



Republic of the Philippines
OFFICE OF THE PRESIDENT
COOPERATIVE DEVELOPMENT AUTHORITY

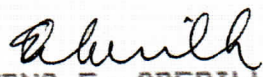
September 20, 1994

MEMORANDUM CIRCULAR
NO. 94-008

TO : The Executive Director
Deputy Executive Director
Director, Institutional Development Department
Director, Legal and Registration Department
Area Cooperative Directors
All Concerned

SUBJECT : Implementing Guidelines for the Free
Installation and/or Operationalization of the
Cooperative's Bookkeeping/Accounting System

Pursuant to the Memorandum of Agreement entered into among the CDA, PICPA, FINEX AND LBP, covering the Integrated Cooperative Accounting, Auditing and Financial Management Program, the following implementing guidelines are hereby promulgated for the guidance and information of all concerned.


EDNA E. ABERILLA
Chairman

**INTEGRATED COOPERATIVE ACCOUNTING, AUDITING, AND
FINANCIAL MANAGEMENT PROGRAM**

**IMPLEMENTING GUIDELINES FOR THE FREE INSTALLATION AND/OR
OPERATIONALIZATION OF THE COOPERATIVE'S
BOOKKEEPING/ACCOUNTING SYSTEM**

(BOARD RESOLUTION NO. 313, S-1994 DATED AUGUST 31, 1994)

I. BACKGROUND/RATIONALE

On June 8, 1992, CDA, PICPA, FINEX, and LANDBANK inked a Memorandum of Agreement covering the Integrated Cooperative Accounting, Auditing, and Financial Management Program embodying, among other things, the details of the conduct of free audit of cooperatives by PICPA members.

A number of CPAs volunteered to sign up under the program but a great stumbling block surfaced, i.e., the absence of auditable books on the part of the cooperatives.

As a result, the Philippine Institute of Certified Public Accountants through the representations of the Program Management Committee (PMC) of the CDA-PICPA-FINEX-LANDBANK Tie-up resolved to grant ten (10) CPE credits also to every CPA who can effectively install and/or operationalize a cooperative's bookkeeping/accounting system.

II. SCOPE

These guidelines shall be applicable to cooperatives entitled to the free installation and/or operationalization of the bookkeeping/accounting system by PICPA member-volunteers under the Integrated Cooperative Accounting, Auditing, and Financial Management Program promulgated by CDA, PICPA, FINEX, and LANDBANK. These cooperatives are those which have a paid-up share capital of not more than One Hundred Thousand Pesos (P100,000.00) and whose volume of operations does not exceed Five Hundred Thousand Pesos (P500,000.00) at the time the bookkeeping/accounting system is being installed and/or operationalized.

III. CERTIFICATE OF ELIGIBILITY

A duly registered and qualified cooperative shall submit a request for the free installation and/or operationalization of its bookkeeping/accounting system (form attached as Exhibit A) addressed to the Cooperative Development Authority (CDA) Extension Office Area Director having jurisdiction over the cooperative. Said request shall be signed by the Chairman or General Manager of the concerned cooperative. In the case of LANDBANK assisted cooperative (BACs), said request shall be reviewed and favorably endorsed by the Head of the concerned LANDBANK Field Office (FO).

Upon receipt of the above-stated document and should the request be found meritorious, CDA through the Area Director or his authorized representative, shall issue a Certificate of Eligibility (form attached as Exhibit B) to the cooperative applicant, copy furnished the appropriate PICPA Chapter within the areas and the LANDBANK FO in the case of LANDBANK-assisted cooperatives. Such Certificate shall contain the name and official address of the cooperative and the names and addresses of its Chairman, General Manager, and Treasurer.

Whenever applicable, and for purposes of expediency, the request may be submitted to and acted upon by the Cooperative Development Specialist (CDS) 11 assigned in the province where the requesting cooperative is located. Such actions shall be undertaken for and in behalf of the CDA Extension Office Area Director.

IV. DESIGNATION OF A CERTIFIED PUBLIC ACCOUNTANT (CPA)

Upon receipt of the Certificate of Eligibility, the appropriate PICPA Chapter shall prepare a written designation addressed to the CPA volunteer. Such designation shall be accepted in writing by the CPA and shall serve as his authority to request in writing from the cooperative, documents relevant to the installation and/or operationalization of its bookkeeping/accounting system.

