



REPUBLIC OF THE PHILIPPINES
COOPERATIVE DEVELOPMENT AUTHORITY

EXcellence, Committment, Integrity and TEamwork



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MEMORANDUM CIRCULAR No. 2013-15
Series 2013

TO : All Concerned

SUBJECT : Performance Report Standards for Cooperatives

DATE : February 25, 2013

Section 1. Title

This Memorandum Circular shall be known as the Performance Report Standards for Cooperatives.

Section 2. Legal Basis

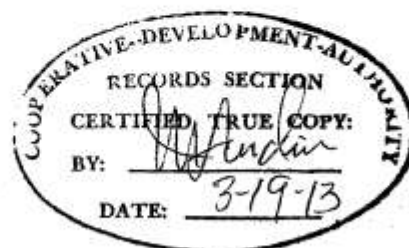
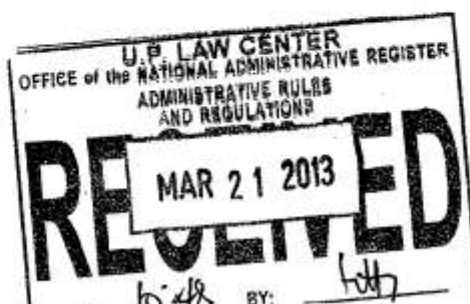
1. Article 53 of R.A. 9520, otherwise known as the Philippine Cooperative Code of 2008, to wit:

“Every cooperative shall draw up regular reports of its program of activities, including those in pursuance of their socio-civic undertakings, showing their progress & achievements at the end of every fiscal year. xxx”

2. Article 80 of the same Code states:

“Cooperatives registered under this Code shall be subject to an annual financial, performance, and social audit. xxx”

3. Rule 8, Section 2 of the Implementing Rules and Regulations of R.A. 9520 specifies Performance Report as one of the mandatory reports to be submitted to the Authority, to wit:



- a. xxx
- b. xxx
- c. Performance Report
- d. xxx
- e. xxx

Section 3. Definition of Terms

- a. *Accountable Officers* – refers to the members of the board of directors, members of the different committee created by the general assembly, general manager or chief executive officer, secretary, treasurer and members holding other positions as may be provided for in their bylaws. For the purpose of Performance Report, it refers to the Internal Auditor or in the absence thereof, the members of the Audit Committee, and the Chairman of the Board of Directors who are liable to pay the penalty to be imposed by the CDA for delay or non-submission of the Performance Report.
- b. *Oversight Function* - refers to the Board of Directors governance function to review, monitor and supervise the cooperative's programs, activities, and policy implementation.
- c. *Performance Audit* - refers to an audit to be performed by an Internal Auditor/Compliance Officer or Audit Committee on the cooperatives' performance in reference to the organizational, economic, and social aspects of cooperative's operation.
- d. *Performance Report* – refers to the mandatory report required by law from cooperatives to submit annually to the CDA. The report comprises two (2) documents, namely: the Cooperative Performance Report Questionnaire and the Performance Audit Report.
- e. *PISO* – refers to the financial standards that measure the financial performance of the cooperative. The acronym PISO stands for Profitability, Institutional Strength, Structure of Assets, and Operational Strength or staying power capacity of the cooperative.
- f. *Responsibility Center* – refers to the unit in-charge in the formulation, monitoring, and controlling the various facet of cooperative operations. These include, but not limited to, the Office of the Board of Directors (including the Secretary and Treasurer), elected and appointed committees, and the Office of the General Manager.

- g. *Social Development Plan* – refers to the written plans of cooperative regarding its program on social services for the members, the cooperative movement, the community, and/or nation.

Section 4. Purposes of Performance Report

The purposes of Performance Report will serve:

- a. As regulatory and supervisory tool of CDA in programming the roadmap of developmental intervention for cooperatives; and
- b. As management tool of cooperative for the purpose of identifying problem areas in the operation and determining the state of the cooperative's health.

Section 5. Coverage

These guidelines shall govern and cover all registered cooperatives, regardless of types and categories.

Section 6. Scope of Performance Audit

- a. Evaluation of the leadership, human resource management, members, structure, and system and mechanism within the cooperative;
- b. Examination of the adequacy of internal control system;
- c. Appraisal of the financial performance using PISO as standards, and
- d. Assessment of the Social Development Plan and the utilization of Community Development Fund.

Section 8. Performance Report Questionnaire

In the conduct of performance audit, this tool shall be accomplished by the Internal Auditor (IA). In the absence of IA, it shall be the responsibility of the Audit Committee to perform the task.

