by the following:</p> <ul style="list-style-type: none"> • Those that answered Multi-purpose cooperatives in Section I.C, AND answered provision of savings and credit services in Section I.D. • Those that answered Credit Cooperative in Section I.C. <p>Answers in this section should be validated using the following:</p> <ol style="list-style-type: none"> a) Assets = Liabilities + Paid- in share capital + Reserves + Donations and Grants b) Reserves = General Reserve Fund + Optional Fund + CETF c) Undivided Net Surplus = Revenues – Expenses d) Undivided Net Surplus = allocation for general reserve fund +allocation for optional fund+ allocation for
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		CETF + amount for distribution
<p>B. Information on Investments</p>	<p>This section shall be filled out by all types of cooperatives.</p> <p>The amount of investments broken down by type and by maturity should be provided. Investments refer to the funds of the cooperative that have been placed in any of the following with the expectation of pre-agreed positive returns on any of the following:</p> <ol style="list-style-type: none"> 1. long term deposits in banks 2. investments in cooperative federations 3. government securities <p>This information is available from the Cooperative's schedule of investments.</p>	<p>Total amount of investment for each type of investment is the sum of the amounts in columns 1 to 3.</p> <p>Total amount of investments is the sum of all types of investments.</p> <p>For those who filled out Section III.A, total amount of investments should not exceed the total amount of assets in section III.A.</p> <p>For cooperatives engaged in savings and credit services (i.e. those primary cooperatives that did not fill out section III.A), total amount of investments should tally with the total amount of investments in Form 1A.</p>
<p>C. Information on External Borrowings</p>	<p>This section shall be filled out by all types of cooperatives.</p> <p>Provide information on the type and amount of borrowings of the cooperative from external sources. This includes borrowings from any of the following local sources: Government Financial Institutions (GFIs), Private Financial Institutions (PFIs), Cooperative Federations and others. Indicate the total amount of outstanding loan from each source as of the reporting period.</p>	<p>For those who filled out Section III.A, total amount of external borrowings should not exceed the amount of total liabilities in section III.A.</p> <p>For cooperatives engaged in savings and credit services, total amount of external borrowings should tally with the total amount of loans payable (short term and long term) in Form 1A.</p>

	<p>In cases where the cooperative has a loan from a foreign source, indicate the total amount in foreign currency and the conversion rate indicated in the loan agreement/contract.</p>	
<p>D. Information on Savings Deposits</p>	<p>This section shall be filled out by all types of cooperatives.</p> <p>Provide information on the deposits of both regular and associate members. Information on deposits should be broken down by type such as:</p> <ul style="list-style-type: none"> • Withdrawable savings deposits – this refers to the deposits of members that are withdrawable anytime. • Time deposits – this refers to the deposits of members that have a pre-agreed maturity period. A certificate of time deposit is issued indicating the rate of interest and the maturity period. • Deposits for share capital subscription – these are non-withdrawable deposits of members that will eventually be credited to the member’s share capital. <p>For each type of deposits, information on the no. of members (regular and associate) with deposits, no of accounts and amount of deposits should be provided.</p>	<p>For those who filled out Section III.A, total amount of savings deposits should not exceed the amount of total liabilities.</p> <p>For cooperatives engaged in savings and credit services, the sum of the total amount of savings and time deposits of both regular and associate members should tally with the total amount of savings and time deposits in Form 1A. The total amount of savings and time deposits should not exceed the total amount of liabilities.</p> <p>Note that the no. of accounts may be greater than the number of members since one member may have more than one account.</p>

<p>E. Information on Cooperatives with Savings and Credit Services</p>	<p>This section (Section III.E.1 to E.8) should be filled out by all credit cooperatives and all multi-purpose cooperatives engaged in savings and credit services.</p>	<p>This section (III.E.1 to III.E.8) should be filled out if Section III.A is left blank and CONVERSELY this section should be left blank if Section III.A is filled out.</p>
<p>1. Detailed information on financial condition</p>	<p>Provide specific information on each of the account in Form 1A. The information required in this section may be taken from the audited financial statements of the cooperative including the accompanying schedules or the adjusted trial balance, if available.</p>	<p>Cross check the information in this section with the submitted audited financial statements.</p>
<p>2. Detailed information on operations</p>	<p>Provide specific information on each of the account in Form 1B. The information required in this section may be taken from the audited financial statements of the cooperative including the accompanying schedules or the adjusted trial balance, if available.</p>	<p>Cross check the information in this section with the submitted audited financial statements.</p>
<p>3. Information on loans receivables</p>	<p>Provide a breakdown of the amount of loans outstanding according to type and maturity. Loans may be classified according to any of the following type:</p> <ul style="list-style-type: none"> • Production loan • Consumption/providential loan • Microfinance loan • Real estate loan • Other types of loans (specify) <p>Loan information by maturity should be broken down according to the following maturity period:</p>	<p>The total amount of loan receivables by type and the total amount of loan receivables by maturity should tally.</p> <p>The total amount of loans in this section should tally with the total amount of loan receivables (gross) in Form 1A.</p> <p>The specific data provided in this section can be validated on site.</p>

	<ul style="list-style-type: none"> • Less than six months • More than 6 months to one year • More than 1 year to 3 years • More than 3 years 	
<p>4. Aging of delinquent accounts using portfolio at risk</p>	<p>Provide a breakdown of the cooperative's total loans outstanding in terms of number and amount.</p> <p>The total amount of loans outstanding shall be classified into current loans and delinquent accounts using Portfolio at Risk (PAR) as defined below:</p> <ul style="list-style-type: none"> • Current loans - refer to the outstanding amount of loans whose amortization have either been paid on time or have not yet fallen due. • Portfolio at Risk – refers to the outstanding balance of loans with one day missed payments. <p>The total amount of portfolio at risk shall be broken down into the following:</p> <ul style="list-style-type: none"> • Portfolio at risk with missed payments of one day up to 30 days • Portfolio at risk with missed payments of 31 days up to twelve months. • Portfolio at risk with missed payments of more than one 	<p>The total amount of current and delinquent loans should tally with the gross amount of loan receivables in Form 1A.</p> <p>The data provided in this section can be validated on site.</p>

	year	
5. Loan loss information	<p>Provide information on the following:</p> <ul style="list-style-type: none"> • number and amount of loans written-off by the SCC during the period • number and amount of loans recovered during the year. This refers to the amount of collections on loans that have already been written off. 	To be validated on-site
6. Loans to Directors, Officers and Staff	<p>The following specific information regarding the quality of the loans extended to Directors, Officers and Staff should be provided:</p> <ul style="list-style-type: none"> • Portfolio at risk with missed payments of one day to twelve months • Portfolio at risk with missed payments of more than one year. • No. and amount of loans that have been written off • No. and amount of loan collections on loans written off 	To be validated on-site
7. Compliance to Capital Adequacy Ratio	<p>Leave this section blank. This will automatically be computed by the system.</p>	<p>This section should not be filled out by the primary cooperative.</p> <p>Forms 1A and 1B should be properly filled out for the system to be able to compute and fill out this</p>

