

Republic of the Philippines

Mountain Province State Polytechnic College

Bontoc, Mountain Province



*Seminar-Workshop on
Cooperative Financial
Management*



April 29, 2017

Pearl Café, Poblacion, Bontoc, Mountain Province

**ACCOUNTANCY
DEPARTMENT**



Republic of the Philippines

Mountain Province State Polytechnic College

Bontoc, Mountain Province



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ACCOUNTANCY DEPARTMENT





Terminal Report

ACTIVITY IDENTIFICATION

Training Title: Cooperative Financial Management
Extension Component: Continuing Education
Extension Program: Seminar-Workshop
Cooperating Agency: Mountain Province Cooperative Union
Implementing Department: Bachelor of Science in Accountancy
Extension Workers: Rachel F. Fagyan
Emma Claire A. Fulgaon
Arlice Daphne Macli-ing
Activity Facilitators: BSA Students
c/o Mirabel D. Pacalso
Monalyn B. Manansala
No. of Participants: 18
Venue: Pearl Cafe, Poblacion, Bontoc
Date: April 29, 2017
Source of Fund: MPSPC and MPCU
Total Budget Requirement: P7,580.00
(P2,960.00 c/o MPSPC)
(P4,620.00 c/o MPCU)

Item	Cost	Sub-Total	Fund Source
Supplies (For Lecture Notes, Certificates, Programs and Communications)			MPSPC 2,960.00
1. 4 Ream Bond Paper Long	220.00	1,760.00	
2. 1 Stapler	200.00	200.00	
3. 1 Box Stapler Wire	100.00	100.00	
4. 2 Cartolina	10.00	20.00	
Meals			
1. 4 pax * P120.00/ meal	120.00	480.00	
2. 4 pax * P 50.00/ snacks * 2	50.00	400.00	
18 packs * P 120.00/ meal		2,160.00	MPCU 4,620.00
18 packs * P 60.00/ snack * 2		2,160.00	
Hall Rentals		300.00	
Total			7,580.00

EXECUTIVE SUMMARY

In partnership with the Mountain Province Cooperative Union (MPCU) a seminar-workshop was conducted at Pearl Cafe, Bontoc, Mountain Province. The target participants were the cooperative officers of different primary cooperative members of Mountain Province Cooperative Union (MPCU). The Executive Officer of MPCU Ms. Milagros Pangesfan together with the representatives of the Mountain Province State Polytechnic College-Accountancy Department carried out the two days seminar on credit, risk and financial management for cooperatives.

The topics on the Credit and Risk Management was discussed by the energetic Ms. Rachel Fagyan, while topics on Financial Management was discussed by Miss Arlice Daphne Macli-ing and Ms. Emma Claire A. Fulgaon. Further, Ms. Mirabel D. Pacalso and Monalyn B. Manansala, BS Accountancy student, also joined the activity as facilitator during the scheduled activity.

On the first day, Credit and Risk Management topics were discussed and the Financial Management was tackled in the second day. But before the speakers proceed on the topic, Ms. Milagros Pangesfan led the prayer. Then, Ms. Sanssery Chakas made a brief recap on the previous lecture on Credit and Risk management, reiterating how energetic the speaker was and how participative the participants were. After that, Ms. Mila Pangesfan, introduced the speakers for the day. The first part on financial management was delivered by Ms. Arlice Daphne D. Macli-ing. She tackled the topics on Financial Management Concepts, Financial Standards and the Components of Financial Statements. Then, the mike was turned over to Ms. Emma Claire A Fulgaon who discussed the second part of the Financial Management covering the different tools and techniques of financial statement analysis which is very important in monitoring and implementation of Coop annual plans and budget.

While discussion was going on participants intervene asking some questions regarding the topics and sharing related issues which was actually happening in their own cooperatives. Then just after the discussion, workshop was given. The participants were group into two and each group received a sample of financial statement to analyze applying the different FS analysis techniques. Then, each group were asked to present their work explaining the indications of the results of their analysis.

After that, discussion was continued on COOP-PESO by Ms. Rachel Fagyan and was continued just after the lunch break. Then an ice breaker was given where the participants danced while laughing. Then, Ms. Emma Claire A. Fulgaon continued on the topic Budget, the last part of the discussion.

Topics were delivered and questions were entertained while the discussion is in progress. In effect, the participants were more attentive and participative, not asking only what they don't know but also sharing what they know. Further, an open forum was given at the end of the day where questions were answered and related issues related to the topic were raised and shared by the participants.

At the end of the day, participants were enlightened with the topics as it will be useful for the enhancement of their operation as coop. Finally, Certificates of Completion were given to participants who attended the training at the end of the second day. Generally, the activity was a success for all of the participants and so with the organizers, resource speakers and facilitators.

Prepared By:



EMMA CLAIRE A. FULGAON, CPA

Faculty- Department of Accountancy

Noted By:



