



COOPERATIVE DEVELOPMENT AUTHORITY Head Office

827 Aurora Blvd., Service Road, Brgy. Immaculate Conception Cubao, 1111 Quezon City, Philippines
http://www.cda.gov.ph helpdesk@cda.gov.ph CDA Philippines

289-41



MEMORANDUM CIRCULAR NO. 2023-15
Series of 2023

TO : ALL CONCERNED

SUBJECT : GUIDELINES FOR CREDIT SURETY FUND (CSF) COOPERATIVES' SUBMISSION OF REQUIRED REPORTS AND SANCTIONS FOR LATE FILING

Section 1. Purpose and Legal Bases

This Guidelines is issued for the timely submission of CSF Cooperatives of the required mandatory reports and the imposition of sanctions for the late filing of the said reports in compliance with the requirements provided by law and implementing rules and regulations as follows:

1. Article 53, RA 9520. Reports. (1) Every cooperative shall draw up regular reports of its program of activities, including those in pursuance of their socio-civic undertakings, showing their progress and achievements at the end of every fiscal year. The reports shall be made accessible to its members, and copies thereof shall be filed with the Authority within one hundred twenty (120) days from the end of the calendar year. The form and contents of the reports shall be prescribed by the rules of the Authority. xxx
2. Rule 3, Sec. 2 (c) of the IRR of RA 10744 states, "Require the CSF Cooperatives to submit annual, semi-annual, quarterly, or monthly, as the case may be, documents as may be deemed necessary by CDA to ensure compliance with the CSF Act, and this rules, xxx
3. Rule 27, Sec. 1 of the IRR of RA 10744 states, "The CDA shall require the annual, semi-annual, quarterly and monthly submission, as the case may be, of reports, financial statements, board resolutions and such other documents as may be deemed by CDA as necessary to ensure compliance with CSF Act and this Rules. xxx
4. Section 19 (b) (3) of RA 10744 states, "Require the annual, semi-annual or quarterly submission as the case may be, of reports, financial statements, board resolutions and such other documents as may be deemed necessary by the CDA to ensure compliance with this Act, its implementing rules and regulations and other rules.

Section 2. Scope

This Guidelines shall cover all registered CSF Cooperatives and those which will be registered thereafter.

Office of the Chairman : (02) 8721-5325
(02) 8721-5324
Office of the Administrator : (02) 8721-0633
Officer of the Day : (02) 8725-3764



Management System
ISO 9001:2015



www.tuv.com
ID 9105070733

Section 3. Definition of Terms

1. Fiscal year – shall be the calendar year of every cooperative, except as may be otherwise provided in the bylaws.
2. Accountable Officers - for the purpose of this Guidelines, accountable officers shall refer to the employees or officers of the CSF Cooperative responsible for the preparation of the required reports and their attachments, and to whose fault or negligence the delay may be attributed.

Section 4. Required Reports

The following are the required reports to be submitted to the Authority:

A. Annual Reports

I. With at least one (1) year of Operation

1. Cooperative Annual Progress Report (CAPR) with the following attachments:
 - a. Social Audit Report including its program of activities pursuant to its socio-civic goals of the cooperative;
 - b. Performance Audit Report or Governance Management Audit Report;
 - c. Copies of the semi-annual Report on Mediation and Conciliation;
 - d. Original copy of the Financial Statements audited by a CDA-accredited external auditor with a complete set of attachments;
 - e. List of Officers and Trainings Undertaken /Completed;
 - f. Annual Tax Incentive Report for cooperatives issued with Certificate of Tax Exemption (CTE); and
 - g. Annual Benefits Report (ABR)

II. With less than 1 year of operation

1. Cooperative Annual Progress Report (CAPR) with the following attachments:
 - a. Original copy of the following Financial Status Reports signed by the Audit Committee and the Chairman of the Board of Directors of the CSF Cooperative:
 - Statement of Financial Condition (Annex A-1)
 - Statement of Operation (Annex B-2)

B. Quarterly Report

Copies of Interim Quarterly Financial Statements duly approved by the BOD

C. Monthly Report

Encoding in the Monitoring Tool of the following financial and non-financial data:

- a. Bank's Monthly Report on CSF-covered Loans;
- b. Membership Registry;
- c. Members' Contribution;
- d. Liquidity Profile; and
- e. Capital Adequacy Ratio

D. Audited Financial Statements required under Memorandum Circular 2022-31, entitled, "Accounting Guidelines for CSF Cooperatives Organized by Bangko Sentral ng Pilipinas (BSP) prior to the Effectivity of Republic Act 10744 otherwise known as The Credit Surety Fund Act of 2015"

Section 5. Complete Set of Financial Statements

In accordance with the reporting standards required under Memorandum Circular 2022-24, entitled, Revised Standard Chart of Accounts for Cooperatives, the Audited Financial Statements shall consist of the following, except for newly registered cooperatives:

1. Statement of Financial Condition;
2. Statement of Operation;
3. Statement of Changes in Equity, Statutory Funds, and Donations and Grant;
4. Statement of Cash Flow;
5. Notes to Financial Statements;
6. Statement of Management Responsibility signed by the Chairman and Treasurer;
7. Auditor's Report/Opinion; and
8. Statement of Representation.

Section 6. Frequency and Manner of Submission/Filing

The following is the schedule and manner of submission of the required reports:

| Report | Manner of Submission | Deadline of Submission | | | | | | | | | | | | | | | | | | | | | | |
|----------------------|---|---|---------------|-----|--|-----|--|---|--|----|--|-----|--|------|--|------|--|---|--|----|--|-----|--|--|
| a. Annual Report | Personal or registered mail courier | within one hundred twenty (120) days after the close of the calendar year | | | | | | | | | | | | | | | | | | | | | | |
| b. Quarterly Reports | Soft copies thru csf@cda.gov.ph cc. regional office email address below: | every 10 th day of the succeeding month after each quarter | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Region</th> <th>Email address</th> </tr> </thead> <tbody> <tr> <td>CAR</td> <td>car@cda.gov.ph</td> </tr> <tr> <td>NCR</td> <td>ncr@cda.gov.ph</td> </tr> <tr> <td>I</td> <td>r1@cda.gov.ph</td> </tr> <tr> <td>II</td> <td>r2@cda.gov.ph</td> </tr> <tr> <td>III</td> <td>r3@cda.gov.ph</td> </tr> <tr> <td>IV-A</td> <td>r4a@cda.gov.ph</td> </tr> <tr> <td>IV-B</td> <td>r4b@cda.gov.ph</td> </tr> <tr> <td>V</td> <td>r5@cda.gov.ph</td> </tr> <tr> <td>VI</td> <td>r6@cda.gov.ph</td> </tr> <tr> <td>VII</td> <td>r7@cda.gov.ph</td> </tr> </tbody> </table> | Region | Email address | CAR | car@cda.gov.ph | NCR | ncr@cda.gov.ph | I | r1@cda.gov.ph | II | r2@cda.gov.ph | III | r3@cda.gov.ph | IV-A | r4a@cda.gov.ph | IV-B | r4b@cda.gov.ph | V | r5@cda.gov.ph | VI | r6@cda.gov.ph | VII | r7@cda.gov.ph | |
| Region | Email address | | | | | | | | | | | | | | | | | | | | | | | |
| CAR | car@cda.gov.ph | | | | | | | | | | | | | | | | | | | | | | | |
| NCR | ncr@cda.gov.ph | | | | | | | | | | | | | | | | | | | | | | | |
| I | r1@cda.gov.ph | | | | | | | | | | | | | | | | | | | | | | | |
| II | r2@cda.gov.ph | | | | | | | | | | | | | | | | | | | | | | | |
| III | r3@cda.gov.ph | | | | | | | | | | | | | | | | | | | | | | | |
| IV-A | r4a@cda.gov.ph | | | | | | | | | | | | | | | | | | | | | | | |
| IV-B | r4b@cda.gov.ph | | | | | | | | | | | | | | | | | | | | | | | |
| V | r5@cda.gov.ph | | | | | | | | | | | | | | | | | | | | | | | |
| VI | r6@cda.gov.ph | | | | | | | | | | | | | | | | | | | | | | | |
| VII | r7@cda.gov.ph | | | | | | | | | | | | | | | | | | | | | | | |