A copy of the CPA's written designation shall be furnished the concerned cooperative, the CDA Extension Office thru the CDS, and, in the case of BACs, the LANDBANK FO, and shall form part of the attachment to the CPA's "Completion Report on the Free Installation/Operationalization of the Bookkeeping/Accounting System of a Cooperative" (format attached as Exhibit C).

V. DUTIES AND RESPONSIBILITIES

A. COOPERATIVE - The interested cooperative shall:

- o prepare and submit a request for the free installation and/or operationalization of its bookkeeping/accounting system addressed to the CDA Extension Office Area Director;
- o submit or make available to the officially designated CPA within fifteen (15) days from receipt of the written request the documents mentioned in Paragraph IV hereof; and
- o allow the designated CPA to undertake the installation and/or operationalization of the cooperative's bookkeeping/accounting system and extend to such CPA and/or his authorized assistants/associates the

necessary cooperation and assistance to facilitate the conduct of said undertaking.

B. CERTIFIED PUBLIC ACCOUNTANT - The officially designated CPA shall:

- o undertake the installation and/or operationalization of the cooperative's bookkeeping/accounting system using the Accounting Manual for Multi-Purpose Cooperatives developed by CDA, PICPA, and LANDBANK;
- o complete the installation and/or operationalization of the cooperative's bookkeeping/accounting system within three months from receipt of the documents requested for the undertaking;
- o accomplish the "Completion Report on the Free Installation and/or Operationalization of the Bookkeeping/Accounting System of a Cooperative" using the prescribed format;
- o forward the accomplished completion report to the cooperative's board of directors and, in the case of BACs, to the concerned LANDBANK FO Head for CONFORME;
- o submit two (2) copies of the above completion report to CDA Extension Office copy furnished PICPA Chapter, LANDBANK FO for LANDBANK -assisted cooperatives, and the cooperative concerned.

C. COOPERATIVE DEVELOPMENT AUTHORITY (CDA) - The concerned CDA Extension Office shall:

- o furnish a provincial listing of registered and qualified cooperatives within its territorial jurisdiction to the appropriate/nearest PICPA Chapter and the National Committee on Cooperative Development (NCCD) at the PICPA Central Office;
- o issue to the qualified and requesting cooperative a "Certificate of Eligibility"; provide a copy to the concerned PICPA Chapter and, in the case of BACs, the concerned FO;
- o issue a "Certificate of Completion for the Free Installation and/or Operationalization of the Bookkeeping/Accounting System of a Cooperative" to the CPA concerned upon receipt of the latter's "Completion Report on the Free Installation and/or Operationalization of the Bookkeeping/Accounting System of a Cooperative"; and
- o furnish the PICPA local Chapter as well as the LANDBANK Field Office, within fifteen (15) days after the end of each semester, with a list of CPAs who were issued

"Certificates of Completion for the Free Installation and/or Operationalization of the Bookkeeping/Accounting System of a cooperative" showing the names of the CPAs and the corresponding cooperatives assisted;

- o authorize the Cooperative Development Specialists, in every province to undertake, in behalf of the CDA Extension Office Area Director, to issue the Certificate of Eligibility to qualified cooperatives.

D. PICPA

- o The local PICPA Chapter shall:

- prepare a list of PICPA member-volunteers who may undertake free installation and/or operationalization of the bookkeeping/accounting system of cooperatives, copy furnished PICPA's NCCD, the local LANDBANK FO, and the CDA Extension Office.
- designate in writing PICPA member-volunteers authorized to undertake free installation and/or operationalization of the bookkeeping/accounting system of requesting cooperatives;
- furnish a copy each of the individual designations to the CPA, the concerned cooperative, the CDA Extension Office, and, in the case of BACs, the concerned LANDBANK FO;
- Monitor the progress of the undertaking done by PICPA members designated to install and/or operationalize the bookkeeping/accounting system of cooperatives; and
- Endorse to the PICPA Continuing Professional Education (CPE) Division the list of CPAs who were issued Certificates of Completion for the Free Installation and/or Operationalization of the Bookkeeping/Accounting System of Cooperatives within fifteen (15) days from receipt of such list from the CDA Extension Office.

- o The PICPA CPE Division shall:

- Evaluate and approve the granting of CPE credits to PICPA members included in the list of CPAs who were issued Certificates of Completion for the Installation and/or Operationalization of the Bookkeeping/Accounting System of Cooperatives; and
- Apprise concerned CPAs of approved CPE credits within fifteen (15) days from receipt of aforementioned list, copy furnished local PICPA

Chapter.

- o The PICPA Central Office shall:
 - Request the Civil Service Commission, the Professional Regulatory Commission, and other regulatory bodies to allow government CPAs who are PICPA members to undertake accounting and/or auditing services for cooperatives under the Program; and
 - Design and promulgate bookkeeping/accounting standards, procedures, and program to be used by CPAs in providing assistance to cooperatives.

E. LANDBANK

- o The LANDBANK RFOs/FOs shall submit to the nearest CDA Extension Office or to the CDS in the concerned province, copy furnished the local PICPA Chapter, a list of BACs within its coverage that are qualified for the free installation and/or operationalization of the cooperatives' bookkeeping/accounting system;
- o Review and if found meritorious, endorse the request for the free installation and/or operationalization of the bookkeeping/accounting system submitted by BACs;
- o In coordination with the PICPA local Chapter, monitor the progress of the undertaking done by PICPA members designated to install and/or operationalize the bookkeeping/accounting system of BACs; and
- o Validate the completion report on the free installation and/or operationalization of the bookkeeping/accounting system of BACs prepared by CPA volunteers and cause its submission to the concerned CDA Extension Office.

VI. EXCLUSION

LANDBANK-employed CPAs providing the herein mentioned assistance to BACs shall not be entitled to CPE credits. Neither shall CDA-employed CPAs providing the same assistance to cooperatives under this Program be entitled to CPE credits.

VII. INFORMATION DISSEMINATION

CDA, LANDBANK, and PICPA shall disseminate these guidelines as well as other related developments to their Extension/Field Offices or local Chapters, as the case may be, together with the documents required. Cooperative federations and union may be

called upon by any of the herein Parties to disseminate these guidelines to their member/affiliates and to assist their member-affiliates in coordinating with CDA, PICPA, and LANDBANK concerning the installation and/or operationalization of their bookkeeping/accounting system.

VIII. EFFECTIVITY.

These guidelines shall take effect upon approval.

APPROVED, August 31, 1994.

FOR THE BOARD OF ADMINISTRATORS:



EDNA E. ABERILLA
Chairman

Exhibit A

Integrated Cooperative Accounting
Auditing and Financial Management Program

Request for the Free Installation and/or Operationalization
of Bookkeeping/Accounting System

Date

The Area Director
Cooperative Development Authority Extension Office

Sir:

May we request free installation and/or operationalization
of the bookkeeping/accounting system of our cooperative

Please print all applicable information

Name of Cooperative _____

Address _____

Date Registered _____ : Registration No. _____

Total Paid-Up Share Capital _____

Volume of Operations/Total LBP/Other FI Loans _____

Name

Address

BOD Chairman _____

Gen. Manager _____

Treasurer _____

Signature of Chairman or General Manager

Favorably Endorsed:

LANDBANK FIELD OFFICE

Republic of the Philippines
Office of the President
Cooperative Development Authority

COE- _____

CERTIFICATE OF ELIGIBILITY

To : _____

This is to certify that _____ with address at _____, confirmed/registered with the COOPERATIVE DEVELOPMENT AUTHORITY on _____, 19 _____ under No. _____ has qualified for the free installation and/or operationalization of the cooperative's bookkeeping/accounting system by the PHILIPPINE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (PICPA) under the Memorandum of Agreement between the Authority, Land Bank of the Phils. (LBP), Financial Executives Institute of the Phils. (FINEX) and Philippine Institute of Certified Public of Accountants (PICPA).

In accordance with the records of the Authority, the following are its officers:

NAME	POSITION	ADDRESS
_____	Chairman	_____
_____	Treasurer	_____
_____	Manager	_____

Issued this _____ day of _____ at _____ Philippines.

Area Cooperative Director

by:

Cooperative Devt. Specialist II

COOPERATIVE DEVELOPMENT AUTHORITY

**CERTIFICATE OF COMPLETION
FOR THE
INSTALLATION AND/OR OPERATIONALIZATION
OF THE COOPERATIVE'S BOOKKEEPING/ACCOUNTING SYSTEM**

This is to CERTIFY that *Mr./Ms.* _____
with CPA Certificate Number _____ dated _____
and PTR No. _____ issued on _____ at _____
_____ has installed the books of
accounts of _____,

NAME OF COOPERATIVE

ADDRESS

issued on this _____ day of _____ 199__ at _____

Director II