Section 9. Instructional Guidelines in Accomplishing the Questionnaire

There are four (4) major components in the Cooperative Performance Report Questionnaire. The 1st component is the *Basic Information* covering items A to E of the questionnaire, while the 2nd component is the *Non-Financial* area disclosing the key indicators of the organizational (Item F.1) and social

aspects (Item F.2), and the adequacy of internal control (Item F.3.1). The 3rd component is the *financial* part which includes the needed financial information (Item G.1) and the computation of selected financial ratios (Item G.2). Lastly, the *Rating System* (Item H) demonstrates the summary score and adjectival rating earned by the cooperative.

a. Basic Information:

Fill-up the required information sourced from the following documents:

PARTICULARS	SOURCE DOCUMENTS
i. Name of Cooperative (as of latest amendment, if any)	Latest Certificate of Amendment (In case there is an amendment in the name of the cooperative) or Certificate of Registration under RA 9520
ii. Cooperative Identification Number (CIN)	Certificate of Registration under RA 9520 (bottom part of the Certificate)
iii. Registration Number	Certificate of Registration under RA 9520 (upper part of the Certificate)
iv. Actual Principal Address	Latest Articles of Cooperation
v. Type of Cooperative	Latest Articles of Cooperation

b. Non-financial:

The Non-financial Component are series of questions answerable by Yes or No. Check (✓) all questions appropriately. If the answer is Yes, the cooperative has to make sure that it can be substantiated by necessary documents found in the 4th column of the matrices tagged as "Means of Verification". The "Standard Point" for every positive response is indicated in the 4th column. A "Yes" response shall earn the full point to be noted in the 5th column labeled as "Points Earned", while a No response shall mean a zero (0) point.

c. Financial:

The 1st part of the Financial Component requires the filling up of information to be sourced from the Financial Statements and/or Book of Accounts and/or Schedules of Accounts on the previous and/or current year of operation. All information indicated thereto is required to be filled-up. Indicate the acronym N/A or zero (0) in case of non-applicability or non-availability of the information. The 2nd part is the application of the PISO standard. Each formula provided in the questionnaire should be computed and the point/s earned based on the result of the computation should be indicated in the 4th column of the matrices. Summary of points earned in every indicator should be indicated in every sub-total of the form.

d. *Rating System:*

The last part of the questionnaire summarizes the points earned by the cooperative for the period. The Financial and Non-financial components are weighted as 35% and 65%, respectively. Multiply the sum of the sub-total points earned to the weight allocated in each component, and then add its product to get the total percentage points. Adjectival rating of the total percentage score are scaled as follows:

Adjectival Rating	Large & Medium	Small	Micro
Excellent Performance	91-100%	81-100%	75-100%
Very Satisfactory Performance	81-90%	71-80%	61-74%
Satisfactory Performance	71-80%	61-70%	51-60%
Fair Performance	61-70%	51-60%	41-50%
Needs Improvement	60% and below	50% and below	40% and below

Section 10. Performance Audit Report.

The presentation of the Performance Audit Report shall at least include the following parts:

- a. *Executive Summary* - presents the overview of the objectives and scope of the audit, and the summary of the key observations and conclusions together with the key recommendations identifying the strong points and main areas which need to be addressed by the cooperative.
- b. *Objectives and Scope of the Audit* - presents the objectives set and brief scope of audit including the actions chosen for audit and broad details of the procedures carried out.
- c. *Observations and Findings* - presents a clear and logical analysis of the identified strong points or problems confronted by the cooperative within the auditing period. The report should provide sufficient details of the observations and findings to substantiate the points given.
- d. *Recommendations* - presents the specific recommendations for action by the cooperative either to sustain current practice or to address the weaknesses found. This part should be clear and precise on the need for appropriate action to address the issue. The recommendation shall form as basis for any follow-up audit, evaluation or examination.

Section 11. Provision of Non-monetary Incentives

Cooperatives who garnered a rating of Excellent or Very Satisfactory Performance shall be entitled to non-monetary incentives from the CDA. These incentives include:

1. A "Seal of Excellence" signed by the CDA Chairman indicating the cooperative performance;
2. Inclusion in the special corner of CDA Website publicizing its rating and other pertinent information about the cooperative; and
3. Immediate issuance of a Certificate of Good Standing without the requisite of submitting the documentary requirements for the year covered.

Sanctions 12. Period of Submission and Sanctions

The Performance Report shall be submitted by the cooperative to the CDA not later than 120 days from the end of each Calendar Year.

Failure to file the report on time shall subject the accountable officers to a fine/penalty of one hundred pesos (Php 100.00) per day of delay pursuant to Rule 8, Section 7 of the Implementing Rules and Regulations of Republic Act 9520.

The cooperative who failed to submit the report may also be subjected to a procedural process of cancellation or may be demanded to merge or consolidate with another cooperative operating in the same area of operation.

Sanctions 13. Consolidation of Performance Reports

The Cooperative Project Development and Assistance Section (CPDAS) of every CDA Extension Offices shall be responsible in the consolidation of the Performance Report. Within sixty (60) days after the deadline of submission by cooperatives, the consolidated report shall be submitted by CPDAS to the Cooperative Project Development and Assistance Division (CPDAD) of the CDA Central Office who shall be responsible in consolidating and evaluating the report at the national level. CPDAD shall be responsible in submitting the reports to the CDA Board of Administrators, through the Executive Director.

A copy of the evaluated reports shall also be submitted by CPDAS/CPDAD to their respective Regulatory Unit for further analysis and assessment.

Section 13. Effectivity

This Circular shall take effect fifteen (15) days after publication from the Official Gazette or newspaper of general circulation and by the Office of National Administrative Register (ONAR).

Approved by the CDA Board of Administrators on Feb. 7, 2013 per BOA Resolution No. 057 Series of 2013.

For the Board of Administrators:



EMMANUEL M. SANTIAGUEL, Ph.D.
Chairman



Office of the President
Department of Finance
Cooperative Development Authority
327 Brgy Immaculate Conception
Aurora Boulevard, Quezon City

COOPERATIVE PERFORMANCE REPORT QUESTIONNAIRE
For the Year December 31, _____

A. Name of Cooperative (as of latest amendment, if any): _____

B. Cooperative Identification Number (CIN): _____

C. Registration Number: _____

D. Actual Principal Address: _____

E. Type of Cooperative: _____

F. NON-FINANCIAL COMPONENT

F.1 Organizational Aspect

F.1.1 Leadership

QUESTIONS	YES	NO	MEANS OF VERIFICATION	Standard Points	Points Earned
a. Functions, Duties and Responsibilities				9	
a.1 Are the functions, duties and responsibilities of officers well-defined, segregated and duly approved?			Written duties and responsibilities/oath of office/memorandum/special order/appointment paper and Board Resolution or minutes of BOD meeting	1	
a.2 Are the officers performing their duties and responsibilities?			Copy of Board Res., minutes of the meeting	1	
a.3 Is the oversight function performed by the BOD and is supported by written policy?			Board Resolution, including the descriptive definitions and descriptions of each oversight functions	1	
a.4 Are meetings conducted regularly by the board and committees?			Bylaws vis-a-vis Minutes of the Meeting of each committees, attendance sheet	1	
a.5 Is parliamentary procedures observed by the coop officers during meetings?			Minutes of the meeting	1	
a.6 Are the development/strategic plan, annual plan, and budget prepared/reviewed and endorsed to the GA for approval?			Minutes of GA	1	
a.7 Is the performance evaluation at all levels (peer, self-evaluation, and other form of evaluation) formulated and implemented?			BR and Results of rating of each officers (peer and self)	1	
a.8 Are the policies formulated and implemented in accordance with laws, rules and regulations, and bylaws?			Policies formulated vis-a-vis provision of Bylaws, laws, rules and regulations and other laws	1	
a.9 Are the policies regularly reviewed?			BOD minutes of meeting/BR	1	
b. Qualifications and Disqualifications				2	
b.1 Are the policies formulated in accordance with laws, rules & regulations & bylaws?			Bylaws vis-a-vis Succession Plan/Manual of Operations (Organizational Plan)/Election Guidelines	1	
b.2 Are the existing policies, laws, rules and regulations adhered by officers?			Minutes of the meeting vis-a-vis policies formulated	1	
c. Composition				1	
c.1 Is the composition of officers in accordance with the duly approved bylaws of the coop?			Bylaws vis-a-vis composition of officers, Election Guidelines	1	
c.2 Is the composition of officers balanced? (e.g. sectoral, gender, age, etc.)			Bylaws vis-a-vis composition of officers		
d. Continuing Education and Training				4	
d.1 Is the continuing education for officers included in the coop training program?			Coop Training Program	1	
d.2 Are the mandatory trainings required by Rule 7 of IRR considered in the coop training program?			Coop Training Program	1	

d.3 Is the the training program implemented?		Training Program vis-a-vis Training Design/Attendance Sheet/Terminal Report/Certificates	1	
d.4 Is there an evaluation tool that will assess the effectiveness of the training?		Pre and Post Evaluation Tool/ Feedback/Re-echo Report/ Re-entry Plan	1	
e. Financial Literacy			3	
e.1 Are the financial statements included in the monthly agenda of the BOD?		Meeting Agenda/Minutes of the Meeting	1	
e.2 Is there a regular analysis and interpretation on the FS and standards during BOD meeting?		Minutes of the BOD Meeting	1	
e.3 Are the majority of leaders knowledgeable in the development of Strategic Plan and Annual Budget Plan?		Development/Strategic Plan and Annual Plan and Budget	1	
f. Succession Planning			3	
f.1 Is the policy on succession plan at key levels of the organization formulated?		Succession Plan / Manual of Operations / Development Plans,	1	
f.2 Is the succession plan embedded in the training program?		Training Program vis-a-vis Succession Plan	1	
f.3 Are volunteers or future leaders included in the coop succession plan?		Succession Plan provision on volunteers	1	
g. Ethics			2	
g.1 Is the ethical-standards for officers provided in the coop's Code of Ethics?		Code of Ethics provision for officers	1	
g.2 Is the provision on conflict of interest included in the coop's Code of Ethics?		Code of Ethics provision on conflict of interest	1	
		Sub-Total	24	