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| XII | r12@cda.gov.ph | | | | | | | | | | | | | |
| XIII | r13@cda.gov.ph | | | | | | | | | | | | | |
| c. Monthly Report | Soft copies thru csf@cda.gov.ph cc. regional office email address | every 10 th day of the succeeding month. | | | | | | | | | | | | |
| d. Audited Financial Statements | Personal or registered mail courier | - CSFs organized prior to the passage of RA 10744, within 90 days after registration (MC 2022-31, Sec.3) - existing CSF Coops, within 90 days after the effectivity of this Circular. (MC 2022-31, Sec.3) | | | | | | | | | | | | |

Three (3) copies of the reports referred to in Section 4(A and D) must be filed or submitted to the CDA Head Office.

Section 7. When Delay is Incurred

Delay shall commence on the day following the last day prescribed for filing of reports. However, should the last day of filing fall on a Saturday, a Sunday, or a non-working holiday, the last day for filing shall be the next working day.

Section 8. Notice of Non-submission

The Authority shall notify the cooperative of its non-submission within fifteen (15) days from the lapse of the period to file the required reports. If a CSF Cooperative fails to make and file the reports required herein or fails to include therein any matter required by law, rules and issuances, the CDA within fifteen (15) days from the expiration of the prescribed period, send such CSF Cooperative a written notice stating:

1. that the cooperative has incurred delay (or is non-compliant)
2. the commensurate fines and penalties that will be imposed until such time that the CSF Cooperative has complied with the requirements

Section 9. Reports with Deficiency

All reports shall be subject to evaluation by the CDA Head Office. If there are findings, a Notice of Deficiency shall be sent to the cooperative's official email address for correction/compliance.

The cooperative shall comply with the findings (15) calendar days from the issuance of the notice. Non-compliance within the said period shall mean non-submission of required reports and the monetary penalty of One Hundred Pesos (P 100.00) per day of delay shall be imposed after the lapse of the 15-day period.

Section 10: Request for Reconsideration

Within thirty (30) calendar days upon receipt of the Statement of Account, the Accountable Officer may request for reconsideration of such fine on the grounds of **fortuitous events and court litigation/order**, which the CDA shall act upon within sixty (60) calendar days otherwise the sanctions, shall be deemed lifted. The decision of the CDA shall be final and executory. Other than the imposition of monetary penalties, the CDA may dissolve/revoke, after due process, the authority of the CSF Cooperative to operate as such.

If the delay is due to fortuitous events, including but not limited to fire, storms, or other natural calamities; an order from any competent court or government agency; or a declared national emergency or public disorder including strikes and lockout, the period for such delay may be exempted, provided that the Authority is given due notice within fifteen (15) days from the cessation of the cause of the delay. Thereafter, the cooperative shall be given another thirty (30) days to file the required report, the lapse of which shall consider the cooperative in delay.

Section 11. Total Loss or Destruction of Records due to Fortuitous Event or Force Majeure

Upon favorable recommendation of the concerned CDA Extension Office Regional Director and approval of the CDA Board of Directors, the submission of the mandatory reportorial requirements may be waived in case of total destruction/loss of records and reports due to force majeure or fortuitous events.

In order for the said waiver to apply, the cooperative shall submit the following:

1. Certification issued by the Local Government Unit (LGU) or Barangay Certificate where the principal office of the cooperative is located stating the occurrence of such force majeure or fortuitous event;
2. Letter of application for relief in the submission of regulatory requirements signed by the Chairperson and/or the General Manager of the cooperative; and
3. Damage Assessment Report (Form 1).

Section 12. Sanction for Delayed Submission

Failure to file the required regular reports referred to in Section 4(A) with the corresponding attachments on time shall subject the Accountable Officers to pay fines or penalties of **One Hundred Pesos (Php100.00) per day of delay**. The imposition of Fines and penalties shall commence from the time the CSF cooperative has incurred delay.

Non-submission of required reports specified in Section 4 (B, C, and D) shall warrant the Authority to issue a warning and subsequent non-compliance shall be a basis for the issuance of a Show Cause Order (SCO) to the concerned CSF Cooperative.

