WELCOME MESSAGE

Greetings my fellow members of cooperative!

Our vision at PECCI is to become one of the nation’s top credit cooperatives: an institution recognized for excellence in cooperative financial services. It is the cooperative’s goal to promote thrift among its members and create funds in order to grant loans for productive and providential purposes.

To enable the realization of this vision and goal, we must manage our key resources – by integrating every process with good management and leadership techniques. In addition, every employee must be committed to work in a conscientious manner. We expect all employees to take personal responsibility to continuously evaluate our processes, and look for ways to further improve our services whenever possible.

This PECCI Operations Manual provides information about our cooperative’s policies and procedures. As a valued employee of the cooperative, I highly recommend that you read this manual thoroughly so that you will be guided in your day to day operations. Always remember that the success of the cooperative begins with YOU!

Julieta “Chinky” Taneca
Treasurer - PECCI
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1. INTRODUCTION - THE HISTORY OF PECCI

PECCI was first established in 1958 for the purpose of providing a credit facility for PLDT employees to augment their income and to keep them away from loan sharks.

A group of fifteen (15) employees started out as incorporators and worked together to formulate the constitution and by-laws of the cooperative. Not long after the establishment of the constitution and by-laws were they able to succeed in having the cooperative registered with proper government bodies.

A fixed deposit of Php 500 was made by each of the fifteen (15) incorporators, and with this initial fund and with an initial membership of thirty (30) the cooperative began to extend loans of up to Php 50 per borrower. Soon after, the cooperative was granted a Php 5,000 loan by the PLDT Rank and File Union which paved the way for the cooperative to begin serving the loan requirements of its growing number of members.

The mode of collecting contribution for fixed deposits and loan amortization from members during this period was done by requiring the individual members to remit their contribution/payments every payday. This method was practiced over a period of time until the moment when automatic check-off deduction was approved by PLDT management.

A significant growth in membership has taken place in the years that followed. In addition, membership is now open to member’s dependents, TelesCoop employees, employees of companies with 40% PLDT ownership and employees of medical retainers of PLDT.
2. PURPOSE AND APPLICABILITY OF THE MANUAL

2.1. