Office of the President of the Philippines
**COOPERATIVE DEVELOPMENT AUTHORITY**

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**MEMORANDUM CIRCULAR NO.2016 - 06**
***Series of 2016***

**TO : ALL CONCERNED**

**SUBJECT : REVISED STANDARD CHART OF ACCOUNTS FOR COOPERATIVES**

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Pursuant to Section 3 of Republic Act No. 6939, an Act creating the Cooperative Development Authority defining its Powers, Functions and Responsibilities, the Authority hereby issues this Memorandum Circular prescribing the usage of Standard Chart of Accounts for Cooperatives in conformity with the Philippine Financial Reporting Framework for Cooperatives or MC 2015 -06.

## I. Scope

This Circular shall be applied in the accounting and financial reporting of all types of cooperatives, duly registered with the Cooperative Development Authority pursuant to Republic Act No. 9520, otherwise known as the Philippine Cooperative Code of 2008

## II. Objective and Purposes

The basic purpose of prescribing the standard chart of accounts is to provide guidelines in the use of account and account titles in the preparation of financial statements for the use of all types of cooperatives. Specifically, these shall:

a) ensure uniformity and common understanding of accounts;
b) guide in the installation of accounting and internal control systems;
c) facilitate the conduct of audit;
d) enhance transparency;
e) sets standards and discipline in measuring the financial safety and soundness;
f) facilitate the analysis and evaluation of financial management performance;
g) provide basis in monitoring, supervision and business linkages.

## III. Financial Statements

A complete set of financial statements includes the following components:

A. **Statement of Financial Condition (Balance Sheet)** presents a cooperative's **assets, liabilities** and **equity** as of a specific date—the end of the **reporting period**. Assets and liabilities are further classified as current or non-current.

B. **Statement of Operations (Income Statement)** presents its financial **performance** for the period. It includes revenues, costs and expenses, gains and losses and net surplus or net loss. Expenses are classified according to their function as part of cost of sales/services rendered, distribution or administrative activities. In a cooperative the difference between revenues and expenses is called net surplus that is allocated in accordance with the Cooperative Code or the cooperative's by-laws.

C. **Statement of Changes in Equity** presents the amounts of investments and withdrawals by members, addition and utilization of statutory funds, movement in donations and grants, and revaluation surplus during the period.

**D. Cash Flows Statement**provides information about the changes in **cash** and **cash equivalents** of a cooperative for a **reporting period**, showing separately changes from **operating activities**, **investing activities** and **financing activities**

**E. Notes to Financial Statements**provide narrative descriptions or disaggregation of items presented in the above statements and information about items that do not qualify for **recognition** in those statements. It also describes the accounting policies and the measurement basis/bases used in the preparation of the financial statement.

## IV. Standard Chart of Accounts for Cooperatives

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| | **STATEMENT OF FINANCIAL CONDITION** | |
| 10000 | **ASSET ACCOUNTS -** are resources controlled by the cooperative as a result of past events and from which future economic benefits are expected to flow to the cooperative | |
| 11000-12000 | **CURRENT ASSETS** | *Cash and other assets that are reasonably expected to be realized in cash or intended for sale or consummation within twelve months after the balance sheet date, or the normal operating cycle of the business, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date (PFRFC Chapter IV, Section 2.1.)* |
| 11100-11180 | ***Cash and Cash Equivalents*** | Cash and short term, highly liquid investments, and held to meet short-term cash commitments rather than for investment or other purposes. An investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. (PFRFC Chapter VII, Sections 2) |
| 11110 | Cash on Hand | This account refers to money (bills and coins) still in the possession of the cooperative's custodian. |
| 11120 | Checks & Other Cash Items (COCI) | This account refers to dated checks, postal money order (PMO) and demand drafts awaiting deposits |
| 11130 | Cash in Bank | This account refers to money deposited in the bank under the name of the cooperative, i.e. savings, current, time deposits, and combo-account. A subsidiary ledger shall be maintained for each bank account. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 11140 | Cash in Cooperative Federation | This account refers to money deposited in the federations to which they are affiliated, i.e. savings and time deposits which are unrestricted and readily available when needed. A subsidiary ledger shall be maintained for each account. |
| 11150 | Petty Cash Fund | This account refers to limited amount of money set aside for small expenditures such as stationeries, supplies and fares maintained under an imprest system. It should be replenished periodically when the fund gets low. |
| 11160 | Revolving Fund | This account refers to the amount set aside to cover disbursements for recurring transactions maintained under an imprest system. It should be replenished periodically when the fund gets low . This may include emergency purchases, withdrawal of deposits, release of loan proceeds, etc., the maximum amount of which shall be predetermined by the Board of Directors. |
| 11170 | Change Fund | This account refers to the reasonable amount of money set aside by BOD to change bigger amount of bills to smaller denomination or coins or vise versa. |
| 11180 | ATM Fund | This account refers to the money placed in the ATM manned by the cooperative. |
| 11200-11300 | ***Loans And Receivables*** | These refer to financial assets with fixed or determinable payments that are not quoted in an active market. A receivable is recognized for the difference between the gross receivable and the related unearned interest income (PFRFC Chapter 10, Section 4.1., par. 5) |
| 11210 | Loans Receivable – Current | This account refers to the outstanding balance of loans granted to the members which are not yet due. |
| 11220 | Loans Receivable - Past Due | This account refers to outstanding balance of loans to member-borrowers not paid on installment due dates using the Portfolio at Risk (PAR). |
| 11230 | Loans Receivable Restructured | This account refers to receivables from the member-borrowers whose loan accounts were restructured upon full payment of interests due. |
| 11240 | Loans Receivable – Loans in Litigation | This account refers to receivables from member-borrowers under legal action. The loan shall remain in this account during the pendency of the legal proceedings and until fully paid/restructured/foreclosed and undergone proceedings. |
| 11241 | Unearned Interests and Discounts | This account refers to interest on loans deducted in advance and presented as a contra asset account. |
| 11242 | Allowance for Probable Losses – Loans | This account refers to the cumulative amount of probable or impairment losses arising from non-collection of loans. |
| 11250 | Accounts Receivables Trade – Current | This account refers to the amount due from member, non-member patrons and/or ATM providers resulting from services rendered and sales of related goods |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| | | /merchandise which are expected to be collected within the credit terms set by the Board of Directors. |
| 11260 | Accounts Receivables Trade - Past Due | This account refers to total trade receivables due from members and/or non-member patrons which remain unpaid beyond the credit terms set by the BOD. |
| 11270 | Accounts Receivables Trade - Restructured | This account refers to total Trade receivables from the member & non-member patrons whose accounts were restructured upon full payment or settlement of interests due and/or penalties. |
| 11280 | Accounts Receivables Trade - in Litigation | This account refers to total trade receivables from member and non-member patrons under legal action. The receivables shall remain in this account during the pendency of the legal proceedings and until fully settled. |
| 11281 | Allowance for Probable Losses - Accounts Receivable Trade | This account refers to the cumulative amount of probable or impairment losses arising from non-collection of accounts. |
| 11290 | Installment Receivables – Current | This account refers to the amount due from members and non-member patrons for sale of merchandise/goods on a deferred payment or installment plan. |
| 11300 | Installment Receivables – Past Due | This account refers to amount due from members and non-member patrons for sale of merchandise / goods on a deferred payment or installment plan which remain unpaid beyond the terms set by the cooperative. |
| 11310 | Installment Receivables – Restructured | This account refers to amount due from members and non-member patrons for sale of merchandise / goods on a deferred payment or installment plan that were restructured upon full payment or settlement of interests due and/or penalties. |
| 11320 | Installment Receivables - in Litigation | This account refers to amount due from members and non-member patrons for sale of merchandise / goods on a deferred payment or installment plan under legal action. The receivables shall remain in this account during the pendency of the legal proceedings and until fully settled. |
| 11321 | Allowance for Probable Losses - Installment Receivables | This account refers to the cumulative amount of probable or impairment losses arising from non-collection of installment receivables |
| 11322 | Unrealized Gross Margin | This account refers to the unrealized portion of the gross margin on goods sold on installment basis. This is a contra account to installment receivable. (used by coops involved in real estate operations) |
| 11330 | Sales Contract Receivable | This account refers to amortized cost of the receivables arising from installment sale of assets acquired in settlement of loans/obligations. |
| 11331 | Allowance for Probable Losses - Sales Contract | This account refers to the cumulative amount of probable or impairment losses that may arise from non-collection of payment on Sales Contract Receivables. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| | Receivables | |
| 11340 | Accounts Receivable – non trade | This account refers receivables other than accounts receivable-trade. Examples of this, income tax receivable, and insurance claims receivable, etc. |
| 11341 | Allowance for Probable Losses - Accounts Receivable-non trade | This account refers to the cumulative amount of probable or impairment losses that may arise from non-collection of payment on Accounts Receivable-non trade |
| 11350 | Advances to Officers, Employees and Members | This account refers to duly approved cash advances for official business to officers, employees and members, subject to liquidation in accordance with the policy of the cooperative. |
| 11360 | Due from Accountable Officers, Employees and Members | This account refers to total collectibles due from accountable officers and employees arising from shortages, losses and unliquidated cash advances beyond the prescribed period, that are subject to immediate settlement. |
| 11370 | Finance Lease Receivable | This account refers to receivables arising from sale of goods/property under finance lease agreement. |
| 11371 | Allowance for Impairment – Finance Lease Receivable | This account refers to the cumulative amount of impairment loss that may arise from non-collection of payment on Finance Lease Receivables. |
| 11380 | Other Current Receivables | This account refers to transactions/adjustments not classified under any of the receivable accounts mentioned. |
| 11400 | ***Financial Assets*** | These are financial instruments excluding cash and cash equivalents, loans and receivables, investment in associates, investment in joint ventures, and investments in subsidiaries |
| 11410 | Financial asset at fair value through profit or loss | This account refers to financial assets with quoted price in the form of debt or equity securities that are held for trading purposes. |
| 11420 | Financial asset at cost | This refers to financial assets in the form of debt or equity securities which are not quoted in an active market and are expected to be realized in cash within one year from the reporting period (net of impairment) |
| 11500 | ***Inventories*** | These are assets: (a) held for sale in the ordinary course of business; (b) in the process of production for such sale; or c) in the form of materials or supplies to be consumed in the production process or in the rendering of services. |
| 11510 | Merchandise Inventory | This account refers to cost of goods on hand out on consignment and in-transit, available for sale at the end of the accounting or reporting period. |
| 11520 | Repossessed Inventories | This account refers to fair value of inventories previously sold but regained as a result of the default of the payments due from members/customers. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 11530 | Spare Parts/Materials & Other Goods Inventory | This account refers to spare parts/materials and other goods on hand and in transit |
| 11540 | Raw Materials Inventory | This account refers to cost of raw materials on hand and in transit at the end of the accounting or reporting period. |
| 11550 | Work in Process Inventory | This account refers to cost of job or work in process on hand at the end of accounting or reporting period. |
| 11560 | Finished Goods Inventory | This account refers to cost of completed job or work orders and goods manufactured/ produced/ processed on hand and ready for sale at the end of accounting or reporting period |
| 11570 | Inventory - Agricultural Produce | This account refers to the harvested product of the biological assets measured at cost. |
| 11580 | Equipment for Lease Inventory | This account refers to cost of equipment on hand intended for lease purchase agreement. |
| 11590 | Allowance for impairment - Inventory | This account refers to allowance set aside to provide for impairment losses on inventory. This is a contra account to Inventories. |
| 11600 | ***Biological Assets*** | This account refers to living animals and plants that are intended for sale. This shall be measured at cost. |
| 12000 | ***Other Current Assets*** | This account refers to any other current assets not classified above which are expected to be realized, consumed or used within the year. |
| 12110 | Input Tax | This account refers to value-added tax due from or paid by a VAT registered/registrable entity on the importation or local purchases of merchandise/goods or services including lease or use of property. |
| 12120 | Creditable VAT | An amount of Value Added Tax withheld by a cooperative supplier arising from sale or procurement of goods/services from a taxable institution/cooperative. |
| 12130 | Creditable Withholding Tax | Refers to an amount that is **withheld by cooperative supplier arising** from sale or procurement of goods/services from a taxable institution/cooperative |
| 12140 | Deposit to Suppliers | This account refers to the amount paid in advance to suppliers. |
| 12150 | Unused Supplies | This account refers to cost of supplies on hand. |
| 12160 | Assets Acquired in Settlement of Loans/Accounts | This refers to non real properties acquired in settlement of loans and receivables through foreclosure. |
| 12161 | Accumulated Depreciation and Impairment-Assets Acquired in Settlement of loans/accounts | This account refers to the total amount of depreciation and impairment assets acquired in settlement of loans/accounts that are set up periodically and charged against the current operations. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 12170 | Prepaid Expenses | This account refers to payments made in advance, to be amortized within one (1) year (e.g. insurance, interest, rentals, etc.) |
| 12200 | Other Current Assets | This account refers to current assets not falling in any of the above categories. |
| 13000-17000 | **NON CURRENT ASSETS** | *All other assets not classified as current to include tangible, intangible, operating and financial assets of a long term nature.* |
| 13100 | ***Financial Assets Long Term*** | (excluding cash and cash equivalents, loans and receivables, investment in associates, investment in joint ventures, and investments in subsidiaries) |
| 13110 | Financial asset at cost | This refers to financial assets in the form of equity securities which are not quoted in an active market and are expected to be realized in more than one year from the reporting period (net of impairment) |
| 13120 | Financial Asset at amortized cost | This refers to financial assets in the form of debt securities which are expected to be realized in more than one year from the reporting period (net of impairment) |
| 13200 | ***Investment in Subsidiaries*** | This account refers to the amount of the cooperative's investment in the equity instruments of non-cooperative subsidiaries (ownership of the more than 50% of the voting shares) |
| 13300 | ***Investment in Associates*** | This account refers to the amount of the cooperative's investment in the equity instruments of associates. (ownership of the 20%- 50% of the voting shares) |
| 13400 | ***Investment in Joint Ventures*** | This account refers to the amount of the cooperative's investment in shares of stocks of joint ventures evidenced by contractual agreement that gives the venturers joint control. |
| 13500 | ***Investment Property*** | Investment property is property (land or a building, or part of a building, or both) held by the cooperative to earn rentals or for capital appreciation or both, rather than for:<br>(a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. |
| 13510 | Investment Property - Land | This account refers to cost of land that generate income or capital appreciation or both, not used in production of goods, supply or services nor for administrative purposes or sale in the ordinary course of business measured at cost. Fair value of the property must be disclosed at the end of the accounting/reporting period. |
| 13520 | Investment Property – Building | This account refers to the cost of building that generate income or capital appreciation or both, not used in production of goods, supply or services nor for administrative purposes or sale in the ordinary course of business measured at cost and subject to depreciation. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 13521 | Accumulated Depreciation – Investment Property-Building | This account refers to the total amount of depreciation and impairment on Investment Property – Building that are set up periodically and charged against the current operations. |
| 13530 | Real Properties Acquired (RPA) | This account refers to real properties (Land and Building) acquired by the co-op in settlement of loans and receivables through foreclosure or *dacion enpago* and/or for other reasons. Should the cooperative use such assets in its main operation, the same assets shall be re-classified accordingly. |
| 13610 | Accumulated Depreciation – RPA | This account refers to the cumulative amount of impairment loss incurred on RPA, which shall be accounted for in accordance with PAS 36 |
| 14000 | ***Property, Plant and Equipment*** | These are tangible assets that:(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and (b) are expected to be used during more than one period. |
| 14110 | Land | This account refers to the acquisition cost of the land used for its main operation plus all incidental costs . All these are reflected in a single cost (fair market value or appraised value if donated). At the end of the accounting/ reporting period, fair value of the property must be disclosed. |
| 14120 | Land Improvements | This account refers to the cost of improvements after land acquisitions such as fencing, roadways, landscaping, etc, that are subject to depreciation over their useful lives. |
| 14121 | Accumulated Depreciation– Land Improvements | This account refers to the total amount of depreciation/ impairment loss on land improvement that are set up periodically and charged against the current operations. |
| 14130 | Building and Improvements | This account refers to the acquisition/construction cost of the building and its improvement on the land owned and used for its main operation. Major repairs or improvements that will prolong the life of the building are considered capitalizable cost. At the end of the accounting/ reporting period, fair value of the property must be disclosed. |
| 14131 | Accumulated Depreciation– Building and Improvements | This account refers to the total amount of depreciation/ impairment cost on building that are set up periodically and charged against the current operations |
| 14140 | Building on Leased/Usufruct Land | This account refers to the cost of construction of new building on a leased/usufruct land and shall be depreciated over the estimated life of the building or the lease/usufruct term whichever is shorter. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 14141 | Accumulated Depreciation– Building on Leased/Usufruct Land | This account refers to total amount of depreciation on Building on Leased/Usufruct Land based on cost that are set-up periodically and charged against the current operations. |
| 14150 | Utility Plant | This account refers to cost of property and equipment used in the generation of power/water and other utilities for operation and/or for distribution to consumers. |
| 14151 | Accumulated Depreciation – Utility Plant | This account refers to total amount of depreciation cost on Utility Plant that are set up periodically and charged against the current operations |
| 14160 | Property, Plant & Equipment -Under Finance Lease | This account refers to the cost determined by the fair or present value of leased Property, Plant and Equipment.. |
| 14161 | Accumulated Depreciation – Property, Plant & Equipment - Under Finance Lease | This account refers to total amount of depreciation on PPE - under Finance Lease that are set-up periodically against current operations. |
| 14170 | Construction in Progress | This account refers to the cost of materials, labor and other construction related costs incurred on unfinished construction project, prior to occupancy/actual use. |
| 14171 | Accumulated Depreciation – Property, Plant & Equipment - Under Finance Lease | This account refers to total amount of depreciation on Construction in Progress that are set-up periodically against current operations. |
| 14180 | Furniture, Fixtures & Equipment (FFE) | This account refers to the cost of movable (furniture), immovable (fixtures) properties and office / production/ store equipment used in the ordinary course of business such as but not limited to desks, chairs, cabinets, computers, vaults, including incidental expenses incurred in acquiring them, up to the time they are received and ready for use. |
| 14181 | Accumulated Depreciation - FFE | This account refers to the total amount of depreciation/ impairment cost on Furniture, Fixture and Office Equipment that are set up periodically and charged against the current operations |
| 14190 | Machineries, Tools and Equipment | This account refers to the cost of machineries, tools and equipment owned and used in producing goods, providing services and repairs. |
| 14191 | Accumulated Depreciation – Machineries, Tools and Equipment | This account refers to the total amount of depreciation on machineries, tools and equipment that are set-up periodically and charged against the current operations |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 14200 | Kitchen, Canteen & Catering Equipment/ Utensils | This account refers to the cost of equipment, cutleries and other tools used in food preparation and serving including incidental expenses incurred in acquiring them up to the time they are received and ready for use. |
| 14201 | Accumulated Depreciation – Kitchen, Canteen & Catering Equipment/Utensils | This account refers to the total amount of depreciation on Kitchen, Canteen and Catering Equipment/Utensils that are set-up periodically against current operations. |
| 14210 | Transportation Equipment | This account refers to the cost of equipment owned and used in transporting goods, services or personnel such as motorcycles, pick-ups, vans and other vehicles. |
| 14211 | Accumulated Depreciation - Transportation Equipment | This account refers to the total amount of depreciation/ impairment cost on Transportation Equipment that are set up periodically and charged against current operations |
| 14220 | Linens and Uniforms | This account refers to the cost of linens and the uniforms used by employees and staff including costs of tablecloth, curtains, blankets and similar items. |
| 14221 | Accumulated Depreciation – Linens and Uniforms | This account refers to the total amount of depreciation on linens and uniforms that are set-up periodically against current operations. |
| 14230 | Nursery/ Greenhouses | This account refers to the cost of nursery and greenhouse facilities and equipment used for seedling production and growing of vegetables |
| 14231 | Accumulated Depreciation - Nursery/ Greenhouse | This account refers to total amount of depreciation and impairment on nursery and greenhouse that are set-up periodically and charged against the current operations. |
| 14240 | Leasehold Rights & Improvements | This account refers to the cost of improvements on premises under operating lease including cost of rights and concession rights which are subject to amortization over the useful life of the property or the term of the lease, whichever is shorter. |
| 14290 | Other Property, Plant and Equipment | This account refers to Property, Plant and Equipment not falling in any of the above categories |
| 15000 | ***Biological Assets*** | |
| 15100 | Biological Assets – Animals | This account refers to cost of breeding stock/working animals owned by the cooperative. |
| 15110 | Accumulated Depreciation – Biological Assets – Animals | This account refers to total amount of depreciation and impairment on Biological Assets - Animals that are set-up periodically and charged against the current operations. |
| 15200 | Biological Assets – Plants | This account refers to living plants that produces seeds, seedlings, flowers or fruits. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 15210 | Accumulated Depreciation Biological Assets – Plants | This account refers to total amount of depreciation and impairment on BA - plants that are set-up periodically and charged against the current operations. |
| 16000 | ***Intangible Assets*** | *Identifiable non-monetary asset without physical substance for which future economic benefits are expected to flow back and amortized over the estimated useful life.* |
| 16100 | Franchise | This account refers to the cost of acquiring the right and privilege to sell goods and services using the particular trademark/ brand /logo of the franchisor. The cooperative is the franchisee. |
| 16200 | Franchise Cost | This account refers to the cost of acquiring privilege or right granted by Franchising Agencies to a cooperative to exercise an exclusive service to a particular route or area. This is specific for Transport and Water Service Cooperatives. |
| 16300 | Copyright | This account refers to the right for the exclusive use or distribution of products or services acquired from an author or artists. |
| 16400 | Patent | This account refers to the exclusive rights granted by the state to a patentee (the inventor or assignee) for a fixed period in exchange for the regulated, public disclosure of certain details of a device, method, process or composition of matter which is new, inventive, and useful or industrially applicable |
| 17000 | ***Other Non-Current Assets*** | *Assets which do not fit into any of the preceding classifications* |
| 17100 | Computerization Cost | This account refers to the cost of acquisition or development of computer programs and other software excluding upgrading of system. This is amortized over a period not exceeding three (3) years or useful life whichever is shorter. |
| 17200 | Other Funds and Deposits | This account refers to restricted funds set aside for funding of Statutory and other reserves such as Retirement, Members' Benefit and Other Funds. This may be in the form of time deposit or other securities which may be convertible to cash when needed. |
| 17300 | Due from Head Office/Branch/ Satellites | This account refers to receivables from Head Office/ Branches/ Satellites and should be closed at the end of the reporting period. |
| 17400 | Deposit on Returnable Containers | This account refers to deposits on containers subject to refund upon its return. |
| 17900 | Miscellaneous Assets | This account refers to assets not falling in any of the above categories. |
| 20000 | ***LIABILITIES*** -present obligation of the cooperative arising from past events, the settlement of which is expected to result in an outflow from the cooperative of resources embodying economic benefits.. | |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 21000-23000 | **CURRENT LIABILITIES** | *Obligations reasonably expected to be settled within the normal business operating cycle, that: (a) is due within 12 months after balance sheet date; (b) is held primarily for the purpose of being traded; (c) does not have an unconditional right to defer settlement of the liability for at least 12 months after balance sheet date.* |
| 21100 | ***Deposit Liabilities*** | This account refers to deposits made by members that can be withdrawn at a given period. |
| 21110 | Saving Deposits | This account refers to deposits made by members that can be withdrawn anytime at the option of the member-depositors. |
| 21120 | Time Deposits | This account refers to deposits made by members for a specified period of time and withdrawable at a predetermined date. |
| 21200 | ***Trade and Other Payables*** | |
| 21210 | Accounts Payable-Trade | This account refers to obligations/indebtedness to suppliers for purchase of goods and services intended for sale |
| 21220 | Accounts Payable-Non Trade | This account refers obligations/ indebtedness to suppliers for purchase of goods and services not intended for sale (e.g. supplies, periodicals and etc.) |
| 21230 | Loans Payable - Current | This account refers to the indebtedness to financial institutions, federations, unions, or individuals payable within the accounting/fiscal period and the current portion of the Long Term Loans Payable. |
| 21240 | Finance Lease Payable – current | This account refers to the current portion of PPE acquired under Finance Lease Agreement. |
| 21250 | Due to deployed members | This account refers to amount set aside for payment of salaries & other statutory obligations to deployed members of labor service cooperatives. |
| 21260 | Cash Bond Payable | This account refers to amount received from members/employees as guarantee for the use of equipment/ accessories / future losses, shortages and damages |
| 21290 | Other Payables | This account refers to Payables not falling in any of the above categories. |
| 21300 | ***Accrued Expenses*** | This account refers to expenses that have been incurred but not yet paid as of the end of accounting period. |
| 21310 | Due to Regulatory Agencies | This account refers to amount collected from members in payment for registration, licensing, supervision, etc. with Regulatory Agencies |
| 21320 | SSS/ECC/ Philhealth / Pag-ibig Premium Contributions Payable | This account refers to amounts withheld from the compensation income of employees representing their premium contributions to SSS, Philhealth and Pag-ibig agencies and the corresponding share of the cooperative as employer. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 21330 | SSS/Pag-Ibig Loans Payable | This account refers to amounts withheld from the compensation income of employees representing their payment of loans to SSS and Pag-ibig agencies. |
| 21340 | Withholding Tax Payable | This account refers to all taxes withheld as prescribed by law. |
| 21350 | Output Tax | This account refers to value added tax on the sale of taxable merchandise/ goods and services. |
| 21360 | VAT Payable | This account refers to excess of output tax over input tax. |
| 21370 | Income Tax Payable | This refers to amount of unpaid tax due from cooperative arising from taxable income. |
| 21390 | Other Accrued Expenses | This account refers to other accrued expenses that cannot be classified under any of the preceding accrued expenses accounts. |
| 21400 | ***Other Current Liabilities*** | |
| 21410 | Deposit from Customers | This account refers to deposits from customers for containers, food or other services subject to refund. |
| 21420 | Advances from Customers | This account refers to advance payment for delivery of goods or services. |
| 21430 | School Program Support Fund Payable | This account refers to an amount allocated as support mechanism to school program, which remains unpaid. (applicable to public school - based cooperatives only) |
| 21440 | Interest on Share Capital Payable | This account refers to liability to members for interest on share capital, which can be determined only at the end of fiscal year |
| 21450 | Patronage Refund Payable | This account refers to liability e to members for patronage refund, which can be determined only at the end of fiscal year. |
| 21460 | Due to Union /Federation (CETF) | This account refers to the accumulated amount set aside to be credited to the Union/Federation where the cooperative is a member. This corresponds to the 50% of the total annual allocation for the Education and Training Fund. |
| 21490 | Other Current Liabilities | This account refers to other liabilities that cannot be classified under any of the preceding current liability accounts. |
| 22000 | **NON-CURRENT LIABILITIES** | *Liabilities payable beyond one year* |
| 22100 | *Loans Payable* | This account refers to the indebtedness of the cooperative to financial institutions, federations, unions, or individuals payable beyond one year. |
| 22200 | *Discounts on Loans Payable* | This account represents the interest deducted from the loan value/principal to be amortized over the term of the loan using effective interest method. This is a contra account to Loans Payable. |
| 22300 | *Revolving Capital Payable* | The account refers to deferred payment of interest on share capital and patronage refund, which should be agreed upon in the General Assembly. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 22400 | *Retirement Payable* | This account refers to the accumulated retirement benefit costs charged against the income of the cooperative over the expected remaining working lives of participating qualified employees. |
| 22500 | *Finance Lease Payable - Long Term* | This account refers to the future lease payments for Property, Plant and Equipment acquired under finance lease, Net of the Current Portion. |
| 23000 | *Other Non-Current Liabilities* | The totality of all other liabilities that cannot be classified after any of the preceding liability accounts. |
| 23110 | Project Subsidy Fund | This account refers to the unused portion of the donation/grant for training, salaries and wages, etc. |
| 23120 | Members' Benefit and Other Funds Payable | This account refers to funds for special purposes such as member's benefits, including Kilusang Bayan Guarantee Fund (KBGF) / Cooperative Guarantee Fund (CGF) not part of the distribution of net surplus. |
| 23130 | Due to Head Office / Branch/ Satellite | The account is used to record inter-office transactions in the books of Head Office (HO)/Branch/ Satellite/ Department within the cooperative and should be closed at the end of the accounting period. |
| 23140 | CSF Guarantee Fund | This account refers to the 99% accumulated guarantee fund contributed by member. |
| 23190 | Other Non Current Liabilities | This account refers to other long term liabilities not elsewhere classified. |
| 30000 | **EQUITY -** is the residual interest in the assets of the cooperative after deducting all its liabilities. | |
| 30100 | **MEMBERS' EQUITY** | *This account refers to ownership Interest of members in the cooperative.* |
| 30110 | Subscribed Share Capital- Common | This account refers to the share capital subscribed by regular members payable over a certain period of time |
| 30120 | Subscription Receivable - Common | This account refers to the total unpaid subscribed share capital of regular members. |
| 30130 | Paid-up Share Capital – Common | This account refers to collected subscribed share capital - common |
| 30131 | Treasury Shares Capital -Common | This account refers to common shares bought back and held in treasury. This account should only be used in the event that there are no members who are willing to buy the shares of outgoing members. |
| 30210 | Subscribed Share Capital-Preferred | This account refers to the preferred share capital subscribed by member (regular and associate) payable over a certain period of time. |
| 30220 | Subscriptions Receivable-Preferred | This account refers to the total unpaid subscribed preferred share capital of regular and associate members |
| 30230 | Paid-up Share Capital-Preferred | This account refers to collected subscribed preferred share capital |
| 30231 | Treasury Shares Capital -Preferred | This account refers to preferred shares previously issued and reacquired and held in treasury, but not retired or cancelled, and maybe re-issued to existing members. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 30300 | ***Deposit for Share Capital Subscription*** | This account refers to amount paid by the members for capital subscription equivalent to the value of less than one share and additional subscriptions in excess of authorized capital pending approval of the amendments to increase Authorized Share Capital. This may also include the amount of share capital paid but not yet covered by subscription contract. Subsidiary ledgers shall be maintained for this account. |
| 30400 | ***Undivided Net Surplus*** | This account refers to the accumulated net surplus of the cooperative that is allocated and distributed at the end of each reporting period in accordance with Article 86 of RA 9520. This account is used for Interim Financial Statement Presentation only. |
| 30500 | ***Net Loss*** | This account refers to temporary account to record losses in operations incurred during the reporting period. Net loss for the year shall be charged against reserve fund, subject to provisions of Article 86 of RA 9520 |
| 30600 | ***Donations/ Grants*** | A **donation and grant** is assistance by another entity in the form of a transfer of resources to a cooperative in return for past or future compliance with specified conditions relating to the operating activities of the cooperative. |
| 30700 | ***Statutory Funds*** | Mandatory funds established/set up in accordance with Article 86 of RA9520 |
| 30710 | Reserve Fund | This account refers to the amount set aside annually for the stability of the cooperative (equivalent to at least 10% of net surplus) and to meet net operating losses in its operation. A corresponding fund should be set up either in the form of time deposit with local banks or government securities. |
| 30720 | Coop. Education & Training Fund | This account refers to the amount retained by the cooperative which shall not be more than ten percent (10%) of the net surplus for the training, development and other similar cooperative activities geared towards the growth of the cooperative movement. Half of the amount allocated for the fund annually shall be spent by the cooperative for their own education and training purposes, while the other half may be remitted to a union or federation chosen by the cooperative. |
| 30730 | Community Development Fund | This account refers to the fund set aside from the net surplus which should not be less than 3% for projects and/or activities that will benefit the community where the cooperative operates. |
| 30740 | Optional Fund | This account refers to fund set aside from the net surplus not exceeding 7%. It shall be used for acquisition of land and/or building, machinery and equipment, replacement fund for PPE, members' benefits, and other necessary funds. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 30800 | ***Revaluation Surplus*** | This account refers to the appraisal increase in the revaluation of land which are allowed subject to the guidelines issued by the Authority. |
| **STATEMENT OF OPERATIONS** | | |
| 40000 | ***REVENUE*** is income that arises in the course of the ordinary activities of a cooperative and is referred to by a variety of names including sales, service income, commission, interest, dividends, royalties and rent. | |
| 40100 | ***Income from Credit Operations*** | *All income derived from Credit Operations* |
| 40110 | Interest Income from Loans | This account refers to income earned and collected by the cooperative from the interest charged on the loans granted to their members. |
| 40120 | Service Fees | This account refers to the fees collected by the cooperative for loan processing/ servicing/collecting. |
| 40130 | Filing Fees | This account refers to the fees collected by the cooperative upon filing of loan applications by member-borrowers. |
| 40140 | Fines, Penalties, Surcharges | This account refers to the fees imposed and collected by the cooperative on the delayed amortization payments of the member-borrower. |
| 40200 | ***Income from Service Operations*** | *All income derived from service operations* |
| 40210 | Service Income | This account refers to the amount collected for various services rendered. |
| 40220 | Interest Income from Lease Agreement | This account refers to interest earned arising from lease of assets under Finance Lease Agreement |
| 40300 | ***Income from Marketing/ Consumers/ Production Operations*** | *All income derived from marketing / consumers / production operations* |
| 40310 | Sales | This account refers to invoice price of all merchandise/ goods sold or services rendered whether paid or on account. (segregate sales from members and non-members) |
| 40320 | Installment Sales | This account refers to sales to members and non-members of merchandise/goods on a deferred payment plan or installment plan |
| 40330 | Sales Returns & Allowances | This account refers to deductions from the invoice price due to returns resulting from damage, defects or errors in the kind or quality of goods delivered/sold to customers/members. |
| 40340 | Sales Discounts | This account refers to deductions allowed to customers for settlement/prompt payment of their accounts |
| 40400 | ***Other Income*** | *Income received by the cooperatives other than its main operation.* |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 40410 | Income/ Interest from Investment/ Deposits | This account refers to the income earned by the cooperatives from deposits in banks/other institutions and investments made in financial institutions/government/ business organizations. This shall include interest income derived from the deposit of statutory funds in the bank until utilized. (refer to the accounting manual) |
| 40420 | Membership Fee | This account refers to the amount collected from the cooperative's members-applicants upon approval of their membership in the cooperative. |
| 40430 | Commission Income | This account refers to an amount received by the cooperative from supplier as incentives. |
| 40440 | Realized Gross Margin | This account refers to income earned by the cooperative from the installment sales of real estate. |
| 40450 | Miscellaneous Income | This account refers to all other income earned by the cooperative for which no specific account has been set up. This may include winnings from raffle, contest, competition resulting from income generating activity/fund raising. |
| 50000 | ***Cost of Goods Sold*** | The cost/value of commodity sold as determined using physical or perpetual inventory system. |
| 51000 | *Cost of Goods Sold* | *This account refers to account used to record cost of finished goods sold under perpetual inventory system.* |
| 51110 | Purchases | This account refers to cost of merchandise/goods bought whether paid or on account under periodic inventory system. |
| 51120 | Raw Material Purchases | This account refers to gross cost of materials purchased for the production of food for sale, for catering and canteen operations (using periodic inventory system) |
| 51130 | Purchase Returns & Allowances | This account refers to deductions from invoice cost due to damage, defects, or errors in the kind or quality of goods bought. |
| 51140 | Purchase Discounts | This account refers to reductions in the cost of product bought due to the early payment. |
| 51160 | Freight In | This account refers to the cost of transporting merchandise/ goods from the place of purchase to storage area. Should form part of the Cost of Good Available for Sale. |
| 51170 | Direct Labor | This account refers to cost of labor directly attributed to the production of goods. |
| 51180 | Factory/Processing Overhead | This account refers to all cost other than raw materials and direct labor used in the production/manufacturing/ process of goods including royalties and production garments |
| 51200 | *Inventory Loss* | This account refers to reduction in inventory due to spoilage, breakage and variance between inventory per books and per count |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 60000 | ***Cost of Services*** | All costs incurred that are directly related to the generation of power, water and other services (A separate subsidiary shall be maintained) |
| 61000 | *Project Management Cost* | This account refers to all costs incurred that are directly related to the projects and contract entered into by clients like manpower servicing, construction and other professional works, including consulting fee. |
| 61110 | Labor and Technical Supervision | This account refers to amount incurred for technical and other services ancillary to the generation of service income. |
| 61210 | Salaries & Wages | This account refers to amount incurred for services rendered by employees directly involved in providing services including overtime pay |
| 61230 | Employees' Benefits | This account refers to benefits given to employees directly involved in providing services other than salaries and wages such as but not limited to 13th month pay, bonus, allowances, and subsistence allowances including human resource development. |
| 61240 | SSS, Philhealth, Pag-Ibig Contribution | This account refers to the cooperative's share in the employees' contribution to SSS, Philhealth and Pag-ibig. |
| 61250 | Retirement Benefit Expenses | The cost of providing retirement benefits to employees directly involved in providing services. The cost of retirement benefits is recognized as an expense in the periods during which the services are rendered. |
| 61280 | Professional and Consultancy Fees | This account refers to amount incurred for professional and consultancy services in relation to the generation of service income |
| 61370 | Supplies | This account refers to expenses incurred for various supplies used for service activities. |
| 61410 | Power, Light and Water | This account refers to the cost of electricity and water incurred in the generation of service income. |
| 61430 | Insurance | This account refers to expenses incurred to insure the equipment used in providing services. |
| 61440 | Repairs and Maintenance | This account refers to expenses incurred in the repair and maintenance of machineries and equipment used in the delivery of service except major repairs that prolong the life of the asset. |
| 61450 | Rentals | This account refers to expenses incurred for the building/office spaces or facilities leased by the cooperative for the generation of service income |
| 61490 | Gas, Oil & Lubricants | This account refers to This account refers to amounts incurred for gasoline, fuel and lubricants for cooperative's machineries and equipment used in the delivery of service. |
| 61520 | Miscellaneous | This account refers to all other expenses incurred by the cooperative not classified under any of the specified expenses account. |
| 61530 | Depreciation | This account refers to amount provided for wear and |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| | | tear of building, machineries and equipment used in the delivery of service. |
| 61540 | Amortization | This account refers to amount provided for amortization of intangible assets. |
| 62000 | *Generation Cost* | Cost incurred in the generation of power, water and other utilities. |
| 62120 | Power Cost | This account refers to cost of power whether purchased or generated for distribution. |
| 62130 | Labor and Technical Supervision | This account refers to amount incurred for technical and other services ancillary to the generation of service income. |
| 62210 | Salaries & Wages | This account refers to amount incurred for services rendered by employees directly involved in providing services including overtime pay. |
| 62230 | Employees' Benefits | This account refers to benefits given to employees directly involved in providing services other than salaries and wages such as but not limited to 13th month pay, bonus, allowances, and subsistence allowances including human resource development. |
| 62240 | SSS, Philhealth/ECC/ Pag-Ibig Contribution | This account refers to the cooperative's share in the employees' contribution to SSS, Philhealth and Pag-ibig. |
| 62250 | Retirement Benefit Expenses | This account refers to the cost of providing retirement benefits to employees directly involved in providing services. The cost of retirement benefits is recognized as an expense in the periods during which the services are rendered. |
| 62250 | Miscellaneous | This account refers to all other expenses incurred by the cooperative not classified under any of the specified expenses account. |
| 62280 | Professional and Consultancy Fees | This account refers to amount incurred for professional and consultancy services in relation to the generation of service income. |
| 62370 | Supplies | This account refers to expenses incurred for various supplies used for service activities. |
| 62410 | Power, Light and Water | This account refers to cost of electricity and water incurred in the generation of service income. |
| 62430 | Insurance | This account refers to expenses incurred to insure the equipment used in providing services. |
| 62440 | Repairs and Maintenance | This account refers to expenses incurred in the repair and maintenance of machineries and equipment used in the delivery of service except major repairs that prolong the life of the asset. |
| 62450 | Rentals | This account refers to expenses incurred for the building/office spaces or facilities leased by the cooperative for the generation of service income. |
| 62490 | Gas, Oil & Lubricants | This account refers to amounts incurred for gasoline, fuel and lubricants for cooperative's machineries and |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| | | equipment used in the delivery of service. |
| 62530 | Depreciation | This account refers to amount provided for wear and tear of building, machineries and equipment used in the delivery of service |
| 62540 | Amortization | This account refers to amount provided for amortization of intangible assets. |
| 62590 | Impairment Loss | This account refers to difference between the carrying value and the recoverable value of the assets directly used in the delivery of services |
| 63000 | *Distribution Cost* | Cost incurred in the distribution of power, water and other services. |
| 63120 | Power Cost | This account refers to cost of power whether purchased or generated for distribution. |
| 63130 | Labor and Technical Supervision | This account refers to amount incurred for technical and other services ancillary to the generation of service income. |
| 63210 | Salaries & Wages | This account refers to amount incurred for services rendered by employees directly involved in providing services including overtime pay. |
| 63230 | Employees' Benefits | This account refers to benefits given to employees directly involved in providing services other than salaries and wages such as but not limited to 13th month pay, bonus, allowances, and subsistence allowances including human resource development. |
| 63240 | SSS, Phil health, ECC, Pag-Ibig Contribution | This account refers to the cooperative's share in the employees' contribution to SSS, ECC, Philhealth and Pag-ibig. |
| 63250 | Retirement Benefit Expenses | This account refers to the cost of providing retirement benefits to employees directly involved in providing services. The cost of retirement benefits is recognized as an expense in the periods during which the services are rendered. |
| 63280 | Professional and Consultancy Fees | This account refers to amount incurred for professional and consultancy services in relation to the generation of service income. |
| 63370 | Supplies | This account refers to expenses incurred for various supplies used for service activities. |
| 63390 | Training/ Seminars | This account refers to an amount incurred for officers and staff directly involved in providing services for attending trainings and seminars/conducting seminars including expenses related thereto after exhausting the CETF. |
| 63410 | Power, Light and Water | This account refers to cost of electricity and water incurred in the generation of service income. |
| 63420 | Travel and Transportation | This account refers to amount incurred for fares, toll fees, board and lodging, per diem, and meal allowance of officers, employees directly involved in providing services while on official travel. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 63430 | Insurance | This account refers to expenses incurred to insure the equipment used in providing services including that of the employees who are directly involved in generating service income. |
| 63440 | Repairs and Maintenance | This account refers to expenses incurred in the repair and maintenance of machineries and equipment used in the delivery of service except major repairs that prolong the life of the asset. |
| 63450 | Rentals | This account refers to expenses incurred for the building/office spaces or facilities leased by the cooperative for the generation of service income. |
| 63470 | Communication | This account refers to amount incurred for transmission of messages such as courier, telephone, e-mail, fax, internet, messengerial, and all other means of communication used in the delivery of service. |
| 63490 | Gas, Oil & Lubricants | This account refers to amount incurred for gasoline, fuel and lubricants for cooperative's machineries and equipment used in the delivery of service. |
| 63520 | Miscellaneous | This account refers to all other expenses incurred by the cooperative not classified under any of the specified expenses account. |
| 63530 | Depreciation | This account refers to amount provided for wear and tear of building, machineries and equipment used in the delivery of service. |
| 63540 | Amortization | This account refers to amount provided for amortization of intangible assets. |
| 63590 | Impairment Loss | This account refers to difference between the carrying value and the recoverable value of the assets directly used in the delivery of services. |
| 64000 | *Transport Service Cost* | All costs incurred that are directly related to Service Income and Passenger's Fee. (A separate subsidiary shall be maintained). |
| 64140 | Driver's /Conductor's Fees | This account refers to cost incurred for payment to drivers (control mechanism will be developed to recognized actual gross receipts) - subject to 10% withholding tax. |
| 64150 | Vehicle Registration and Licensing Expenses | This account refers to expenses incurred for licensing, registration, dropping, filing, supervision, accreditation fees, penalties and other fees. (this account is used for cooperatively owned units only). |
| 64160 | Toll Fees | This account refers to amount paid for toll fees (SA) |
| 64170 | Incidental Expenses | This account refers to expenses incurred to cover the cost of expenditures which are not anticipated / expected *such as accidents not covered by insurance.* |
| 64430 | Insurance | This account refers to expenses incurred to insure the equipment used in providing transport services. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 64440 | Repairs and Maintenance | This account refers to expenses incurred in the repair and maintenance of transport facility and equipment except major repairs that prolong the life of the asset. |
| 64490 | Gas, Oil & Lubricants | This account refers to amounts incurred for gasoline, fuel and lubricants for cooperative's vehicles and for day to day operation. |
| 64530 | Depreciation | This account refers to amount provided for wear and tear of property and equipment. |