Other than the imposition of monetary penalties, the CDA may dissolve /revoke, after due process, the authority of the CSF Cooperative to operate as such.

Section 13. Repealing Clause

All guidelines, circulars, or similar issuances which are inconsistent with this Guidelines are hereby repealed or modified accordingly.

Section 14. Separability Clause

If any provision of this Circular is held to be unconstitutional, the other parts hereof shall continue to be in full force and effect.

Section 15. Effectivity


This Guidelines shall take effect fifteen (15) days after its publication in the Official Gazette or the filing of a copy thereof with the Office of the National Administrative Registry (ONAR).

Approved per Board Resolution No. 320, S-2023 dated April 26, 2023

Issued this 22nd day of August 2023.

FOR THE CDA BOARD OF DIRECTORS

USEC. JOSEPH B. ENCABO
Chairman



**NAME OF CSF COOPERATIVE
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 20X2**

| | Notes | 20X2 | 20X1 |
|---|-------|------|------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Surplus/ (Loss) | | | |
| Add: Depreciation Expense | | | |
| Provision of Probable Losses | | | |
| Working in Capital Changes: | | | |
| (Increase)/ Decrease in Current Assets | | | |
| (Increase)/ Decrease in Current Liabilities | | | |
| Net Cash Inflows/ (Outflows) from Operating Activities | | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipt of Contribution | | | |
| Payment of Long Term Liability | | | |
| Acquisition of borrowing | | | |
| Net Cash Inflows/ (Outflows) from Financing Activities | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investments in Financial Assets | | | |
| Sale of Property, Plant and Equipment (PPE) | | | |
| (Increase)/Decrease in Financial Assets | | | |
| Net Cash Inflows/ (Outflows) from Investing Activities | | | |
| NET CASH INFLOWS/ (OUTFLOWS) | | | |
| Cash and Cash Equivalents, beginning | | | |
| Cash and Cash Equivalents, ending | | | |

NAME OF CSF COOPERATIVE
STATEMENT OF OPERATION
FOR THE PERIOD ENDED DECEMBER 31, 20X2

| | <u>Notes</u> | <u>20X2</u> | <u>20X1</u> |
|--|--------------|-------------|-------------|
| GROSS REVENUE FROM CSF OPERATION | | | |
| Service Fee | | | |
| Other Income | | | |
| Total Gross Revenue | | | |
| LESS: EXPENSES | | | |
| Administrative Cost | | | |
| Financing Cost | | | |
| Total Expenses | | | |
| NET SURPLUS/(NET LOSS) BEFORE OTHER ITEM | | | |
| Add / Less: Other Item | | | |
| NET SURPLUS FROM OPERATION | | - | - |
| ALLOCATION OF NET SURPLUS/LOSS | | | |
| Reserve Fund | | | |
| CETF - Local | | | |
| CETF - Apex | | | |
| Optional Fund | | | |
| Community Development Fund | | | |
| Interest on Share Capital | | | |
| Patronage Refund | | | |

DAMAGE ASSESSMENT REPORT
(Caused by _____)

Municipality/City _____
Province of _____

| | | COOPERATIVE | | | | | | | | | | | | | | | |
|------------------|------------------|-------------------------------|------------------|--|---------------------------------|-------------|----------------------------|-----------|-------------|----------------------------|-------------------------|--------------------|-----------|-------------|----------------------------|---|---------------------|
| Name of CSF Coop | Location Address | Affiliated with (plc specify) | Category of Coop | EXTENT OF DAMAGE (ex: Building, Office Equipment, Furnitures, Records, etc.) | | | | | | | | | | | | NEEDED INTERVENTION (Ranked in the order of priority) | REMARKS ON PROGRESS |
| | | | | BUILDINGS | | | EQUIPMENT | | | RECORDS | | FURNITURE/FIXTURES | | | OTHERS | | |
| | | | | indicate if covered or sealed | Specify damage (ex: Roof, etc.) | % of damage | estimated amount of damage | (Specify) | % of damage | estimated amount of damage | specify type of records | % of damage | (Specify) | % of damage | estimated amount of damage | | |
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PREPARED BY: _____
(CSFC Authorized Representative)

CERTIFIED CORRECT BY _____
(CSFC Chairperson)