ELMER D. PAKIPAC, MSCD

Extension Director

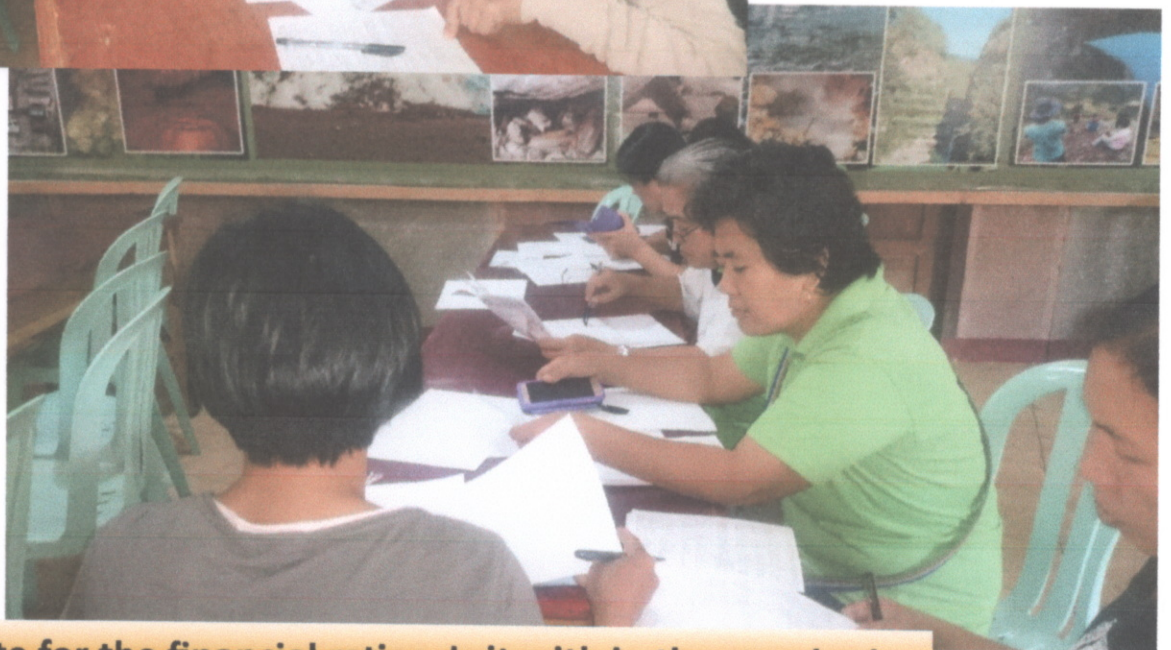
PHOTO DOCUMENTATION



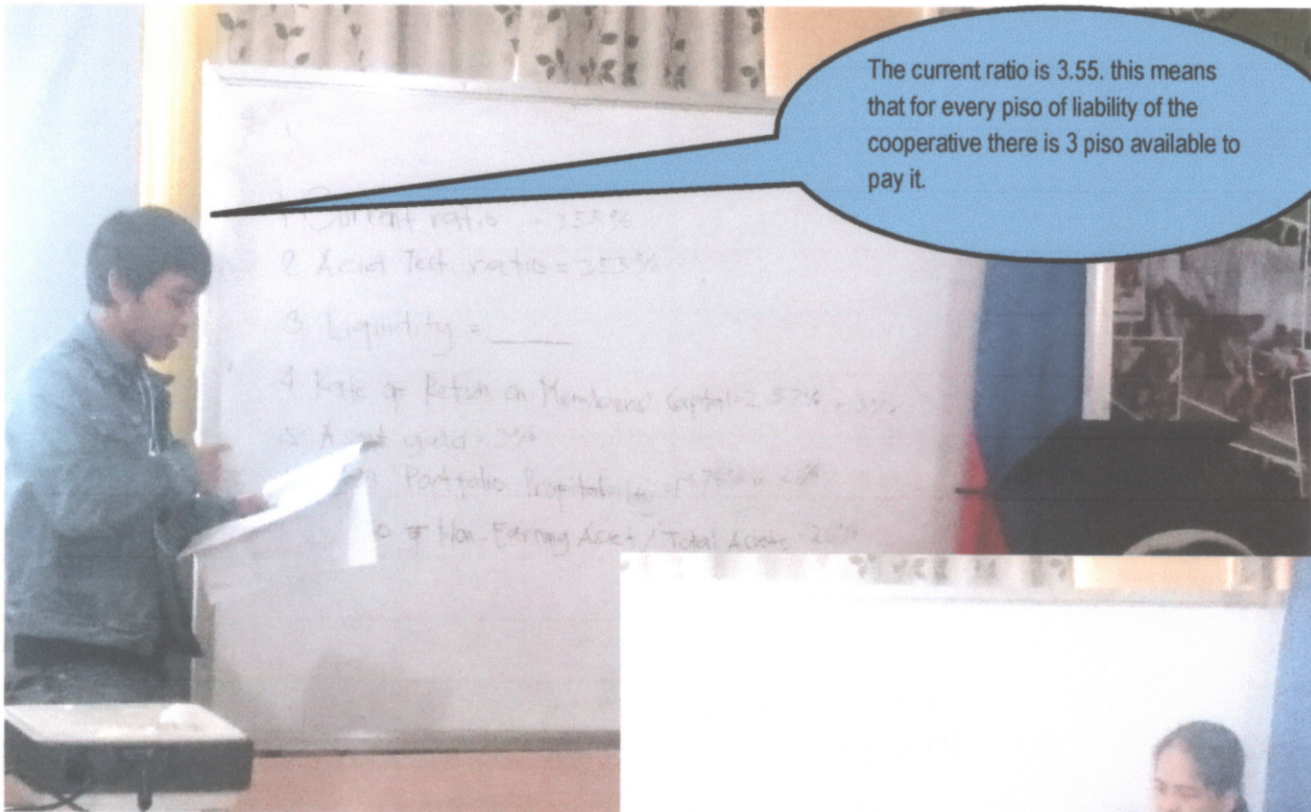
All ears to the Resourse Speaker!: The participants are all-ears to what Ma'am Emma is explaining as she enthusiastically delivers her topic.



**Workshop on financial
ratio analysis.**

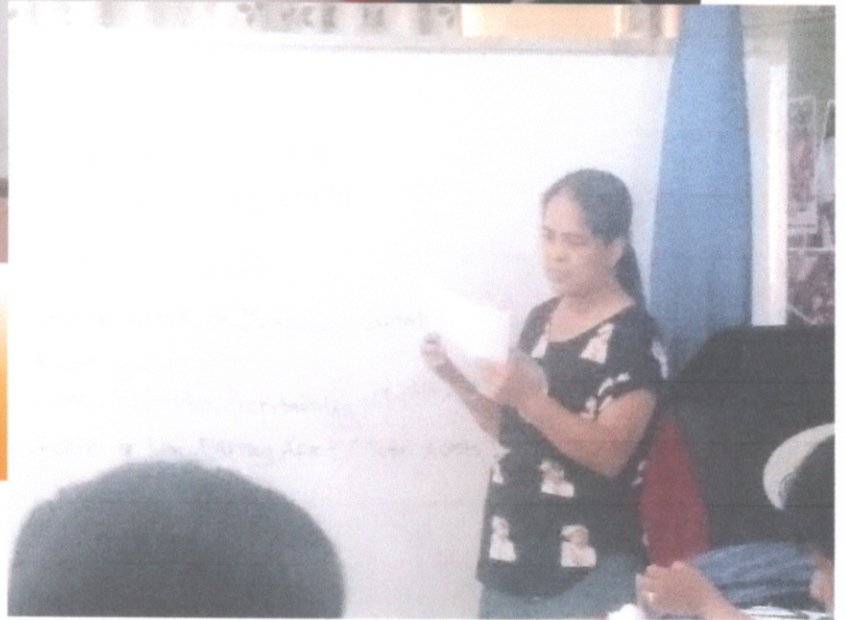


Let's compute for the financial ratios. Is it with in the standard



The current ratio is 3.55. this means that for every piso of liability of the cooperative there is 3 piso available to pay it.

The participants present the result of their financial ratio computation and their analysis of the outcome.



Ma'am Rachel discussing the - COOP-PESO



DO...

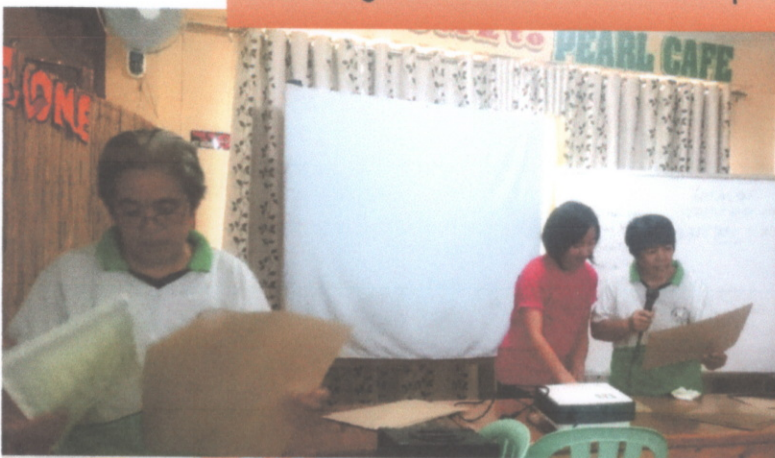
MI...

SOL..



Let's take a break!!!!

Awarding of Certificate of Participation





Department of Accountancy
"Seminar Workshop on Cooperative Financial Management"

Collaborating Agency: Mountain Province Cooperative Union

Venue: Poblacion, Bontoc, Mountain Province

Date: April 29, 2017

Pre-Evaluation

Before everything is said and done, a pre-evaluation was given to respondents to measure their knowledge level on the topics which are to be discussed during the activity. The results are as follows:

PRE-EVALUATION

Self-assessment of your Knowledge and Skills related to	1	2	3	4	5	Sum	Weight	Mean
Financial Management								
1. Scope of Financial Management	1	4	3	2		10	26	2.60
2. Sources and Uses of Funds		4	4		2	10	30	3.00
3. Reading and Understanding the Financial Statement		5	3	1	1	10	28	2.80
4. Tools and Techniques of Financial Analysis	1	3	4	1	1	10	28	2.80
5. Scope of Budgeting	1	4	3	2		10	26	2.60
6. The Budgeting Process	1	3	4	2		10	27	2.70
7. Implementation and Monitoring of the Plans and Budget	1	3	4	1	1	10	28	2.80
GRAND MEAN						70	193	2.76

Descriptive Equivalent: FAIR

Evaluation Ratings:

1 – Poor (1.00-1.50);

2 – Fair (1.51 – 2.50);

3 – Satisfactory (2.51 – 3.50)

4 – Very Satisfactory (3.51 – 4.50);

5 – Excellent (4.51 – 5.00)

INTERPRETATION:

From the above data, the participants have a **2.76** grand mean with a descriptive equivalent of **FAIR**. This implies that the group of participants has a moderate level of knowledge on the topics related to financial management which are to be discussed to them. This further implies that the seminar-workshop to be conducted will be of great help to improve their knowledge especially on areas related to the scope of financial management, scope of budgeting and the budgeting process.



Department of Accountancy
"Seminar Workshop on Cooperative Financial Management"

Collaborating Agency: Mountain Province Cooperative Union

Venue: Poblacion, Bontoc, Mountain Province

Date: April 29, 2017

Post Evaluation

Self-assessment of your Knowledge and Skills related to	1	2	3	4	5	Sum	Weight	Mean
Financial Management								
1. Scope of Financial Management			3	5	3	11	44	4.00
2. Sources and Uses of Funds			2	6	3	11	45	4.09
3. Reading and Understanding the Financial Statement			3	5	3	11	44	4.00
4. Tools and Techniques of Financial Analysis			4	4	3	11	43	3.91
5. Scope of Budgeting			2	6	3	11	45	4.09
6. The Budgeting Process			2	6	3	11	45	4.09
7. Implementation and Monitoring of the Plans and Budget			3	5	3	11	44	4.00
GRAND MEAN						77	310	4.03

Descriptive Equivalent: VERY SATISFACTORY

Evaluation Ratings:

1 – Poor (1.00-1.50);

2 – Fair (1.51 – 2.50);

3 – Satisfactory (2.51 – 3.50)

4 – Very Satisfactory (3.51 – 4.50);

5 – Excellent (4.51 – 5.00)

INTERPRETATION:

From the above data, the participants have level of knowledge and skills on financial management after the seminar of **4.03** grand mean with a descriptive equivalent of **VERY SATISFACTORY**. This implies that the group of participants had significantly increased on their level of knowledge on the topics which were discussed to them. This further implies that the seminar-workshop conducted had served its purpose on educating the participants on the topics discussed most especially on the scope of budgeting and the budgeting process. Finally, they were able to increase their understanding on the sources of funds.



Department of Accountancy
"Seminar Workshop on Cooperative Financial Management"

Collaborating Agency: Mountain Province Cooperative Union

Venue: Poblacion, Bontoc, Mountain Province

Date: April 29, 2017

Activity Evaluation

After the seminar, the activity was subject to evaluation by the participants using the following scaling below to determine the extent of satisfaction experienced by the participants from the conducted activity regarding the objectives and relevance of the activity, qualitative assessment and suggested future trainings.

Evaluation Ratings:

1 – Poor (1.00-1.50);

2 – Fair (1.51 – 2.50);

3 – Satisfactory (2.51 – 3.50)

4 – Very Satisfactory (3.51 – 4.50);

5 – Excellent (4.51 – 5.00)

I. Objectives and Relevance of the activity	1	2	3	4	5	Sum	Weight	Mean
1. Clarity of objectives			1	6	4	11	47	4.27
2. Relevance of the activity				7	4	11	48	4.36
3. Attainment of the activity objectives			1	6	4	11	47	4.27
4. Usefulness of the activity/topics to the participants				5	6	11	50	4.55
5. Timeliness and immediate applicability			2	4	5	11	47	4.27
6. Organization and preparation			1	6	4	11	47	4.27
7. Planning and implementation of the activity			1	6	4	11	47	4.27
8. Preparation and organizations of the activities			1	5	5	11	48	4.36
9. Ventilation, lighting, equipment and facilities in the venue			3	3	5	11	46	4.18
10. Appropriateness of the venue of the activity			2	4	5	11	47	4.27
11. Time allotment per activity/topic				7	4	11	48	4.36
12. Involvement of Participants			1	5	5	11	48	4.36
13. Enthusiasm and interest shown			1	5	5	11	48	4.36
14. Level of involvement of participants			2	4	5	11	47	4.27
Overall Evaluation								
GRAND MEAN						154	665	4.32

Descriptive Equivalent: VERY SATISFACTORY

INTERPRETATION:

From the data presented above the activated was evaluated by the participants with a mean of **4.32** interpreted **Very Satisfactory** with regards to the Objectives and Relevance of the Activity. Strengths of the conducted activity is noticeably on the *Usefulness of the activity/ topics to the participants* followed by *relevance of the activity, preparation and organizations of the activities, time allotment per activity/topic, involvement of participants, and enthusiasm and interest shown* . On the other hand, the areas needing improvement includes *ventilation, lighting, equipment and facilities in the venue*.

Qualitative Assessments/ General Comments:

- 1. Very good!
- 2. Excellent
- 3. Extremely good.
- 4. Good.
- 5. T he activity is very satisfactory. T here are lots of learnings
- 6. More electric fan pls. But OK for the small group.

What trainings would you suggest for future activities?

- 1. How to make FS report.
- 2. Indept training of Credit
- 3. Basic Bookkeeping for non-accountants



"Seminar Workshop on Cooperative Financial Management"

Collaborating Agency: Mountain Province Cooperative Union

Venue: Poblacion, Bontoc, Mountain Province

Date: April 29, 2017

Resource Person Evaluation

After each activity conducted the facilitators administered a resource person evaluation to identify the level of performance by the Resource Speakers and to identify some areas for improvement for the next extension activities to be conducted.

RESOURCE SPEAKER: EMMA CLAIRE A. FULGAON, CPA

TOPIC DISCUSSED: Cooperative Financial Management

DATE OF ACTIVITY: April 29, 2017

Evaluation Ratings:

1 – Poor (1.00-1.50);

2 – Fair (1.51 – 2.50);

3 – Satisfactory (2.51 – 3.50)

4 – Very Satisfactory (3.51 – 4.50);

5 – Excellent (4.51 – 5.00)

Particulars	1	2	3	4	5	Sum	Weight	Mean
1.Clarity of topic Objectives at the beginning			4	3	4	11	44	4.00
2.Organization/Sequencing of topics			2	5	4	11	46	4.18
3. Clarity of topic /ideas presented/discussed			4	3	4	11	44	4.00
4. Effectiveness of methodologies/style of teaching			4	4	3	11	43	3.91
5. Quality and effectiveness of instructional materials			2	5	4	11	46	4.18
6. Ability to teach/ communicate ideas			3	5	3	11	44	4.00
7. Ability to answer questions			5	3	3	11	42	3.82
8. Ability to arouse/ sustain interest			6	2	3	11	41	3.73
9. Ability to manage time			2	6	3	11	45	4.09
10. How the topic was ended			4	4	3	11	43	3.91
GRAND MEAN						110	438	3.98

Descriptive Equivalent: VERY SATISFACTORY

INTERPRETATION:

From the data presented above the participants rated the Resource Speaker with a **grand mean of 3.98** interpreted a **Very Satisfactory**. This implies that the Resource Speaker was able to deliver very well in providing knowledge and skills to the participants.

Things liked to the Resource Person

1. Knowledgeable in the topic assigned to her.
2. Easy to deal with/ accomodating.
3. Clear and loud voice
4. None
5. Can express oneself in Filipino


Things not liked in the Resource Person

1. Too fast
2. None
3. The speaker is talking in accountancy level. I don't understand accounting terms since I don't have accounting background.

Other Remarks

1. Topics are not for coop alone- could be applied in the family
2. None
3. Good job! Congratulations!

Prepared by:


RACHEL F. FAGYAN, CPA, MBA
Extension Program Coordinator

MOUNTAIN PROVINCE COOPERATIVE UNION
2nd Floor ASCCO Building
Foyayeng, Bontoc, Mountain Province

April 3, 2017

DR. REXTON F. CHAKAS
President
Mountain Province State Polytechnic College
Bontoc, Mountain Province

SIR:

The Mountain Province Cooperative Union will be conducting **Financial Management, Risk Management and Credit Management Seminar** scheduled on April 28-29, 2017 at the 4th Floor Diocesan Hall, Poblacion, Bontoc, Mountain Province.

In connection to this, we are again requesting one or two of your faculty members to be our Resource Speaker/s on the said seminar.

Thank you very much for your continued support.

Very truly yours,

for:
REV. JOHNSON P. FALITANG
MPCU EDCOM Chairman

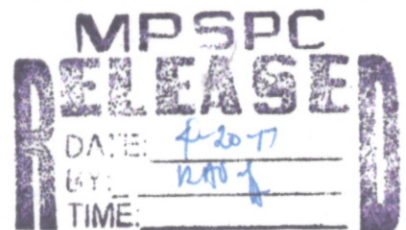
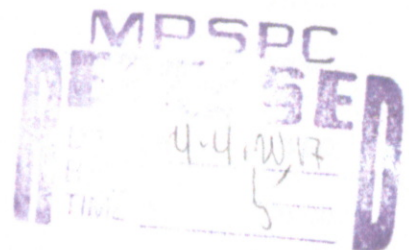
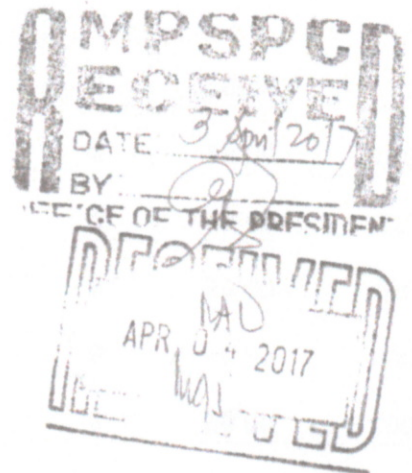
Mam Christy,

Pls. recommend 2
faculty members to
attend to this request.

To attend:

1. Ms. Rachel Fagyan
2. Ms. Rodelyn Vilog

[Signature]





ACTIVITY DESIGN

ACTIVITY IDENTIFICATION

Training Title:	Enhancing Skills on Cooperative Financial Management
Extension Component:	Continuing Education
Extension Program:	Seminar-Workshop
Cooperating Agency	Mountain Province Cooperative Union
Implementing Department:	Bachelor of Science in Accountancy
Faculty Extension Workers:	Rachel F. Fagyan Emma Claire A. Fulgaon
Student Facilitators:	Mirabel D. Pacalso Monalyn B. Manansala
No. of Participants:	25
Venue:	EDNP Hall, Poblacion, Bontoc
Date:	April 27, 2017
Source of Fund	MPSPC and MPCU
Total Budget Requirement	P 11,660.00 (5,360.00 c/o MPSPC) (6,300.00 c/o MPCU)

RATIONALE

For all types of organization whether it is a profit oriented or not, financing issues are always a common subject that presses an important consideration by the top management. The sources of funds and its utilization should be maximized towards the attainment of the organizations goals and objectives.

In order for the organization to keep a good track of their finances, a good skills in the understanding of the Financial Statement is very important. Further, a good knowledge on the tools and techniques on financial analysis is very vital in the monitoring and implementation of the annual plans and budgets. In relation to this, budgeting skills is also a consideration for the top management to have.

For financial organizations like cooperatives, officers and committee members are entrusted to protect their members' interest through sound financial management and that they are held accountable on the flow, operation and management of the organization as a whole. To effectively carry out their functions, a continuous knowledge updating and skills enhancement should be given due significance for the cooperative to function well and to serve the best interest of its stakeholders.

More importantly, from these trainings, the top management and committees would be able to come up with reliable financial reports, provide timely feedback on the achievement of operational or strategic goals and be able to comply with laws and regulations.

OBJECTIVES:

- At the end of the day activity, the participants should be able to:
- Understand the concepts of cooperative financial management.

- b. Understand the financial standards particularly on the understanding of the of Financial Analysis
- c. Explain the techniques in the preparation and implementation of annual plans and budgets.

METHODOLOGIES:


The activity will make use of an interactive training approach, case analysis and workshops.

ACTIVITY SCHEDULE	
Time	Activity
8:00 a.m. – 8:30 a.m.	Registration
8:31 a.m. – 9:30 a.m.	Opening Prayer Recap of topics Presentation of MPSPC VMGO
9:31 a.m. – 12:00 noon	Concepts of Cooperative Financial Management:
	1. Scope of Financial Management
	2. Sources and Uses of Funds
	Financial Standards, Annual Plans and Budgets (Part 1):
	1. Reading and Understanding the Financial Statement
	2. Tools and Techniques of Financial Analysis
12:01-1:00 p.m.	Lunch Break
1:01 p.m. – 3:00p.m.	Financial Standards, Annual Plans and Budgets (Part 2):
	1. Scope of Budgeting
	2. Budgeting Process
	3. Approval of Plans and Budget
	4. Implementation and Monitoring of the Plans and Budget
3:01 p.m. – 4:00 p.m.	Workshop, Open Forum and Post Evaluation
4:01 p.m. – 5:00 p.m.	Closing Activities

BUDGETARY REQUIREMENT

Item	Cost	Sub- Total	Fund Source
Supplies (For Lecture Notes, Certificates, Programs and Communications)			MPSPC 5,360.00
1. Ink Refill(Black and Tri-colored)	1,000.00	1,000.00	
2. 1 pack parchment paper	200.00	200.00	
3. Flash Drive (16G)	900.00	900.00	
4. 4 Ream Bond Paper Long	220.00	1,760.00	
5. 1 Stapler	200.00	200.00	
6. Prepaid Card (Globe)	300.00	300.00	
7. 1 Box Stapler Wire	100.00	100.00	
8. 2 Cartolina	10.00	20.00	
Meals			
1. 4 pax * P120.00/ meal	120.00	480.00	
2. 4 pax * P 50.00/ snacks * 2	50.00	400.00	
25 packs * P 120.00/ meal		3,000.00	MPCU 6,300.00
25 packs * P 60.00/ snack * 2		3,000.00	
Hall Rentals		300.00	
Total			11,660.00

Prepared By:


RACHEL F. FAGYAN, CPA, MBA
BSA Extension Coordinator

Noted By:


CHRISTIE LYNNE C. CODOD, Ed. D.
Executive Dean, Bontoc Campus

Reviewed By:


ELMER D. PAKI, AC, MSCD
Extension Director

Funds Available


IMELDA D. GUIDANGEN, CPA
Accountant III

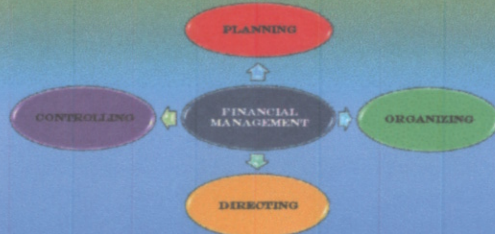
Recommending for Approval:


ANNIE GRAIL F. EKID, Ed. D.
VP for Research Development
And Extension

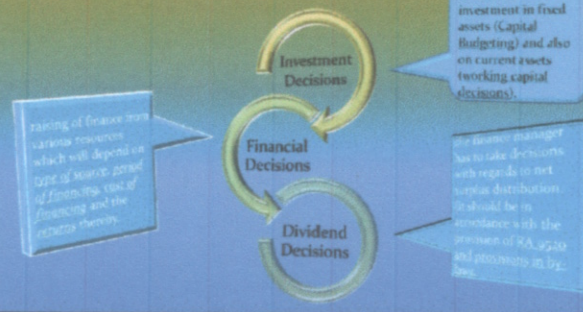
Approved By:


REXTON F. CHAKAS, Ph. D.
MPSPC President 4/26/17

Part 1. Basic Concepts of Financial Management

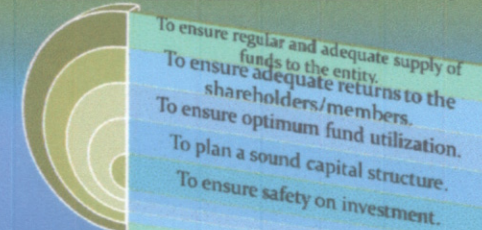


Scope/Elements



Objectives of Financial Management

"The financial management is generally concerned with procurement, allocation and control of financial resources of the entity."



Functions of Financial Management

- Estimation of capital requirements
- Determination of capital composition - it will involve short-term and long-term debt equity analysis.
- Choice of sources of funds
- Investments of funds - allocate funds into profitable ventures
- Disposal of surplus - in compliance w/ RA 9520 and the entity's By-laws
- Management of cash
- Financial controls - ratio analysis, financial forecasting, cost & profit control, etc.

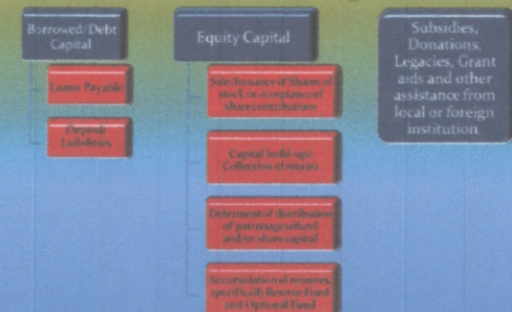
Basic Principles of Cooperative Financial Management

Service over Profit Orientation - overriding considerations in choosing specific types of service that a Cooperative should offer: "It is the need for such service and not its profitability"

Implications of the Cooperative principles on Cooperative Financial Management

- Principle on voluntary and Open Membership - open to all members without discrimination.
- Principle on Democratic Member Control - controlled by members who have equal voting rights.
- Limited interest on Share Capital - at least 70% of Net Surplus after deducting statutory funds.
- Principle of Disposal/Distribution of Net Surplus - services have to be rendered at cost and any excess savings have to be distributed to the members.

Methods of Raising Funds



Part 2. Accounting Systems for Cooperatives

Accounting System – refers to organized set of methods, procedures and standards followed in recording, classifying, accumulating and reporting business transactions/events for management decisions.



Standard Chart of Accounts for Cooperatives (CDA MC No. 2009-04)

"the basic purpose 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."

- Ensure uniformity and common understanding of accounts
- Guide in the installation of accounting and internal control systems
- Facilitate the conduct of audit
- Enhance transparency
- Set standards and discipline in measuring the financial safety and soundness
- Facilitate the analysis and evaluation of financial management performance
- Provide basis in monitoring, supervision and business linkages

Part 3. Understanding the Financial Statements of a Cooperative

A. Components of Audited Financial Statements

- Statement of Management's Responsibility for the Financial Statements
- Cooperative Development Authority Representation Statement
- Report of Independent Auditors
- Financial Statements

Statement of Financial Condition or Balance Sheet – shows assets, liabilities, and equity accounts of a business entity as of a given date.

Statement of Financial Operation or Income Statement – presents revenues, costs and expenses, gains and losses and net surplus or net loss.

Part 3. Understanding the Financial Statements of a Cooperative

Components of Audited Financial Statements

Statement of Cash Flows – is a formal statement summarizing all the cash activities of the cooperatives. These include their operating, investing and financing activities.

Statement of Changes in Equity (to include changes in statutory funds: General Reserve Fund, Cooperative Education and Training Fund, Optional Fund and Community Development Fund)

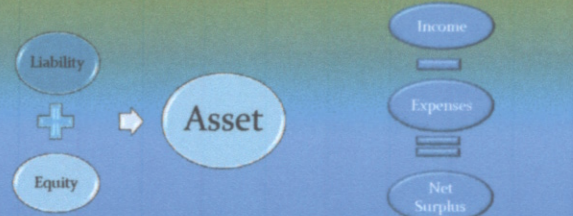
Notes to Financial Statements – include narrative descriptions or more detailed analyses of amounts shown on the face of the financial statements.

- Financial Ratios
- Summary of Auditors Findings & Recommendations (SAFR)

B. Elements of Financial Statements

Statement of Financial Position

Statement Financial Operation



SEMINAR ON FINANCIAL MANAGEMENT

April 29, 2017
Pearl Café, Bontoc, Mountain Province

Emma Claire A. Fulgaon, CPA

Part 4. Analysis of Financial Statements of Cooperatives

❖ Common-Size Analysis (Vertical & Horizontal)

a.) **Vertical Analysis** compares each amount with a base amount selected from the same year.

	2014	
	Amount	% To TA
Total Assets	281,998.50	100.00%
Total Liabilities	25,000.00	8.87%
Total Members' Equity	256,998.50	91.13%
Cash and Cash Equivalents	14,000.00	4.96%
Loans and Receivables (Net)	112,620.00	39.94%
Unused Supplies	2,561.00	0.91%
Long Term Investment	32,000.00	11.35%
Property and Equipment (Net)	118,000.00	41.84%
Other Assets	2,817.50	1.00%
Total Assets	281,998.50	100.00%

Part 4. Analysis of Financial Statements of Cooperatives

b.) **Horizontal Analysis** compares each amount with a base amount for a selected base year.

FINANCIAL CONDITIONS	2014		2013	
	Amount		Amount	
Total Assets	281,998.50	169.17%	166,691.50	
Total Liabilities	25,000.00	96.15%	26,000.00	
Total Members' Equity	256,998.50	182.67%	140,691.50	
Cash and Cash Equivalents	14,000.00	144.91%	9,661.00	
Loans and Receivables (Net)	112,620.00	102.71%	109,651.00	
Unused Supplies	2,561.00	163.96%	1,562.00	
Long Term Investment	32,000.00	123.08%	26,000.00	
Property and Equipment (Net)	118,000.00	694.12%	17,000.00	
Other Assets	2,817.50	100.00%	2,817.50	
Total Assets	281,998.50	169.17%	166,691.50	

Part 4. Analysis of Financial Statements of Cooperatives

❖ **Ratio Analysis** – are analysis tools that provide clues to help identify symptoms of underlying conditions. The ratios should be used as a tool to help find strengths and weaknesses but, other factors should also be considered.

1. **Profitability Ratios** – measure the overall performance of the firm and its efficiency managing assets, liabilities and equity

✓ **Rate of return on share**

Formula: $\frac{\text{Interest on share capital}}{\text{Average member share}}$

Example: interest on share capital = P 10,000
average member share = 100,000

Part 4. Analysis of Financial Statements of Cooperatives

✓ **Loan portfolio profitability** = measures how profitable the loan portfolio is

Formula: $\frac{\text{Interest Income on Loans} + \text{Service Fees} + \text{filling Fees} + \text{fines}}{\text{Average total loans outstanding}}$

Example : interest income = P 20,000

Service fee = 5,000

Filling fee = 5,000

fines = 5,000

Ave. Total loans out. = 100,000

Part 4. Analysis of Financial Statements of Cooperatives

2. **Liquidity Ratios** – measure the firm's ability to meet cash needs as they arise

✓ **Current ratio**

Formula: $\text{Current Asset} / \text{Current liabilities}$

Example: 1. Current asset = P 100,000

Current liability = 50,000

2. Current asset = P 100,000

Current liability = 200,000

Part 4. Analysis of Financial Statements of Cooperatives

✓ **Acid Test Ratio/Quick Ratio**

Formula: $\text{Cash} + \text{Receivables} / \text{Current liabilities}$

Example: Cash P 12,000

Receivables 50,000

Current liabilities 25,000

✓ **Liquidity**

Formula: $\frac{\text{Liquid Assets}(\text{cash} + \text{short term investment}) - \text{Current Liabilities}}{\text{Total Deposits (saving and time)}}$

Part 4. Analysis of Financial Statements of Cooperatives

3. **Asset quality/Portfolio quality/ Protection/ Stability/Structure of Assets**

- Asset quality is the main variable that affects institutional profitability.
- The primary goal of evaluating the Protection indicators is to ensure that the financial institution provides member-client a safe place to save their money.