F.1.2 Human Resource and Management

a. Functions, Duties and Responsibilities			3	
a.1 Are the functions, duties and responsibilities of management well-defined, segregated and duly approved and implemented?		Written duties and responsibilities/oath of office/memorandum/special order/appointment paper and Board Res. or minutes of BOD meeting, conduct interview	1	
a.2 Is the management meetings scheduled and conducted regularly?		Policy/Memorandum scheduling the regular meeting vis-a-vis Attendance Sheet/Minutes of the Staff Meeting	1	
a.3 Are regular meetings consistently attended by all staff?		Attendance Sheet (For big coops, MANCOM is allowed, for small coops, all staff)	1	
b. Personnel Policy			2	
b.1 Is the policy on personnel manualized?		Manual of Operation (Minimum provision should include: Recruitment, Selection, Hiring, Promotion, Disciplinary Action, Termination and Retirement)	1	
b.2 Is the policy duly approved by the BOD?		Board Resolution	1	
c. Staff Development and Career Pathing			3	
c.1 Is the performance appraisal conducted at least once a year?		Performance Appraisal of every staff	1	
c.2 Is the performance gap analysis conducted and acted upon regularly?		Result of Gap Analysis per performance appraisal made	1	
c.3 Is the institutional capacity building for management staff written and implemented (training and other interventions)?		Training Program based on gap analysis made/Staff Development Plans	1	
d. Compensation and Benefits			3	
d.1 Is the coop compliant to labor law?		Payroll vis-vis minimum wage/Certificate of Exemption for less than 10 employees	1	
d.2 Is there a salary scaling program?		Personnel Policy and Board Resolution	1	
d.3 Are the recognition, incentives and benefit packages provided to employees?		Policy and Vouchers/ Certificates or any other similar documents	1	

e. Ethics				2	
e.1 Are ethical standards for employees included in the Code of Ethics?			Code of Ethics provision for employees	1	
e.2 Are the ethical standards adhered by employees?			Valid complaint filed against any of the employees re violation of Code of Ethics	1	
			Sub-Total	13	

F.1.3 Members

a. Capitalization				5	
a.1 Is the provision of capital build-up program in the bylaws implemented?			CBU Schedule/IC-PR Schedule against Registry of members and the Bylaws	1	
a.2 Is the 10% limitation on subscribed share capital holdings observed by all members?			Paid-up and Subscription Schedule	1	
a.3 Are continuous subscription required to all members if the authorized capital is not fully paid and 10% limit is not yet reach?			Subscription Schedule vis-a-vis Registry of Members	1	
a.4 Are penalties for unpaid subscription imposed to members?			Schedule of penalty imposed for unpaid subscription or any similar documents	1	
a.5 Are members issued share capital certificates in accordance with the policy and or bylaws?			Subscription Schedule vis-a-vis Registry of Members, Photocopy of issued cert. duly received by members	1	
b. Governance				4	
b.1 Are majority of members attending the GA?			Attendance Sheet vis-a-vis Registry of Member or List of Members in Good Standing as declared by the BOD	1	
b.3 Are major decisions (including annual plans, budget and developmental plans) approved by the GA?			Minutes of the General Assembly	1	
b.4 Are members electing officers in accordance with the election guidelines?			Election Guidelines vis-a-vis Minutes of the GA Meeting	1	
b.5 Is the engagement of the services of an external auditor approved by the GA?			Minutes of the GA Meeting	1	
c. Ethics				2	
c.1 Are the ethical standards for members provided in the Code of Ethics?			Code of Ethics provision for members	1	
c.2 Are the ethical standards for members implemented?			No valid complaint/Valid Complaint acted upon in accordance with the Ethical Standard	1	
			Sub-Total	11	

F.1.4 Structure

a. Organizational Structure				2	
a.1 Is the organizational structure in accordance with the provision of the laws, rules and regulations and bylaws?			Compliance of Organizational Structure to provisions of the laws, rules and regulations and bylaws	1	
a.2 Are the functions, duties and responsibilities of the officers clearly defined in the organizational chart?			Written functions, duties and responsibilities supporting the organizational chart	1	
b. Operational Structure				2	
b.1 Is the operational structure in accordance with the provision of the laws, rules and regulations and bylaws?			Compliance to Organizational Structure to provisions of the laws, rules and regulations and bylaws	1	
b.2 Are the functions, duties and responsibilities of the officers clearly defined in the management chart?			Written functions, duties and responsibilities supporting the management chart	1	
			Sub-Total	4	