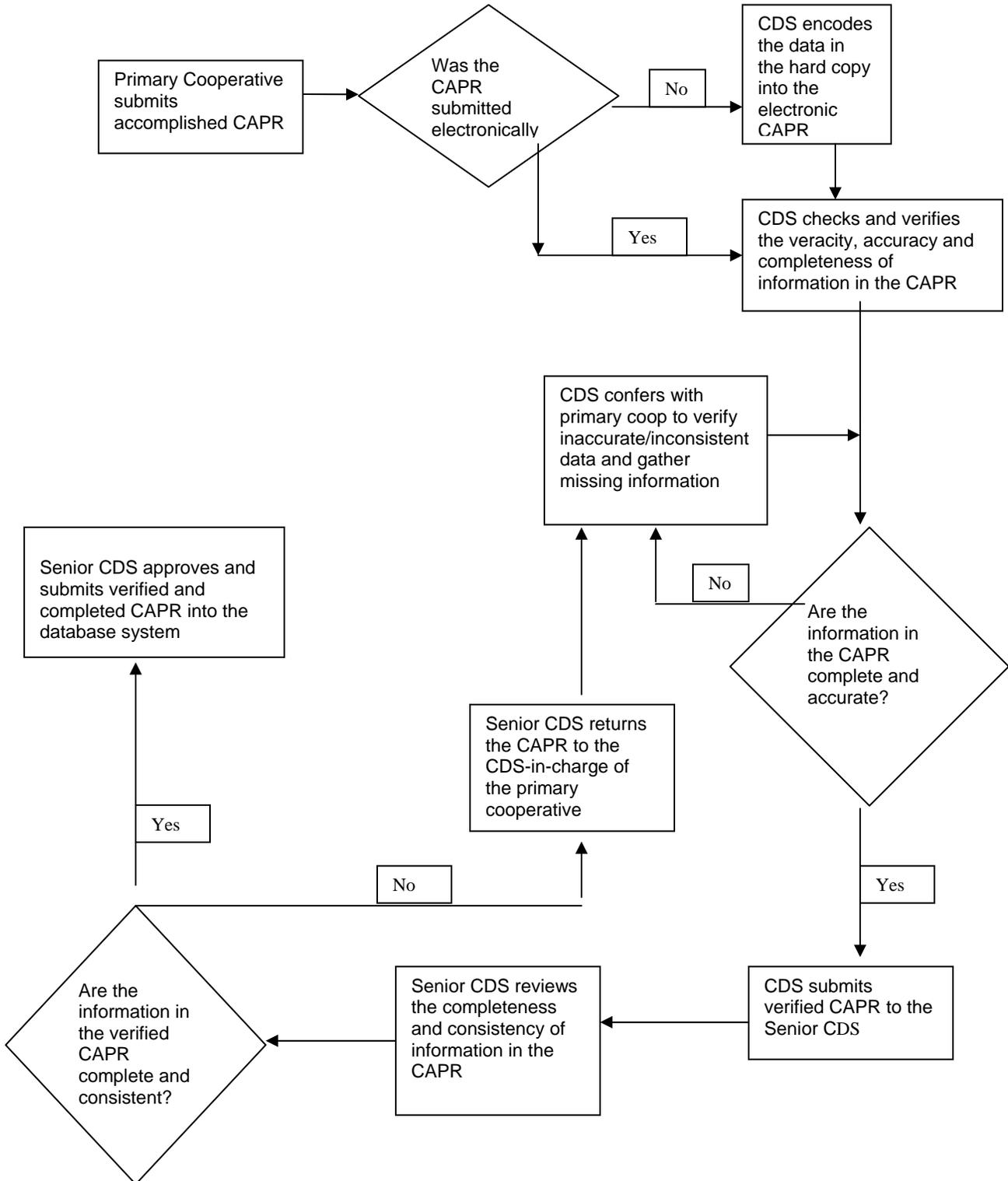
		table.
8. Allocation of Net Surplus	<p>The percentage allocation should be reflect what is indicated in the cooperative by-laws.</p> <p>The primary cooperative need not fill out the column on amount allocated. This shall be filled out by the system using the figures in Form 1B.</p> <p>The column on the amount distributed for interest on share capital and patronage refund shall be filled out by the primary cooperative. The figures in this column should reflect the amount of interest on share capital and patronage refund that have been distributed to the members of the cooperative during the period covered.</p>	<p>The percentage allocation indicated in the by-laws should comply with what is provided for in the Cooperative Code, i.e.</p> <ul style="list-style-type: none"> • General reserve fund – at least 10 percent of the undivided net surplus • Optional fund – should not be greater than 10 percent of the undivided net surplus • CETF – should not be greater than 10 percent of the undivided net surplus. <p>The total amount allocated for reserve fund, optional fund, interest on share capital and patronage refund should not be greater than the Net surplus for allocation.</p>

IV. COOP-PESOS Rating

The cooperative should not fill out this section. The COOP-PESOS rating will automatically be generated by the system for cooperatives engaged in savings and credit services using the information provided for in Sections I and III and in Forms 1A and 1B.

Annex 1

Flowchart of Information for the Database





TRAINING ON COOPERATIVE ANNUAL PERFORMANCE REPORT



Objectives of the Activity

WHY ?



OBJECTIVES OF THE ACTIVITY

- **Orient participants on the new Cooperative Reporting Form for more effective data gathering;**

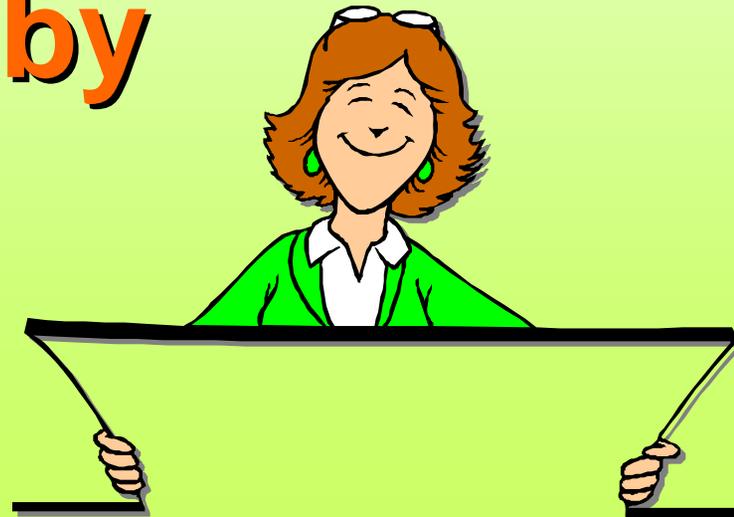


- **Increase competence and enhance skills of CDA field personnel in collecting accurate information from cooperatives**