3. **Asset quality/Portfolio quality/ Protection/ Stability/Structure of Assets**

✓ **Portfolio at Risk**

Formula: $\frac{\text{Balance of Loans with one day missed payments}}{\text{Total Loans outstanding}}$

✓ **Allowance for probable losses on loans –over 12 months past due**

Formula: $\frac{\text{Total amount of allowance}}{\text{Total outstanding balance of loans over 12 months pas due}}$

3. **Asset quality/Portfolio quality/ Protection/ Stability/Structure of Assets**

✓ **Allowance for probable losses on loans –less than 12 months past due**

Formula: $\frac{\text{Total amount of allowance}}{\text{Total outstanding balance of loans over 12 months pas due}}$

✓ **Ratio of Non-Earning Assets over total Assets**

Formula: $\frac{\text{Non Earning Asset}}{\text{Total Asset}}$

Part 4. Analysis of Financial Statements of Cooperatives

- ❖ Comparisons – FS analysis is more meaningful if the results are compared with industry averages and with results of competitors
- ❖ Review of Descriptive Information – read reports corroborative information. Ask explanation for contradicting conflicts.

Basic Concept of Budgeting

• BUDGET

➤ is a formal written statement of management's plan for a specified future time expressed in financial terms.

• BENEFITS OF BUDGETING

1. It requires management to **plan ahead**
2. It provides **definitive objectives** for evaluating performance
3. It creates an **early warning** system for potential problems
4. It **motivates personnel** throughout the organization to meet the planned objectives

Critical Decisions in Developing Budget

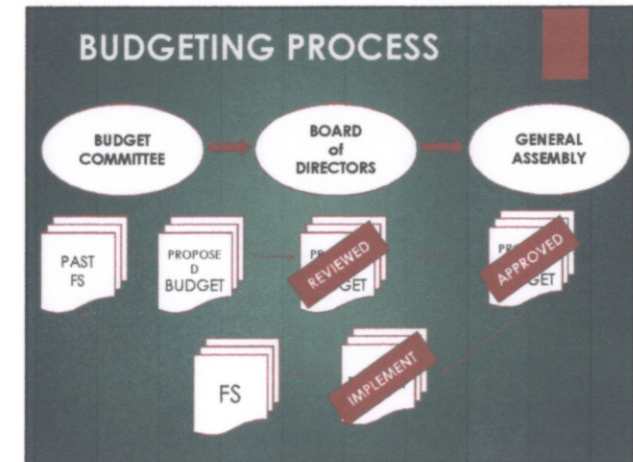
What do we want to accomplish?

How do we plan to spend money in the coming year?

When the budget will be created?

Who actually prepare the budget?

How will we evaluate our budget?



END OF PRESENTATION

THANK YOU!!!!

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COOP- PESOS

Pearl Café, Bontoc, Mountain Province
 April 29, 2017

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Supervisory Tool

- To ensure safety of contributions of members who typically belong to the low income segment of the community.
- To guarantee the soundness of the credit cooperative's operations.

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Management Tool

- Provide management the necessary information on how its cooperative is performing vis-à-vis other cooperatives.
- Management shall use the standards in making sure that the cooperative is operating effectively and efficiently.

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Purposes of COOP- PESOS

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Supervisory Tool

- To infuse the necessary operational and financial discipline.
- To evaluate and assess cooperative performance and allow for comparison over time and with other cooperatives.

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Management Tool

- Allow management of the cooperative to determine troubled areas and make necessary adjustments to its policies and/or the way the cooperative's operations are handled.

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PLANS & PROGRAMS

- This includes parameters that determines whether the credit cooperative has a development plan and an approved annual plan and budget.
- This also looks at whether the credit cooperative reviews its performance vis-à-vis the projections in its business plan.

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PORT FOLIO QUALITY

- Deals with the presence of *appropriate tools in monitoring the quality and the level of risks* of the *loan portfolio* of the cooperatives.
- *Protection* is measured by comparing the adequacy of the allowance provided for loan losses against the amount of delinquent loans.
- The status of the health of the portfolio of the cooperative will either propel the cooperative to grow or imperil the whole sustainability program of the cooperative.

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STABILITY

- Indicators on the stability of the credit cooperative determine whether financial services can be delivered to its members in a sustained manner.
- One way to do this is to increase the institutional capital of the cooperative instead of purely relying on the member's share capital.

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PESOS

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EFFICIENCY

- Focuses on the operational and administrative efficiency of the delivery of financial services, i.e., loans and savings products to its members.
- Determine the ability of the credit cooperative to generate sufficient income to cover expenses on operations.

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OPERATIONS

- This call for minimizing dependence on external borrowings and greater emphasis on mobilizing voluntary savings from its members.
- This will result in the credit cooperative's less dependence on external borrowings and lower financial costs.

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COOP-PESOS RATINGS

COOP Indicators – information on Compliance to Requirements(20%)

- C – Compliance (20%)
- O – Organization (26%)
- O – Operations and Governance (40%)
- P – Plans/Programs and Performance(14%)

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COOP

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ORGANIZATION

Organizational Structure and Linkages.

- This includes governance and membership structure.
- It also includes questions on affiliation and linkages with cooperative federations and other organizations involved in the promotion and development of cooperatives

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COOP-PESOS RATINGS

PESOS Indicators – this component is comprised of indicators that look at the *financial performance* of the Cooperative (80%)

- P – Portfolio Quality(25%)
- E – Efficiency(20%)
- S – Stability(30%)
- O – Operations(10%)
- S – Structure of Assets(15%)

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COMPLIANCE

Compliance with administrative and legal requirements.

- Who are our oversight agencies?
 1. Cooperative Development Authority
 2. Bureau of Internal Revenue
 3. Local Government Unit
 4. Department of Labor and Employment
 5. Banko Sentral ng Pilipinas

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OPERATION & MANAGEMENT

- This includes indicators that determine presence or absence of the necessary system, policies and procedures for efficient and effective management of the credit cooperative.
- Questions related to the Board of Directors and the cooperative's management are included in this portion.

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STRUCTURE OF ASSETS

➤ This ascertains the quality and the structure of the assets of the cooperative.

➤ This determines the extent of the share of the cooperative's various assets to its total assets and assess the effective use of these assets to generate revenues.