F.1.5 System and Mechanism

a. Maintenance of Books of Account				2	
a.1 Is there a separate books of account per business activity?			Books of account for each business activity	1	

a.2 Are the books of account updated?		Updated entry in the book of accounts (last entry should be at least the day (medium-Large) or a week (micro-small) before the visit in the coop)	1	
b. Manuals			6	
b.1 Are the documents needed by the cooperative manualized? (1 point each in every required area)		Presence of 1) Operation Manual; 2) Code of Governance and Ethical Standard; and 3) Personnel, 4) Accounting, 5) HR	5	
b.2 Are manuals provided to users?		Receiving Copy/Random Check of copy of the Manuals to key users	1	
c. Business Operation			2	
c.1 Is the business activity of the coop in-line with the objectives and purposes stated in the articles of cooperation?		FS vis-a-vis registered articles of cooperation	1	
c.2 Is the business activity of the coop responsive to the needs of members?		Any documents that would assail the responsiveness of the business activity to the needs of members	1	
d. Compliance to Government Requirements			7	
d.1 Is the coop compliant to government requirements?				
d.1.1 CDA (CGS)		CGS	1	
d.1.2 BIR (CTE)		CTE (at least filed application with BIR)	1	
d.1.3 DOLE (Certificate of Exemption, if applicable and/or providing minimum wage)		Certificate of Exemption, if applicable and/or providing minimum wage	1	
d.1.4 SSS (With Registration and Collection Agent Certificate or regularly remitting the payment to SSS)		Registration and Collection Agent Certificate/Proof of regular remittance	1	
d.1.5 PHILHEALTH (With Registration and Collection Agent Certificate or regularly remitting the payment to PHILHEALTH)		Registration and Collection Agent Certificate/Proof of regular remittance	1	
d.1.6 PAG-IBIG (With Registration and Collection Agent Certificate or regularly remitting the payment to PAG-IBIG)		Registration and Collection Agent Certificate/Proof of regular remittance	1	
d.1.7 LGU (Business Permit)		Business Permit	1	
d.2 Are other laws and rules and regulations (insurance, franchise, other social laws) not violated? ^a		Depends on the business activity of coop. Please verify compliance		
e. Statutory Fund			4	
e.1 Are the following statutory funds funded? (Reserved Fund, Education and Training Fund, Optional Fund, and Community Development Fund)		Passbook/Investment Certificate/FS (other funds and deposits) or any instrument declaring deposits as funding the reserves	4	
f. Retirement Fund			1	
f.1 Is the required retirement fund funded? ^a		Passbook/Investment Security or any other similar instrument	1	
<i>(Note: 1 to 10 employees - secure Certificate of Exemption on payment of minimum wage from DOLE. Above 10 employees, there must be a set-up retirement plan)</i>				
Sub-Total			22	
Total Pts. - Organizational			74	

F.2. Social Aspect (Note: every positive response earn one (1) point while the negative responsive is zero. Please check on the appropriate box.)

QUESTIONS	YES	NO	MEANS OF VERIFICATION	Standard Point	Points Earned
1. Is there a Social Development Plan?			Social Development Plan	1	
2. Is it implemented?			Vouchers/Reports/Pictures or any similar instrument	1	
3. Is there a budgetary allocation for the implementation of Social Devt. Plan?			Financial Statements	1	
4. Is the Community Development Fund utilized for its purpose?			Financial Statement vis-a-vis supporting documents	1	
Total Pts. -Social				4	

F.3. Economic Aspect

F.3.1 Adequacy of Internal Control

QUESTIONS	YES	NO	MEANS OF VERIFICATION	Standard Points	Points Earned
a. Is the accounting system well-defined?			Accounting Manual or any similar documents	2	
b. Are the signing authorities clearly defined and approved?			Presence of CASA	2	
c. Are the accountable officers of the coop bonded?			Updated surety bond of accountable officers	2	
d. Are the recording of transactions updated?			Updated recording in the coop book of accounts. (updated entry should be at least a day before the visit in the coop (medium to large) or 1 week before (micro-small))	2	
e. Are the accounting records properly maintained and secured?			Place in a fire-proof steel cabinet (micro-small), back-up for computerized system/property filed, house outside the building premises (medium-large)	2	
f. Are the duties and responsibilities of officers and employees separated and segregated?			Written duties and responsibilities, oath of office, memorandum, special order, appointment paper, Board Resolution or minutes of BOD meeting	2	
g. Is the program on job rotation practiced?			Job Rotation Program or any documents that would assail that it is being practice	1	
h. Is joint custody implemented?			Requirement of the presence and direct observation of a second person in the performance of important tasks and functions. Both persons shall be equally accountable for the physical protection of the items and records involved (Operation of Vault and Handling of Cash & Vital Documents)	1	
i. Is dual control implemented?			The work of one person is to be verified by a second person to ensure that the transaction is properly authorized, recorded and settled (Checks, CTD, Borrowings, Due to and Due from Accounts)	1	
j. Is the number control implemented?			Sequential numbering of the following documents: Promissory Notes, SD and passbook, CTDs, Signature Cards, OR and Provisional Receipts, Share Certificates, Loan Accounts, Expense and Check vouchers, etc.	1	
k. Is the confirmation/verification of accounts practiced?			Written communications to members	1	
l. Is the record preservation system established?			Off-site storage of duplicate vital records or any similar security program/ internal control measures	1	
m. Is the internal audit conducted periodically?			Internal Audit Reports vis-a-vis Internal Audit Program	2	
n. Is the internal audit observations/ comments acted upon by management immediately?			Board Actions on the Internal Audit Reports (at least next BOD meeting after issuance of reports)	2	
			Sub-Total	22	