EXPECTED OUTPUT

- 1. Well-Oriented participants on the new coop reporting form**
- 2. Enhanced skill of CDA personnel in validating data submitted by primary cooperatives**

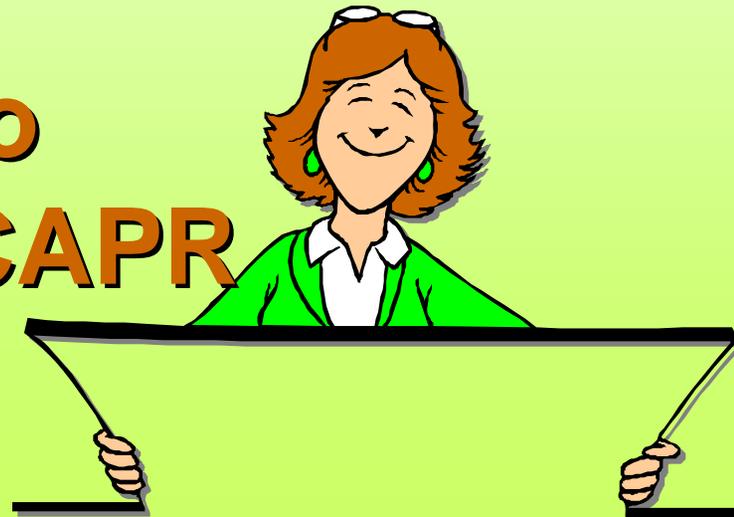


EXPECTED OUTPUT

3. Re-entry plan of each participant

a. Regional Advocacy plan for enjoining cooperatives to accomplish and submit the CAPR

b. Schedule of Echo Seminar on the CAPR



Thank you!





BASIC INFORMATION on the COOPERATIVE ANNUAL PERFORMANCE REPORT (CAPR)

**Presentation during the Training Seminar
on the CAPR**

WHAT IS THE CAPR?



Cooperative Development Authority
Ben-Ior Building
Quezon Avenue
Quezon City

Cooperative Annual Performance Report As of December 31, _____

To: The Primary Cooperative Concerned

This report contains the information requirements that should be submitted by all registered primary cooperatives to the CDA. Cooperatives with savings and credit services are required to provide the additional information required in III.E.1 to 8. Please note that Tables III.E.7 (Capital Adequacy), III.E.8 (Allocation of Net Surplus), and IV (COOP-PESOS rating) will be automatically computed given the information submitted by the cooperatives and therefore requires no input from the cooperative.

This report should be accomplished by the primary cooperative and submitted to the CDA annually. The information required in Section I (General Information) should be submitted to the CDA on or before 60 days after the end of the fiscal year while the information required in Section II and III (Financial Information) should be submitted to CDA on or before 90 days after the end of the fiscal year. The cooperative, may however submit both sections at the same time provided it does not exceed the prescribed period.

All cooperatives should designate and authorize an employee of the cooperative who will accomplish the report, preferably the coop accountant. All reports should be certified true and correct by either the Chairman of the Board or the Manager prior to submission to the CDA. The CDS assigned should check the report to ensure that the information is complete and accurate. The CDS will input the information submitted by the cooperative into the Cooperative Information System (CIS).

Please complete this Report using accounting and statistical information from the cooperative's records as of _____. A paper copy of the form is provided for your convenience.

Please return the completed Cooperative Annual Performance Report no later than _____.

I. GENERAL INFORMATION

(Please provide update on the required information as of the period covered).

A. Name of Cooperative as of latest amendment: _____

B. Present Address of Cooperative: _____

C. Type of Cooperative: _____

D. Business Activity Engaged in: _____

E. Name of Contact Person: _____

a. Email Address: _____

b. Phone Number: _____

c. Fax Number: _____

F. Registration Number: _____

G. Cooperative Identification Number (CIN): _____

- primary means by which CDA collects annual financial and operational data for all types of registered primary cooperatives that have been issued a CIN

- consolidates the information requirement in the Annual Report (AR), General Information Sheet (GIS) and the Inspection Working Paper (IWP)

PURPOSE OF THE CAPR



- provide information regarding the status and performance of specific cooperatives;
- help CDA gather and consolidate data that will provide cooperatives information on how their operations fare vis-à-vis other cooperatives in the same category;



PURPOSE OF THE CAPR

- provide updated information on the cooperative sector.



- provide useful information for deputized supervisors in determining the scope of examination;

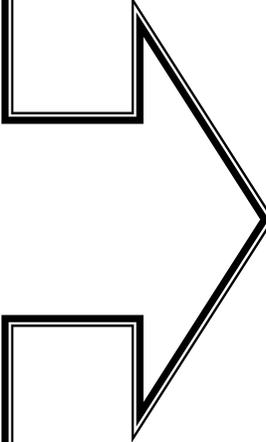
- provide relevant and useful information for off-site supervision of cooperatives engaged in savings and credit services;



WHY SHOULD COOPS ACCOMPLISH AND SUBMIT THE CAPR?



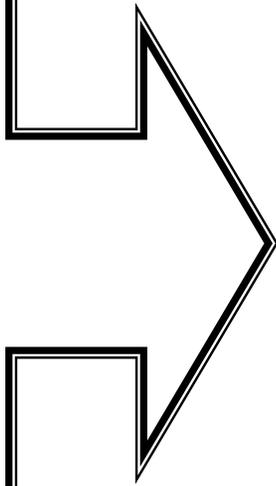
Data will provide key information on the operations and performance of the cooperative sector.

- 
- useful in determining the appropriate support to promote the growth and development of cooperatives.
 - help CDA in monitoring the performance of cooperatives.

WHY SHOULD COOPS ACCOMPLISH AND SUBMIT THE CAPR?



Data is needed for effective regulation and supervision of cooperatives engaged in savings and credit services

- 
- To ensure safe and sound operations
 - To protect cooperative members.

WHAT KIND OF INFORMATION WILL BE GATHERED?

General information

Financial information

For all coops: investments, external borrowings, savings, and allocation of net-surplus.

For coops with savings and credit services:

Information on loans receivables

Aging of loans receivables using Portfolio at Risk

Loan loss information

Aging of loans to DOS

Loan loss information on DOS

Information on Capital Adequacy

WHO SHOULD SUBMIT THE CAPR?