| 70000 | ***EXPENSES -Gross outflows of economic resources and incurrence of obligations in the course of the ordinary activities of the cooperative when those outflows result in decreases in surplus.*** | |
| 71000 | ***Financing Cost*** | Expenses related to borrowings of funds used for operations. |
| 71100 | Interest Expense on Borrowings | This account refers to interest incurred on borrowings. |
| 71200 | Interest Expense on Deposits | This account refers to the interest incurred on savings and time deposits of both regular & associate members |
| 71300 | Other Financing Charges | This account refers to service charges, filing fees and other fees for borrowings incurred by the cooperative. |
| 72000 | ***Selling/ Marketing Cost*** | Costs incurred in the promotion/distribution and selling of products and services of the cooperatives. |
| 72180 | Product/ Service Marketing and Promotion Expenses | This account refers to expenses incurred in the marketing and promoting the coop. products and services (expenses related to pricing, promotion, place packaging). |
| 72190 | Product/ Service Development | This account refers to expenses incurred in the development of coop. products and services (expenses related to research and development). |
| 72200 | Product Research | This account refers to expenses incurred in the enhancement of existing products. |
| 72210 | Salaries & Wages | This account refers to amount incurred for services rendered by employees including overtime pay. |
| 72220 | Incentives and Allowances | This account refers to amount incurred for services rendered by sales, part-time and on-call employees. |
| 2230 | Employees Benefits | This account refers to benefits given to employees other than salaries and wages such as 13th month pay, bonus, allowances, termination or separation pay and others, termination or separation pay and others. |
| 72240 | SSS, Philhealth, ECC, Pag-Ibig Premium Contribution | This account refers to the cooperative's share in the employees' premium contribution to SSS, ECC, Philhealth and Pag-ibig. |
| 72250 | Retirement Benefit Expenses | This account refers to This account refers to the cost of providing retirement benefits to employees for their services rendered. The cost of retirement benefits is recognized as an expense in the periods during which the services are rendered. |
| 72260 | Commission Expenses | This account refers to amount paid to sales personnel and others as incentives. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 72270 | Advertising & Promotion | This account refers to expenses incurred for advertising and promotion of cooperatives' products. |
| 72280 | Professional Fees | This account refers to fees and related expenses incurred for professional services rendered. |
| 72290 | Royalties | This account refers to the amount provided to authors for the right to the reproduction of books and related items that is made available for sale. |
| 72310 | Store/ Canteen/ Kitchen and Catering Supplies Expenses | This account refers to expenses incurred for stationery and various supplies used in store/canteen/kitchen and catering for selling/trading operations. |
| 72320 | Breakage & Losses on Kitchen Utensils | This account refers to expenses incurred for lost or breakage of kitchen/utensils after deducting accumulated depreciation. |
| 72330 | Freight Out/Delivery Expenses | This account refers to amount incurred for the delivery of goods/services including traveling expenses of sales personnel from the place of production/store to buyer including lubricants. |
| 72340 | Spoilage, Breakage And Losses | This account refers to expenses incurred for unavoidable decay, breakage, expiration or losses of goods beyond the normal condition. |
| 72350 | Storage/ Warehousing Expenses | This account refers to expenses incurred for temporary housing of merchandise/goods. |
| 72410 | Power, Light and Water | This account refers to cost of electricity, water and/or gasoline/diesel, oil and lubricants used for generators which are incurred in business operations. |
| 72420 | Travel and Transportation | This account refers to amount incurred for fares, gasoline and fuel for service vehicles borrowed or rented by the cooperative, toll fees, board and lodging, per diem and meal allowance of employees while on official travel. |
| 72430 | Insurance | This account refers to expenses incurred to insure the assets/properties/employees of the cooperative and the bonds of accountable officers and employees. |
| 72440 | Repairs and Maintenance | This account refers to expenses incurred in the repair and maintenance of each facility and equipment except major repairs that do not prolong the life of the asset but increase capacity and safety measures. |
| 72450 | Rentals | This account refers to amount incurred for the lease or rental of the building/office space, the utilized portion of the rent paid in advance. |
| 72460 | Taxes, Fees and Charges | This account refers to expenses incurred for taxes, fees and charges due to government entities, both national and local. |
| 72470 | Communication | This account refers to the amount incurred for courier (letters), telephone, cell phone, e-mail, fax, internet, messengerial, and all other means of communication. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 72480 | Representation | This account refers to expenses incurred related to accommodating visitors and guests on official business. |
| 72490 | Gas, Oil & Lubricants | This account refers to amount incurred for gasoline, fuel and lubricants for service vehicles, delivery vans and others. |
| 72520 | Miscellaneous Expenses | This account refers to all other expenses incurred by the cooperative not classified under any of the specified expenses account. |
| 72530 | Depreciation | This account refers to amount provided for wear and tear of property and equipment and amortization of intangible assets. |
| 72540 | Amortization | This account refers to amount provided for amortization of intangible assets. |
| 72550 | Amortization of Leasehold Rights & Improvement | This account refers to amount provided for amortization of leasehold rights and improvements. |
| 72660 | Periodicals, Magazines & Subscription | This account refers to amount incurred for subscription or purchase of periodicals, magazines and others. |
| 73000 | ***Administrative Cost*** | Expenses incurred related to general administration and management of the cooperative/enterprise |
| 73210 | Salaries & Wages | This account refers to amount incurred for services rendered by employees including overtime pay. |
| 73230 | Employees Benefits | This account refers to benefits given to employees other than salaries and wages such as but not limited to 13th month pay, bonus, allowances, and subsistence allowances including human resource development. |
| 73240 | SSS,Philhealth, ECC, Pag-ibig Premium Contributions | This account refers to the cooperative's share in the employees' premium contributions to SSS, ECC, Philhealth and Pag-ibig. |
| 73250 | Retirement Benefit Expenses | This account refers to the cost of providing retirement benefits to employees for their services rendered. The cost of retirement benefits is recognized as an expense in the periods during which the services are rendered. |
| 73270 | Officers' Honorarium and Allowances | This account refers to amount incurred for services rendered by directors, committee members and officers. |
| 73300 | Litigation Expenses | This account refers to expenses incurred in judicial and quasi-judicial cases including incidental costs where the coop is the complainant or respondent as authorized by the BODs. |
| 73360 | School Program Support | This account refers to an amount allocated by the cooperatives as support mechanism to school program such as school food supplementation of identified under-nourished cases and administration contingency fund, outreach program and school development, etc. (applicable to school-based cooperatives for canteen activity only) |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 73370 | Office Supplies | This account refers to expenses incurred for office and various supplies used in the administration and conduct of business operation. |
| 73380 | Meetings and Conferences | This account refers to amount incurred for the conduct of/ attendance to meetings and conferences. |
| 73390 | Trainings/ Seminars | This account refers to amount incurred for officers, directors, employees and members, for attending trainings and seminars including all expenses related thereto after exhausting the CETF (local). For purposes of analysis, amount incurred may be classified as to the recipient. |
| 73400 | Certifications and Recognitions | This refers to expenses incurred for certifications and recognitions acquired from non government agencies. |
| 73410 | Power, Light & Water | This account refers to cost of electricity and water incurred in business operations. |
| 73420 | Travel & Transportation | This account refers to amount incurred for fares, toll fees, board and lodging, per diem and meal allowance of officers and employees and members while on official travel. |
| 73430 | Insurance | This account refers to expenses incurred to insure the assets/properties of the cooperative, premium of insurance for officers and employees and bonds of accountable officers and employees. |
| 73440 | Repairs & Maintenance | This account refers to expenses incurred in the repair and maintenance of each facility and equipment except major repairs that prolong the life of the asset. |
| 73450 | Rentals | This account refers to expenses incurred for building/office spaces or facilities leased by the cooperative. |
| 73460 | Taxes, Fees and Charges | This account refers to expenses incurred for taxes, fees and charges due to government entities, both national and local. |
| 73470 | Communication | This account refers to amount incurred for courier (letters), telephone, cell phone, e-mail, fax, internet, messengerial, and all other means of communication. |
| 73480 | Representation | This account refers to expenses incurred related to accommodating visitors and guests on official business. |
| 73490 | Gas, Oil & Lubricants | This account refers to amount incurred for gasoline, fuel and lubricants for cooperative's vehicles and for day to day operation |
| 73500 | Collection Expense | This account refers to amount, including commissions, incurred as incentives in effecting the collection of loans of the cooperative. |
| 73510 | General Support Services | This account refers to expenses incurred for employing the services of security, janitors, messengers and other support services. |
| 73520 | Miscellaneous Expense | This account refers to all other expenses incurred by the cooperative not classified under any of the specified expenses account. |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| 73530 | Depreciation | This account refers to allocation of cost over the estimated life of Property, Plant and Equipment. |
| 73540 | Amortization | This account refers to amount provided for amortization of intangible assets. |
| 73550 | Amortization of Leasehold Rights and Improvement | This account refers to amount provided for amortization of leasehold rights and improvements. |
| 73560 | Probable Losses on Loan /Accounts/ Installment Receivables | This account refers to allocation or provision for estimated losses arising from probable uncollectible loans/accounts/ installment receivables. |
| 73590 | Impairment Losses | This account refers to the difference between the carrying value and the recoverable value of an asset. |
| 73600 | Bank Charges | This account refers to bank fees and other charges excluding cost of checkbooks. |
| 73610 | General Assembly Expenses | This account refers to expenses incurred in the conduct of regular/special general assembly. |
| 73620 | Members Benefit Expenses | This account refers to expenses incurred in providing for additional members' benefits and social services |
| 73630 | Affiliation Fee | This account refers to amount incurred to cover membership or registration fees and annual dues to a federation or union. |
| 73640 | Social & Community Service Expense | This account refers to expenses incurred by the cooperatives in its social community involvement including solicitations and donations to charitable institutions. |
| 73650 | Provision for CGF (KBGF) | This account refers to amount set up at the option of the cooperative for the provision of CGF (KBGF).This is not part of the Statutory Fund. |
| 80000 | ***Other Items – Subsidy/ Gain (Losses)*** | Special transactions arising from the operations of the cooperatives. |
| 80100 | Project Subsidy | This account refers to an amount deducted from Project Subsidy fund to subsidize project expenses. This shall appear in the statement of operation as a contra account to subsidized project expenses |
| 80200 | Donation and Grant Subsidy | This account refers to an amount deducted from Donation and Grant to subsidize depreciation charges on property and equipment funded by donation and grant. |
| 80300 | Optional Fund Subsidy | This account refers to an amount deducted from Optional Fund to subsidize depreciation charge of property and equipment funded by Optional Fund |
| 80400 | Educational Fund Subsidy | This account refers to amount deducted from Education and Training Fund to subsidize depreciation charge on property and equipment funded by Education and Training Fund. |
| 80500 | Subsidized Project Expenses | This account refers to portion of the Project Subsidy Fund expended for training, salaries and wages and other activities subsidized by donations and grants and |

| ACCOUNT CODE | ACCOUNT TITLE | DEFINITION |
|---|---|---|
| | | optional fund. |
| 81100 | Gains or Losses on Sale of Property & Equipment | This account refers to gains or losses derived from the sale of acquired assets/properties and equipment |
| 81200 | Gains or Losses in Financial Assets through Profit and Loss | This account refers to the cumulative gains (losses) arising from change in the fair value and from the disposal of financial assets through profit and loss |
| 81300 | Gains or Losses in Financial Assets at cost | This account refers to income earned or losses incurred from the disposal of financial assets at cost. |
| 81400 | Gains or Losses on RPA | This account refers to income earned or losses incurred from the disposal of RPA |
| 81500 | Gains or Losses on assets acquired in settlement of loans | This account refers to income earned or losses incurred from the disposal of Assets acquired in settlement of loans. |
| 81600 | Gains or Losses on Sale of Repossessed Item | This account refers to income earned or losses incurred from the sale of repossessed items. |
| 81700 | Gains or Losses from Foreign Exchange Valuation | This account refers to gains or Losses arising from retirement or conversion of foreign currency exchange rate fluctuation per actual transaction |
| 82000 | Prior Years' Adjustment | This account refers to adjustments on transactions affecting income and expenses incurred in the previous year(s) which are taken up on the current year. |