TOTAL of Non-financial Component 100

G. FINANCIAL COMPONENT

G.1. Financial Information

Administrative Cost: _____
 Allowance for Probable Losses on Account Receivables: _____
 Allowance for Probable Losses on Investments: _____
 Allowance for Probable Losses on Loans: _____
 Allowance Required for 1 year and above: _____
 Amount Alloted for Interest on Share Capital: _____
 Average computed PR rate (for MPC): _____
 Average Total Assets: _____
 Computed PR rate (for single purpose only): _____
 Deposit for Capital Subscription: _____
 Earning Assets: _____
 Earning per Share Beginning: _____
 Earning per Share End: _____
 External Borrowings: _____
 Financing Cost: _____
 General Reserve Fund: _____
 Gross Margin: _____
 Gross Revenue: _____
 Inventory: _____
 Liquid Assets: _____
 Member's Benefit Expense: _____
 Members Equity: _____
 Net Surplus: _____
 Non-earning Assets: _____
 Operating Cost: _____
 Paid-up Share Capital: _____
 Par Value: _____
 Past Due Receivables for 31 days to 1 year: _____
 Past Due Receivables for more than 1 year: _____
 Problem Receivables Assets: _____
 Rate of Interest on Share Capital: _____
 Rate of Patronage Refund: _____
 Receivables Under Litigation: _____
 Receivables: _____
 Restructured Receivables: _____
 Short Term Payables: _____
 Social Service Expense: _____
 Total Assets (current): _____
 Total Assets (previous): _____
 Total Deposit Liabilities: _____
 Total Liabilities: _____
 Total Volume of Business: _____
 Treasury Share: _____

G.2. Financial Ratios (In the absence of data, zero)

G.2.1 PROFITABILITY PERFORMANCE		Standard	Std. Pt.	Earned Points
1) Profitability Ratio:		30% and above	5	
Formula : $\frac{\text{Net Operating Surplus}}{\text{Gross Revenue / Gross Margin}}$		25% to below 30%	4	
		10% to below 25%	3	
		5% to below 10%	2	
		Below 5%	1	
		In case of break-even or net loss	0	
2) Earning per Share Ratio:		Php 2.50 and above	5	
Formula : $\frac{\text{Net Surplus}}{\text{Paid-up Capital / Par Value}}$		Php 2.00 to below Php 2.50	4	
		Php 1.50 to below Php 2.00	3	
		Php 1.00 to below Php 1.50	2	
		Below Php 1.00 to Php 0.75	1	
		Zero or negative	0	
3) Profitability Growth Rate:		100% and above	5	
Formula : $\frac{\text{Earning per share end} - \text{Earning per share beginning}}{\text{Earning per share beginning}}$		75% to below 100%	4	
		50% to below 75%	3	
		30% to below 50%	2	
		10% to below 30%	1	
		Less than 10%	0	