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Rating No.	Equivalent	Description
1	Excellent (90% to 100%)	The cooperative has a strong performance that consistently provides safe and sound operations. Cooperatives in this group comply with cooperative rules and regulations and are resistant to external shocks and financial disturbances. They are also able to withstand unexpected adverse changes in business environment. These institutions do not need supervisory concern.

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Rating No.	Equivalent	Description
3	Good (70% to less than 80%)	The cooperative performance is flawed to some degree and is of supervisory concern. Results of key performance measures indicate that safe and sound operations may be adversely affected. Cooperatives in this group are only nominally resistant to adverse business conditions and may deteriorate if identifiable areas of weakness are not corrected immediately.

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OVER ALL RATINGS OF COOP- PESOS

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Rating No.	Equivalent	Description
2	Very Good (80% to less than 90%)	The cooperative shows satisfactory performance that consistently provides safe and sound operations. Cooperatives in this group are able to withstand business fluctuations well. However, there are some areas of concern that require important attention and if unchecked, can potentially develop into conditions of greater concern. Supervisory response is limited to minor adjustments to ensure that operations continue to be satisfactory and sustainable.

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BSA EXTENSION
FACEBOOK ACCOUNT



Republic of the Philippines

Mountain Province State Polytechnic College

Bontoc Campus

DIRECTORY OF PARTICIPANTS/ ATTENDANCE

Title of Training: Financial Management

Date Conducted: April 29, 2017

Venue: Chico Building, Poblacion, Bontoc, Mountain Province

Name	Position in the Cooperative	Cooperative Represented	Signature
1. FLORENCE N. TAGUIBA	Y-CHAIR	ASCCO	
2. SANCERRY T. CHAKAS	audit com	ASCCO	
3. RITA S. CHUMACOS	COMBLED COMMITTEE	ASCCO	
4. SALOME A. CHANSAT	BOD member	ASCCO	
5. JOSE GATAGAT C.	member	DECCW	
6. Isabel A. Tabao-ican	BOD member	LHMH	
7. MARISSA JOY T. BILLAO	BOD	LHMHMP	
8. BRIGET M. GAWADING	CREDIT	LHMHMP	
9. Jenny Yakak	Loan Officer	KILTEPAH COOP	
10. Theresa G. Salas	BOD	Treasur Link	
11. Kidangen, Brent Lec	Bookkeeper	SACCCC	
12. LAIRA PANGESTAN F.	Associate member	ASCCO	
13. Pacalso, Mirabel D	facilitator	MPSPC	
14. Manansala, Monahyn B.	Facilitator	MPSPC	
15. Emma Claire X. Fulyon	Resource Speaker	MPSPC	
16. Arlice Daphne MacLing	- do -	- do -	
17. Rachel F. Faguan	Resource Speaker	MPSPC	
18. Pacifa F. Sijana-yes	Bookkeeper	MPCU	
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MPSPC VISION

A preferred University of development culture and inclusive growth.

MPSPC MISSION

It shall produce globally competitive leaders molded from a tradition of excellence in instruction, research, effective governance, sustainable entrepreneurship and an environment that assumes major responsibility in cultural vitality and well-being of the community.

MPSPC GOALS and OBJECTIVES

1. Attain and sustain quality and excellence
2. Promote relevance and responsiveness
3. Broaden access and equity
4. Enhance efficiency and effectiveness
5. Develop harmony within the College, and with stakeholders and benefactors

OBJECTIVES OF THE DEPARTMENT OF ACCOUNTANCY

The MPSPC Department of Accountancy Aims to:

1. Produce professionally competent graduates equipped with necessary skills and right attitudes to become leaders in the field of accountancy;
2. Organize and conduct capacity building programs for faculty to improve teaching competency;
3. Develop and maintain linkages with the industry, alumni and the community.

Mountain Province State Polytechnic College
Department of Accountancy
and
MOUNTAIN PROVINCE COOPERATIVE UNION (MPCU)

WELCOME !!!

SEMINAR-WORKSHOP ON COOPERATIVE FINANCIAL MANAGEMENT

April 29, 2017

Pearl Café, Poblacion, Bontoc, Mountain Province



This serves as invitation



Mountain Province Cooperative Union (MPCU)

2nd Floor, ASCCO Building, Foyayeng, Bontoc, Mountain Province
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and

Mountain Province State Polytechnic College

National Highway, Poblacion, Bontoc, Mountain Province

Certificate of Appreciation

Is awarded to

Arlice Daphne D. Macli-ing

For her invaluable service as **Resource Speaker** on the Topic: **FINANCIAL MANAGEMENT**
held this April 29, 2017 at Pearl Café Training Hall, Poblacion, Bontoc, Mountain Province.

Given this 29th day of April, 2017 at Pearl Café, Poblacion, Bontoc, Mountain Province.

SAMSON L. BATNAG
MPCU BOD Chairperson

REXTON F. CHAKAS, Ph.D.
MPSPC College President



Mountain Province Cooperative Union (MPCU)

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and

Mountain Province State Polytechnic College

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Certificate of Appreciation

Is awarded to

Rachel F. Fagyan

For her invaluable service as **ACTIVITY FACILITATOR** in the **Seminar-Workshop**
on **FINANCIAL MANAGEMENT** held this April 29, 2017 at Pearl Café Training Hall, Poblacion,
Bontoc, Mountain Province.

Given this 29th day of April, 2017 at Pearl Café, Poblacion, Bontoc, Mountain Province.

SAMSON L. BATNAG
MPCU BOD Chairperson

REXTON F. CHAKAS, Ph.D.
MPSPC College President



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and

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Certificate of Appreciation

Is awarded to

Mirabel D. Pacalso

For her invaluable service as **ACTIVITY FACILITATOR** in the **Seminar-Workshop**
on **FINANCIAL MANAGEMENT** held this April 29, 2017 at Pearl Café Training Hall, Poblacion,
Bontoc, Mountain Province.

Given this 29th day of April, 2017 at Pearl Café, Poblacion, Bontoc, Mountain Province.

SAMSON L. BATNAG
MPCU BOD Chairperson

REXTON F. CHAKAS, Ph.D.
MPSPC College President



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and

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Certificate of Participation

Is awarded to

Sanserry T. Chakas

For actively participating in the **Seminar-Workshop on FINANCIAL MANAGEMENT**
held this April 29, 2017 at Pearl Café Training Hall, Poblacion, Bontoc, Mountain Province.

Given this 29th day of April, 2017 at Pearl Café, Poblacion, Bontoc, Mountain Province.

SAMSON L. BATNAG
MPCU BOD Chairperson

REXTON F. CHAKAS, Ph.D.
MPSPC College President