All registered primary cooperatives that have been issued a Cooperative Identification Number (CIN) shall accomplish and submit the CAPR to CDA

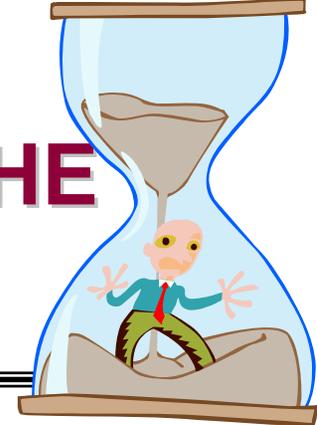
Who among the officers and staff of the cooperative should accomplish the CAPR?



■ Preferably the cooperative accountant.

■ Chairman of the Board or the Manager should certify that CAPR is true and correct prior to submission to the CDA.

WHEN SHOULD A COOPERATIVE SUBMIT THE CAPR?



- Section I (General Information) - on or before 60 days after the end of the fiscal year
- Section II and III (Financial Information) - on or before 90 days after the end of the fiscal year.
- May submit both sections at the same time PROVIDED it does not exceed the prescribed period



WHERE DOES THE COOPERATIVE SUBMIT THE CAPR?

- Accomplished CAPR is submitted to the Regional Extension Office of the CDA where it is registered.



HOW DOES A COOPERATIVE SUBMIT THE CAPR?

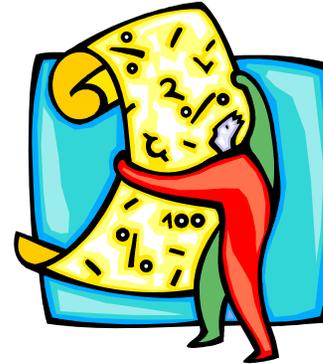
- Registered mail



- Electronic mail



- Hand deliver to CDA



- The Cooperative Development Specialist in-charge of the cooperative





WHO WILL CHECK THE VERACITY AND ACCURACY OF THE SUBMITTED CAPR?

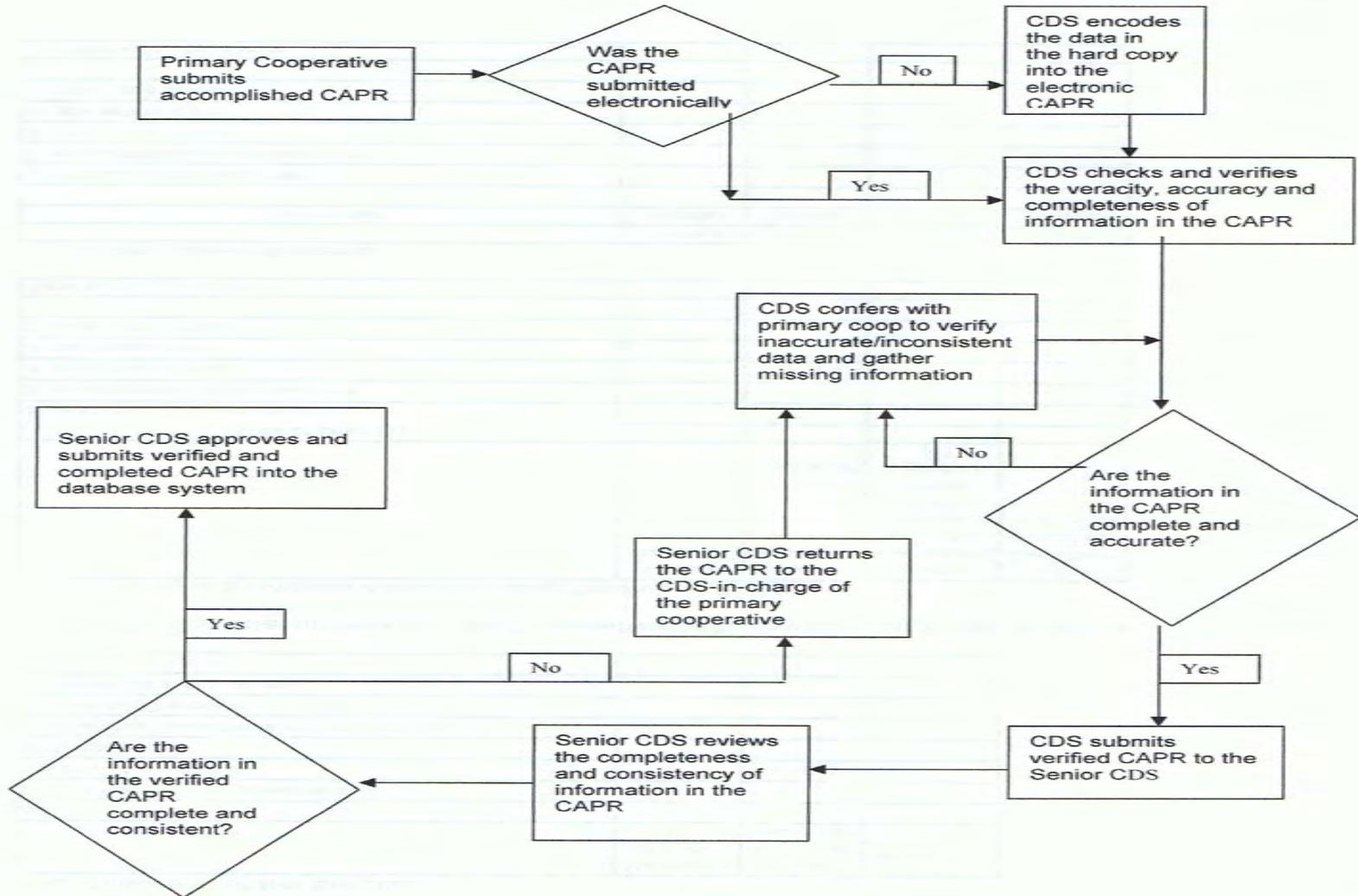


- CDS assigned to the cooperative
- Senior CDS to validate CAPR information before submission into the system



Annex 1

Flowchart of Information for the Database





THANK YOU!!!!

STORY BEHIND THE CAPR: Processes Undertaken

Presentation during the Training
Seminar
On the CAPR



CDA is
Moving
Towards
A
New
Paradigm

**DEVELOPING THE
SECTOR THROUGH
EFFECTIVE
REGULATION AND
SUPERVISION**

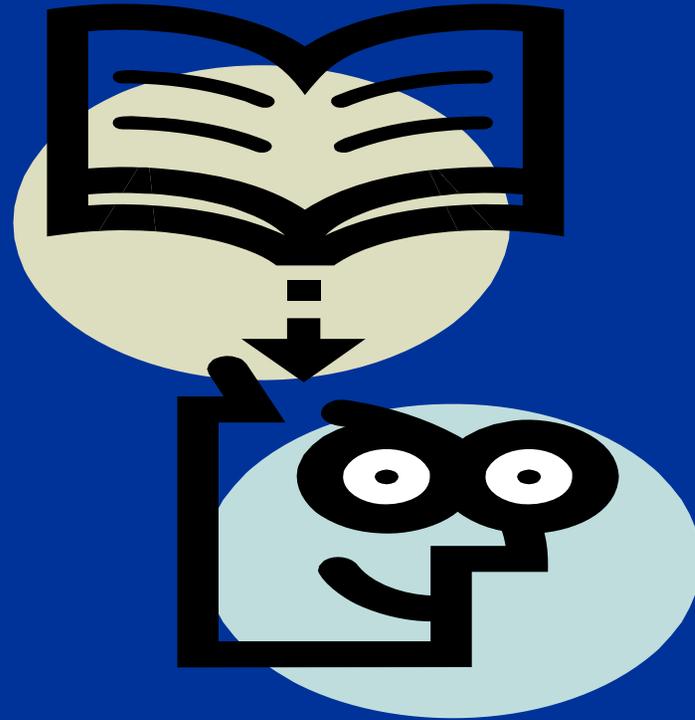
Developing Coops through Effective Regulation and Supervision