<p>4) Asset Efficiency Rate:</p> <p>Formula : $\frac{\text{Net surplus}}{\text{Total Assets}}$</p>	<table> <tr><td>20% and above</td><td>5</td></tr> <tr><td>15% to below 20%</td><td>4</td></tr> <tr><td>10% to below 15%</td><td>3</td></tr> <tr><td>5% to below 10%</td><td>2</td></tr> <tr><td>Below 5%</td><td>1</td></tr> <tr><td>Higher than the inflation rate</td><td>5</td></tr> <tr><td>Within the inflation rate</td><td>4</td></tr> <tr><td>2 points below the inflation rate</td><td>2</td></tr> <tr><td>3 points or more below the inflation rate</td><td>1</td></tr> <tr><td>Net Loss</td><td>0</td></tr> <tr><td>Sub-Total</td><td>25</td></tr> </table>	20% and above	5	15% to below 20%	4	10% to below 15%	3	5% to below 10%	2	Below 5%	1	Higher than the inflation rate	5	Within the inflation rate	4	2 points below the inflation rate	2	3 points or more below the inflation rate	1	Net Loss	0	Sub-Total	25																								
20% and above	5																																														
15% to below 20%	4																																														
10% to below 15%	3																																														
5% to below 10%	2																																														
Below 5%	1																																														
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3 points or more below the inflation rate	1																																														
Net Loss	0																																														
Sub-Total	25																																														
<p>G.2.2 INSTITUTIONAL STRENGTH</p> <p>1) Net Institutional Capital</p> <p>Formula: $(\text{Reserves} + \text{Allowance for probable losses on loans and or account receivables}) - (\text{Problem receivables assets} + \text{past due receivables} + \text{receivable under litigation} + \text{restructured receivables})$</p> <p>$\frac{\text{Total Assets}}{\text{Total Assets}}$</p> <p>2) Adequacy of Provisioning (more than 1 year)</p> <p>Formula : $\frac{\text{Allowance for probable losses on receivables}}{\text{Past due receivables over one (1) year}}$</p> <p>3) Adequacy of Provisioning (31 days to 1 year)</p> <p>Formula : $\frac{\text{Allowance for probable losses on receivables} - \text{allowance required for past due receivables one year and above}}{\text{Total past due receivables 31 days to 1 year}}$</p>	<table> <tr><td>10% and above</td><td>6</td></tr> <tr><td>8% to below 10%</td><td>5</td></tr> <tr><td>6% to below 8%</td><td>4</td></tr> <tr><td>4% to below 6%</td><td>3</td></tr> <tr><td>2% to below 4%</td><td>2</td></tr> <tr><td>Below 2%</td><td>1</td></tr> <tr><td>Zero or negative</td><td>0</td></tr> <tr><td>100% and above</td><td>7</td></tr> <tr><td>90% to below 100%</td><td>6</td></tr> <tr><td>70% to below 90%</td><td>5</td></tr> <tr><td>50% to below 70%</td><td>4</td></tr> <tr><td>30% to below 50%</td><td>3</td></tr> <tr><td>10% to Below 30%</td><td>2</td></tr> <tr><td>Below 10%</td><td>1</td></tr> <tr><td>Zero or negative</td><td>0</td></tr> <tr><td>35% and above</td><td>7</td></tr> <tr><td>30% to below 35%</td><td>6</td></tr> <tr><td>25% to below 30%</td><td>5</td></tr> <tr><td>20% to below 15%</td><td>4</td></tr> <tr><td>15% to below 20%</td><td>3</td></tr> <tr><td>10% to below 15%</td><td>2</td></tr> <tr><td>Below 10% but not zero or negative</td><td>1</td></tr> <tr><td>Sub-Total</td><td>20</td></tr> </table>	10% and above	6	8% to below 10%	5	6% to below 8%	4	4% to below 6%	3	2% to below 4%	2	Below 2%	1	Zero or negative	0	100% and above	7	90% to below 100%	6	70% to below 90%	5	50% to below 70%	4	30% to below 50%	3	10% to Below 30%	2	Below 10%	1	Zero or negative	0	35% and above	7	30% to below 35%	6	25% to below 30%	5	20% to below 15%	4	15% to below 20%	3	10% to below 15%	2	Below 10% but not zero or negative	1	Sub-Total	20
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<p>G.2.3 STRUCTURE OF ASSETS</p> <p>1) Percentage of Non-Earning Assets to Total Assets</p> <p>Formula : $\frac{\text{Non-Earning Assets}}{\text{Total Assets}}$</p> <p>2) Members' Equity to Total Assets</p> <p>Formula : $\frac{\text{Paid-up Share Capital} + \text{Deposits for Capital Subscription}}{\text{Total Assets}}$</p> <p>3) Deposit Liabilities to Total Assets</p> <p>Formula : $\frac{\text{Total Deposit Liabilities}}{\text{Total Assets}}$</p>	<table> <tr><td>10% and Below</td><td>5</td></tr> <tr><td>Above 10% to 20%</td><td>4</td></tr> <tr><td>Above 20% to 30%</td><td>3</td></tr> <tr><td>Above 30% to 40%</td><td>2</td></tr> <tr><td>Above 40%</td><td>1</td></tr> <tr><td>40% to Below 50%</td><td>5</td></tr> <tr><td>50% to Below 60%</td><td>3</td></tr> <tr><td>30% to below 40%</td><td>3</td></tr> <tr><td>60% to Below 70%</td><td>2</td></tr> <tr><td>20% to