## V. Financial Reports with supporting schedules

For purposes of monitoring, supervising and regulating all types of cooperatives, the following basic financial reports and schedules (formats are shown in Annexes A - E) shall be prepared:

a) Statement of Financial Condition (Annex A)
b) Statement of Operations (Annex B)
c) Statement of Changes in Equity (Annex C)
d) Statement of Cash Flows (Annex D)
e) Notes to Financial Statement
f. Related Schedules such as
   - Bank reconciliation Statement
   - Aging of Receivables using PAR
   - Property and equipment lapsing schedule
   - Members loans receivables, savings/time deposits, subscribed and paid-up share capital
   - Investments
   - Accounts payable

- Loans payable
- Allocation and Utilization of Statutory Funds
- Distribution of Interest on Share Capital and Patronage Refund

For cooperatives with multi-business activities, departmentalized statement of operation shall be prepared for each type of activity.

**VI. Sanctions**

Cooperatives which fail to comply with this Circular shall be subject to the following sanctions:

- First non-compliance, the Authority shall issue warning to concerned cooperatives;
- Second non-compliance, Certificate of Compliance shall not be issued by the Authority;
- Third non-compliance, the Certificate of Registration of cooperative shall be cancelled after compliance with due process of law.

**VII. Transitory Provision**

All Cooperatives shall within one (1) year from the effectivity of this Circular make the necessary adjustments on their existing systems in order to comply with the Standard Chart of Accounts. Provided however, that the aforecited sanctions under item VI shall not be imposed during the transition period.

**VIII. Repeals**

All circulars, regulations, issuances or parts thereof, inconsistent with any of the provisions of this Circular are hereby repealed or modified accordingly.

**IX. Separability Clause**

Should any part of this Circular be declared invalid or unconstitutional, the rest of the provisions not affected thereby shall continue in full force and effect.

**X. Effectivity**

This Circular shall be published in the Office of the National Administration Registry (ONAR) and shall take effect fifteen (15) days after its publication.

Approved per CDA Board Resolution No. 364, S-2016 dated October 18, 2016.

**ORLANDO R. RAVANERA**
Chairman

Date: November 16, 2016