- Issuance of rules and regulations
- Establishing performance standards



Developing Cooperatives through Effective Regulation and Supervision

- Effective examination of cooperative operations
- Developing a reliable database



Following initiatives are on-going...



Capacity building
on regulation and
supervision

Formulation of the
supervision and
examination manual



Review of the
cooperative
database

Methodology used for the review of the database



■ Review of the data collection instruments

- Annual Report
- General Information Sheet
- Inspection working paper

Conduct of focus group discussions

With Coop Devt Specialists



Conduct of Focus Group Discussions



- With the officers and selected staff of primary credit cooperatives

- CDA has three data collection instruments (AR, GIS and IWP)
- Inadequate information on the status and performance of the sector

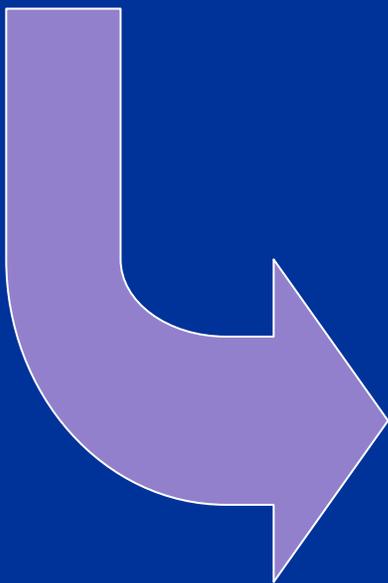


■ Results of the review

Inadequate information on the sector due to:

- Information not comparable across sector
- Inconsistent information
- Redundant information requirement
- Non-submission of required information
- Information not properly coded and processed

THUS, development of a new data instrument was recommended...



- Required information was consolidated into one data instrument – CAPR
- TWG discussions (CDA, NCC, CHF and EMERGE consultants)
- Pre-test of data instrument in 4 regions
- Presentation and approval of the final CAPR to the BOA



The CAPR

- Primary means by which the CDA will collect information from cooperatives
- Consolidates the Annual Report, the General Information Sheet and the Inspection Working Paper
- Approved by the BOA in April, 2007

Thank You!

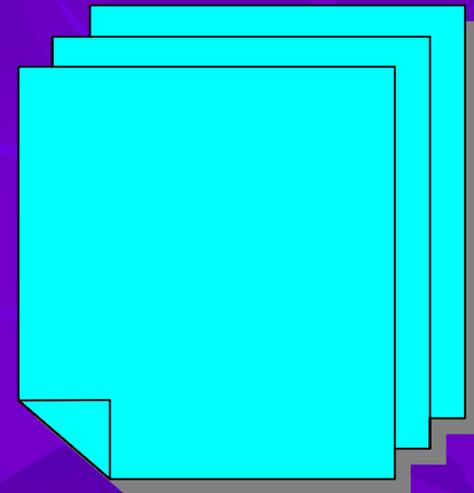


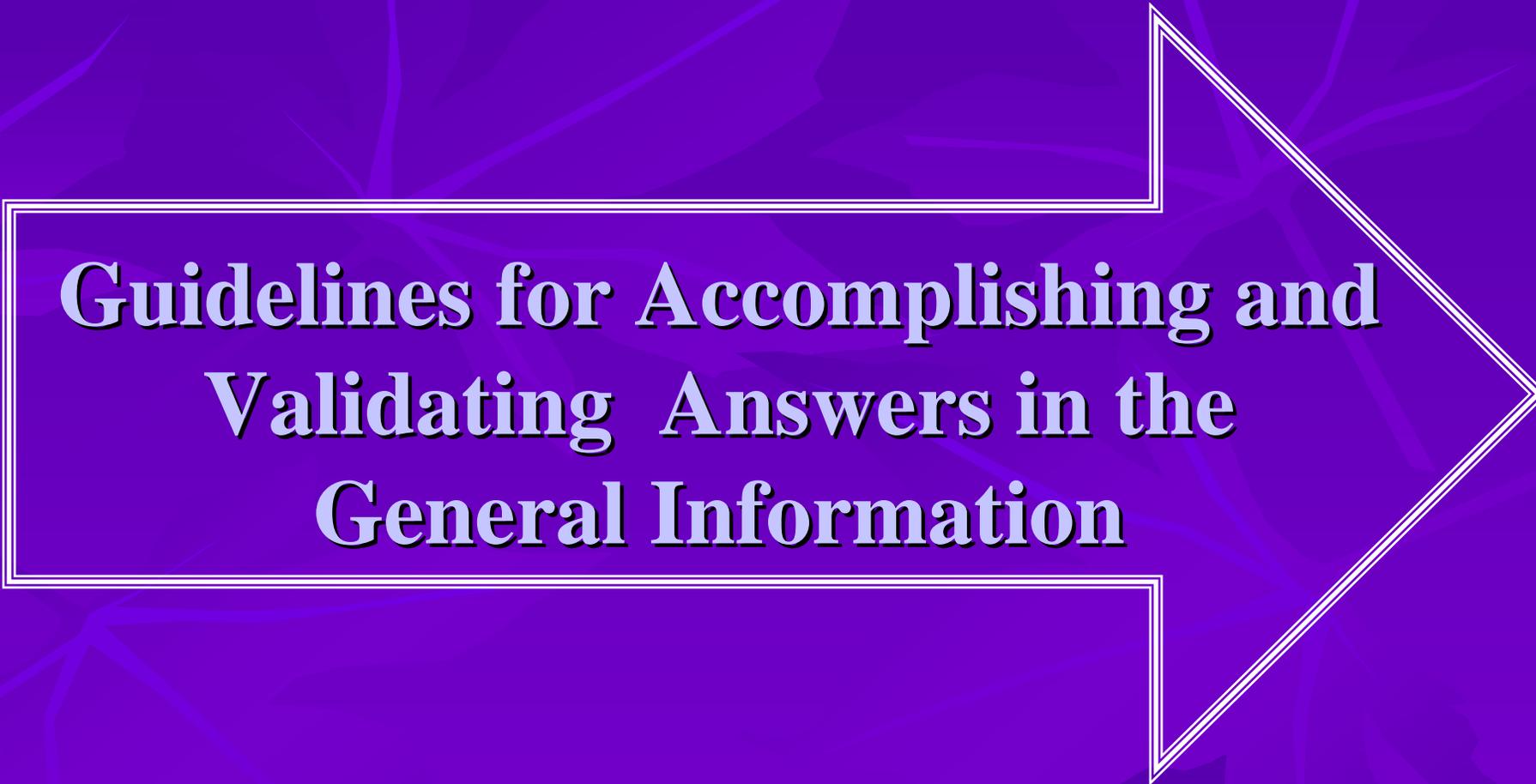
Cooperative Annual Performance Report Part I