below 30%</td><td>2</td></tr> <tr><td>Below 20% or above 70%</td><td>1</td></tr> <tr><td>Less than 20%</td><td>0</td></tr> <tr><td>30% to 40%</td><td>5</td></tr> <tr><td>Above 40% to 50%</td><td>4</td></tr> <tr><td>20% to below 40%</td><td>4</td></tr> <tr><td>Above 50% to 60%</td><td>3</td></tr> <tr><td>Below 20% to 10%</td><td>3</td></tr> <tr><td>Above 60% to 70%</td><td>2</td></tr> <tr><td>Below 10% to 5%</td><td>2</td></tr> <tr><td>Above 70%</td><td>1</td></tr> <tr><td>Below 5%</td><td>1</td></tr> <tr><td>Zero</td><td>0</td></tr> </table>	10% and Below	5	Above 10% to 20%	4	Above 20% to 30%	3	Above 30% to 40%	2	Above 40%	1	40% to Below 50%	5	50% to Below 60%	3	30% to below 40%	3	60% to Below 70%	2	20% to below 30%	2	Below 20% or above 70%	1	Less than 20%	0	30% to 40%	5	Above 40% to 50%	4	20% to below 40%	4	Above 50% to 60%	3	Below 20% to 10%	3	Above 60% to 70%	2	Below 10% to 5%	2	Above 70%	1	Below 5%	1	Zero	0		
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<p>4) External Borrowings</p> <p>Formula : $\frac{\text{Total External Borrowings}}{\text{Total Assets}}$</p> <p>5) Receivables to Total Assets</p> <p>Formula : $\frac{\text{Loans/Accounts Receivables}}{\text{Total Assets}}$</p>	<p>No external borrowings 5</p> <p>1% to 20% 4</p> <p>Above 20% to 30% 3</p> <p>Above 30% to 40% 2</p> <p>Above 40% 1</p> <p>60% to 70% 5</p> <p>55% to Below 60% 4</p> <p>50% to Below 55% 3</p> <p>45% to Below 50% 2</p> <p>40% to Below 45% 1</p> <p>Sub-Total 25</p>	
<p>G.2.4 OPERATIONAL STRENGTH (STAYING POWER)</p> <p>1) Volume of Business to Total Assets</p> <p>Formula : $\frac{\text{Total Volume of Business}}{\text{Total Assets}}$</p> <p>Credit: Loans released; Consumer/Producer/Marketing; Sales; Service; Service Income</p> <p>2) Solvency</p> <p>Formula : $\frac{(\text{Assets} + \text{Allowance for probable losses}) - [(\text{Total Liabilities} - \text{Deposit Liabilities}) + (\text{Past due receivables} + \text{restructured receivables} + \text{receivables under litigation})]}{\text{Deposit Liabilities} + \text{Share Capital}}$</p> <p>3) Liquidity</p> <p>Formula : $\frac{\text{Liquid Assets} - \text{Short Term Payables}}{\text{Total members' deposit}}$</p> <p>4) Cost per Volume of Business</p> <p>Formula : $\frac{\text{Operating cost} - (\text{members' benefit expense} + \text{social service expense})}{\text{Total Volume of Business}}$</p> <p>5) Administrative Efficiency</p> <p>Formula : $\frac{\text{Administrative Cost} - (\text{Members' benefit expense} + \text{social service expense})}{\text{Average Total Assets}}$</p> <p>6) Turn-Over Ratio (Note: Get the average, if both formula is applicable)</p> <p>Account Receivable Turn-over : $\frac{\text{Net Credit Sales}}{\text{Average Accounts Receivables}}$</p> <p>Account Receivable Turn-over : $\frac{\text{Total Loans Releases}}{\text{Average Loans Receivables}}$</p> <p>If multi-purpose cooperative, add the rating of Accounts Receivable Turn over and Loans Receivable Turnover and divide by 2 to get the average. For single type, select whatever is applicable to the coop.</p>	<p>100% and above 5</p> <p>75% to below 100% 4</p> <p>50% to below 75% 3</p> <p>25% to below 50% 2</p> <p>5% to below 25% 1</p> <p>Less then 5% 0</p> <p>110% and above 5</p> <p>100% to below 110% 4</p> <p>85% to below 100% 3</p> <p>75% to below 85% 2</p> <p>50% to below 75% 1</p> <p>Less then 50% 0</p> <p>15% and to 30% 5</p> <p>Below 15% to 10% 4</p> <p>Above 30% to 50% 4</p> <p>Below 10% to 5% 3</p> <p>Above 50% to 60% 3</p> <p>Below 5% to 1% 2</p> <p>Above 60% to 80% 2</p> <p>Above 80% or below 1% 1</p> <p>Zero or negative 0</p> <p>25 cents and below 5</p> <p>26 to 32 cents 3</p> <p>33 to 39 cents 2</p> <p>40 to 46 cents 1</p> <p>47 cents and above 0</p> <p>10% and below 5</p> <p>Above 10% to below 15% 3</p> <p>Above 15% to below 20% 2</p> <p>Above 20% to below 25% 1</p> <p>Above 25% 0</p> <p>4 times and more 5</p> <p>3 to below 4 3</p> <p>2 to below 3 2</p> <p>Below 2 1</p> <p>Zero or negative 0</p> <p>4 times and more 5</p> <p>3 to below 4 3</p> <p>2 to below 3 2</p> <p>Below 2 1</p> <p>Zero or negative 0</p> <p>Sub-Total 30</p> <p>Total - Financial Component 100</p>	

H. RATING SYSTEM

TO GET THE SCORE

NON-FINANCIAL : 100 X 35% = 35%
FINANCIAL : 100 X 65% = 65%

TOTAL 100%

GARNERED POINTS	MULTIPLIER	RATING
NON-FINANCIAL:	35%	
FINANCIAL:	65%	

TOTAL _____

ADJECTIVAL RATING	Medium & Large	Small	Micro
Excellent Performance	91 - 100%	81% - 100%	75% - 100%
Very Satisfactory Performance	81 - 90%	71% - 80%	61% - 74%
Satisfactory Performance	71 - 80%	61% - 70%	51% - 60%
Fair Performance	61 - 70%	51% - 60%	41% - 50%
Needs Improvement	60 & below	50% and below	40% and Below