**Presentation during the Training
Seminar on the CAPR**

General Information

- Provides a general profile of the cooperative.
- Information required from this section may be gathered from any of the following:
 - Cooperative's registration documents
 - Cooperative's articles of cooperation and by-laws
 - Membership information documents





**Guidelines for Accomplishing and
Validating Answers in the
General Information**

I.A Name of the Cooperative

- Provide the name of the cooperative as registered with the CDA. If the cooperative's name has been amended after registration, the name of the cooperative in the amended articles of cooperation should be used.
- Cross check with the registration documents.
- Cross check with the information in the Cooperative Information System (CIS).

I.B Present Address of the Cooperative

- Provide address where the cooperative is currently holding office.
- Cross check with the registration documents.
- Cross check with information in the CIS.

I.C. Type of Cooperative

- Indicate the type of cooperative as shown in the cooperative's latest amended by-laws. A cooperative may only be classified in any of the following types of cooperatives:
 - Credit
 - Consumer
 - Service
 - Producer
 - Marketing
 - Multi-purpose
- Cross check with the registration documents.
- The type of cooperative indicated in this section should match the type of cooperative indicated in the Cooperative Information System (CIS).

I.D. Business Activity engaged in

- Indicate the type of business activity in which the cooperative is actually engaged in. A cooperative may be engaged in any of the following business activity:
 - Savings and credit services
 - Marketing services
 - Production services
 - Transport services
 - Consumer goods
 - Educational services
 - Health services
- Cross check with the information provided for in the CIS.
- If they do not match, cross check with the registration documents (i.e. the cooperative by-laws)
- Should match the type of cooperative

I.E. Name of Contact Person

- Name of the person who can be contacted by the CDA for clarification regarding information in the CAPR.
- May either be the accountant accomplishing the CAPR or the Manager of the coop.
- Cross check with the information provided for in the CIS.

I.F. Registration /Confirmation Number

- number issued by the CDA to the cooperative upon registration/confirmation.
- should match the registration/confirmation number provided for in the CIS

I.G. Cooperative Identification Number

- the identification number provided by the CDA.
- number provided should match the number provided by the CDA upon submission of the Cooperative Identification Number Registration Form (CINRF).

I.H. Information on the members of the cooperative

- Number of regular and associate members classified by gender.
- Total number of male and female cooperative members should match the total number of regular and associate members

I.I. Information on compliance to requirements

- Note some of the answers in this section can only be validated on-site.
- Only answers to questions that can be validated off-site are given validation procedures.
- For instance, answers to 1 to 2.a under this section can only be validated on-site

COMPLIANCE

1. Compliance with administrative and legal requirements of CDA

a. Are the Bonds of Accountable Officers current?

b. Are the Articles of Cooperation and by-laws updated? If yes, was it amended and registered?

c. Are Share Capital Certificates/Passbooks issued to members and regularly updated whenever necessary?

d. Are CDA required reports accomplished in the prescribed format and submitted within the prescribed period?

2. Compliance with BIR requirements

a. Have annual registration requirements of the BIR been submitted?

I.I. Information on compliance to requirements

2.b. Are appropriate taxes, if any, withheld and remitted?

3.a. Has the local business permit/license been acquired?

4.b i.to iii. Have the mandatory insurance premiums to the following agencies been remitted?

- 2.b) if answer is yes, there should be an entry in the tax payable account in Form 1A
- 3.a) if answer is yes, there should be an entry in the taxes and license account in Form 1B
- 4.b.i to iii) if answer is yes, there should be an entry in SSS, EC, Philhealth and Pag-ibig Contributions account in Form 1B

I.I. Information on compliance to requirements

5.b. Is the authorized capital of the coop fully subscribed?

- 5.b) if answer is yes, there should be no entry in the subscription receivable account in Form 1A
- 5.b) if answer is no, there should be an entry in the subscription receivable account in Form IA.

I.I. Information on compliance to requirements

5.d. Do 70% of the members have savings deposits with the cooperative?

- 5.d) if answer is yes, validate answer with the answer in III.D (total no. of regular and associate members with deposit accounts should be greater than or equal to 70% of total no. of members in I.H)

6. Membership Education

a. Are pre-membership education seminars for new members regularly conducted?

b. Is cooperative education regularly conducted for current members?

7. Affiliation and Linkages

a. Does the coop have depositors that are below 18 years old? If yes, has the coop established a Laboratory Cooperative ?

b. Was the coop involved in community service?

c. Did the coop pay annual dues, CETF, loans and other accounts to the federation/union of their choice?

d. Did the coop have business alliance with federations?

e. Did the coop have business alliance with other cooperatives?

8. Does the coop have written Manual of Policies and Procedures with specific provisions on the following:

a. Membership

b. Loaning

c. Savings deposits

d. Time deposits

e. Financial management

i. Asset/liability management

ii. Accounting

ii. Internal control and audit

f. Human resource development

i. Hiring, promotion and firing

ii. Staff development

iii. Compensation/benefits

iv. Performance appraisal

v. Job description

9. Governance and Management

a. Does the cooperative have a Code of governance and ethical standards?

b. Are the BOD and Committee members elected in accordance with the coop by-laws and election procedures/guidelines?

c. Does the Board of Directors meet on a regular basis (at least once a month)?

d. Do all the committees meet on a regular basis (at least once a month)?

e. Does the board conduct periodic review of policies?

f. Are all the meetings of the Board of Directors properly recorded? Are the minutes of meetings updated?

g. Are all the meetings of the committees properly recorded?

h. Is there a full-time and qualified manager in the coop?

i. Is there a policy on succession of the manager and other key top positions?

j. Do all employees have individual personnel files?

k. Does the cooperative have an organizational structure?

PLANS/PROGRAMS AND PERFORMANCE

10. Does the cooperative have defined objectives, plans and programs particularly on the following:

a. vision, statement of mission and goals

b. development or strategic plan

c. approved annual plan and budget

11. Do the BOD and Management conduct monthly review and assessment of the cooperative's actual performance in relation to its targets?

I.J. Information on Audit

- Provide specific information on internal and external audit conducted.
- Cross check information provided with the audited financial statements submitted.
- I.J.2.a to c should be filled up if answer in I.J.3 is **yes**. OR if I.J.2 is filled up, I.J.3 should have a **yes** answer.
- CONVERSELY, if I.J.2 is not filled up, I.J.3 should have a **no** answer.

Accomplishing the CAPR

Section II

**Presentation during the Training
Seminar on the CAPR**



IMPORTANT!!!

- Section II of the CAPR will only be filled up if the cooperative **do not have any audited financial statements**
- Check if cooperative submitted audited financial statements. If coop submitted, this section **should not be filled up.**

Financial Information for Cooperatives with Unaudited Financial Statements

- Provides financial information on key accounts of the cooperative
- Information may be gathered from
 - unaudited statement of condition or the balance sheet
 - unaudited statement of income and expenses

	Amount
Financial Condition	
Total Assets	
Loans receivable	
Accounts receivable	
Liabilities	
Paid-up Share Capital	
Donations and Grants	
Reserves	
General Reserve Fund	
Optional Reserve Fund	
CETF	

Volume of Transactions	
Loan releases	
Sales	
Operations	
Revenues	
Expenses	
Undivided Net Surplus	
Allocation for general reserve fund	
Allocation for optional fund	
Allocation for CETF	
Amount for distribution	
Interest on share capital	
Patronage refund	

Validation procedure

- $\text{Assets} = \text{Liabilities} + \text{Paid-share capital} + \text{Reserves} + \text{Donations and Grants}$
- $\text{Reserves} = \text{General Reserve Fund} + \text{Optional Fund} + \text{CETF}$
- $\text{Undivided Net Surplus} = \text{Revenues} - \text{Total Expenses and};$

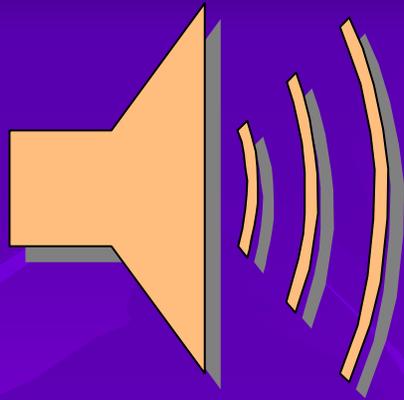
Validation procedure

- Undivided Net Surplus = Allocation for General Reserve Fund + Allocation for Optional Fund + Allocation for CETF + Amount for Distribution
- Amount for distribution = interest on share capital + patronage refund

Accomplishing the CAPR

Section III and IV

**Presentation during the Training
Seminar on the CAPR**



An Important Note....

- This section shall be filled out by primary cooperatives with audited financial statements for the reporting period covered.
- These are cooperatives that:
 - provided specific information in section I.J.2
 - answered yes in section I.J.3

Financial Information for Cooperatives with Audited Financial Statements

- Provides financial information regarding the status of operations and performance of the cooperative.
- Information may be gathered from:
 - audited financial statements (preferably the adjusted trial balance)
 - various financial schedules accompanying the audited financial statements.



**Accomplishing and Validating
data in Section III**

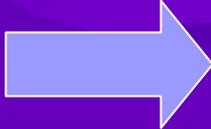
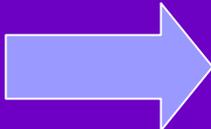
Who should fill up this section...

- Section III.A - Coops with audited financial statements and are **not** engaged in savings and credit operations
- Section III.B to D - All types of coops with audited financial statements
- Section III.E – Coops with audited financial statements and are engaged in savings and credit operations

III.A. Basic Information on Financial Condition and Operations

- To be filled out by cooperatives that are NOT engaged in the provision of savings and credit services.
 - consumers cooperatives,
 - service cooperatives,
 - producers cooperatives,
 - marketing cooperatives and
 - multi-purpose cooperatives that are NOT engaged in credit services.
- If answer in Section I.C is either of the following:
 - Consumers cooperative
 - Service cooperative
 - Producers cooperative
 - Marketing cooperative
- This section should be filled out.

III.A. Basic Information on Financial Condition and Operations

- Following should skip this section (Section III.A):
 - Cooperatives engaged in the provision of savings and credit services  ■ Those that answered Credit Cooperative in Section I.C.
 - Multi-purpose cooperatives engaged in the provision of savings and credit services  ■ Those that answered Multi-purpose cooperatives in Section I.C, **AND** answered provision of savings and credit services in Section I.D.

	Amount
Financial Condition	
Assets	
Loans receivable	
Accounts receivable	
Liabilities	
Paid-up Share Capital	
Donations and Grants	
Reserves	
General Reserve Fund	
Optional Reserve Fund	
CETF	

Volume of Transactions	
Loan releases	
Sales	
Operations	
Revenues	
Expenses	
Undivided Net Surplus	
Allocation for general reserve fund	
Allocation for optional fund	
Allocation for CETF	
Amount for distribution	
Interest on share capital	
Patronage refund	

III.A. Basic Information on Financial Condition and Operations

- Answers to be validated by the following:
 - $\text{Assets} = \text{Liabilities} + \text{Paid-up share capital} + \text{Reserves} + \text{Donations and Grants}$
 - $\text{Reserves} = \text{General Reserve Fund} + \text{Optional Fund} + \text{CETF}$
 - $\text{Undivided Net Surplus} = \text{Revenues} - \text{Total Expenses}$

III. B. Information on Investments

Type of investment	Investment will mature within One to 3 years (1)	Investment has maturity of more than 3 years to 5 years (2)	Investment with more than 5 years maturity or maturity period not specified (3)	Total Amount (1) + (2) + (3)
Long term Deposits in banks				
Investment in Cooperative Federation				
Government Securities				
Others (pls. specify)				
Total Investments				

III. B. Information on Investments

- Investments refer to the funds of the cooperative that have been placed in any of the following
 - long term deposits in banks
 - investments in cooperative federations
 - government securities
- Information is available from the Cooperative's schedule of investments.
- For those who filled out Section III.A, total amount of investments should not exceed the amount of assets in section III.A.
- For those that did not fill out section III.A, total amount of investments should tally with the total amount of investments in Form 1A.

III.C. Information on External Borrowings

Source of Credit	Amount of Outstanding External Borrowings as of reporting period
Foreign Loans	
amount in foreign currency	
conversion rate	
amount in local currency	
Local loans	
Government Financial Institutions	
Private Financial Institutions	
Others, please specify	
Total Amount of External Borrowings	

III.C. Information on External Borrowings

- This includes borrowings from any of the following local sources:
 - Government Financial Institutions (GFIs), Private Financial Institutions (PFIs), Cooperative Federations and others.
- For loan from foreign source, indicate the total amount in foreign currency and the conversion rate indicated in the loan agreement/contract.
- For those who filled out Section III.A, total amount of external borrowings should not exceed the amount of total liabilities in section III.A.
- For cooperatives engaged in savings and credit services, total amount of external borrowings should tally with the total amount of loans payable (short term and long term) in Form 1A.

III. D. Information on Savings Deposits

Type of Deposits	Regular Members			Associate Members		
	No. of Members with deposit accounts	No. of Accounts	Total Amount	No. of Members with deposit accounts	No. of Accounts	Total Amount
Withdrawable savings deposits						
Time deposits						
30 days						
more than 30 days to 90 days						
More than 90 days to 1 year						
More than 1 year to 5 years						
More than 5 years						
Non-withdrawable savings (For share capital subscription)						
Other types of deposits, please specify						15
Total						

III. D. Information on Savings Deposits

- Information on the deposits of both regular and associate members.
- Information on deposits should be broken down by type such as:
 - Withdrawable savings deposits
 - Time deposits
 - Deposits for share capital subscription
- For those who filled out Section III.A, total amount of savings deposits should not exceed the amount of total liabilities.
- For cooperatives engaged in savings and credit services,
 - The sum of savings and time deposits of all members should tally with the total amount of deposits in Form 1A.
 - The total amount of savings and time deposits should not exceed the total amount of liabilities.¹⁶

**III.E. Information on
Cooperatives with Savings
and Credit Services**

III.E.1 Information on Financial Condition

- Provide specific information on each of the account in Form 1A.
- Information may be taken from the audited financial statements and the accompanying schedules or the adjusted trial balance, if available.
- Cross check the information in this section with the submitted audited financial statements and the accompanying schedules.

III.E.2 Information on Operations

- Provide specific information on each of the account in Form 1B.
- Information required may be taken from the audited financial statements including the accompanying schedules or the adjusted trial balance.
- Cross check the information in this section with the submitted audited financial statements and the accompanying schedules.

III.E.3 Information on Loans Receivable

Particulars	No.	Amount
By Type of Loan		
Production loan		
Consumption/Providential loan		
Microfinance Loan		
Real Estate loan		
Other types of loans (please specify)		
By Maturity		
Less than six months		
more than six months to one year		
more than one year to 3 years		
more than 3 years		

III.E.3 Information on Loans Receivable

- Loans extended by the cooperative may be any of the following type:
 - Production loan
 - Consumption/providential loan
 - Microfinance loan
 - Real estate loan
 - Other types of loans (specify)
- Loan information by maturity should be broken down according to the following maturity period:
 - Less than six months
 - More than 6 months to one year
 - More than 1 year to 3 years
 - More than 3 years
- Total amount of loan receivables by type and the total amount of loan receivables by maturity should tally.
- Total amount of loans in this section should tally with the total amount of loan receivables in Form 1A.

III.E.4. Aging of Delinquent Accounts Using Portfolio at Risk (PAR)

Particulars	No.	Amount
Current Loans		
Delinquent loans		
Loans outstanding with one-day missed payments up to 30 days		
Loans outstanding with missed payments of 31 days up to 12 months		
Loans outstanding with over twelve months missed payments		
T o t a l		

III.E.4. Aging of Delinquent Accounts Using Portfolio at Risk (PAR)

- Current loans - refer to the outstanding amount of loans whose amortization have either been paid on time or have not yet fallen due.
- Portfolio at Risk – refers to the outstanding balance of loans with one day missed payments.
 - With missed payments of one day up to 30 days
 - With missed payments of 31 days up to twelve months.
 - With missed payments of more than one year
- The total amount of current and delinquent loans should tally with the total amount of loan receivables in Form 1A.

III.E.5 Loan Loss Information

Particulars	No.	Amount
Loans written off during the year		
Loans recovered within the year		

III.E.5 Loan Loss Information

- Provide information on the following:
 - number and amount of loans written off by the SCC during the period
 - number and amount of loans recovered during the year. This refers to the amount of collections on loans that have already been written off.
 - These information can be validated on-site

III.E.6 Loans to Directors, Officers and Staff

Particulars	No. of Loan Accounts	Amount
1. Loan Information		
DOSRI Loans outstanding		
Current		
Loans with PAR		
- Less than 12 months		
- Over 12 months		
2. Loan loss information		
Loans written off during the year		
Loans recovered within the year		

III.E.6 Loans to Directors, Officers and Staff

- Information regarding the quality of the loans extended to Directors, Officers and Staff should be provided:
 - Portfolio at risk with missed payments of one day to twelve months
 - Portfolio at risk with missed payments of more than one year.
 - No. and amount of loans that have been written off
 - No. and amount of loan collections on loans written off
- These information can be validated on-site

III.E.7 Compliance to Capital Adequacy Ratio

Particulars	Amount
Total Capital	
Paid-in members' share capital	
Donated capital	
General Reserve Fund	
Less: Unbooked allowances	
Total net worth	
Total Assets	
Less: Non-risk assets	
Total Risk Assets	
Net worth to risk asset ratio	

III.E.7 Compliance to Capital Adequacy Ratio

- Leave this section blank. This will automatically be computed by the system.
- Forms 1A and 1B should be properly filled out for the system to be able to compute and fill out this table.

III.E. 8 Allocation of Net Surplus

Particulars	Mandatory Percentage Allocation	Amount Allocated	Amount Distributed
Allocation			
General reserve fund			
Optional fund			
Cooperative Education and Training Fund			
Amount for Distribution			
Interest on share capital			
Patronage refund			
<i>Total amount of undivided net surplus</i>			

III.E. 8 Allocation of Net Surplus

- The amount percentage allocation should be reflect what is indicated in the cooperative by-laws.
- The primary cooperative need not fill out the column on amount allocated. This shall be filled out by the system using the figures in Form 1B.
- The percentage allocation indicated in the by-laws should comply with what is provided for in the Cooperative Code, i.e.
 - General reserve fund – at least 10 percent of the undivided net surplus
 - Optional fund – should not be greater than 10 percent of the undivided net surplus
 - CETF – should not be greater than 10 percent of the undivided net surplus.
- The total amount allocated for reserve fund, optional fund, interest on share capital and patronage refund should not be greater than the Net surplus for allocation.

III.E. 8 Allocation of Net Surplus

- The column on the amount distributed for interest on share capital and patronage refund shall be filled out by the primary cooperative.
- The amount distributed should reflect the amount distributed to members during the period covered.

IV. COOP-PESOS Rating

- Cooperative should not fill out this section. The COOP-PESOS rating will automatically be generated by the system for cooperatives engaged in savings and credit services using the information provided for in Sections I and III and in Forms 1A and 1B.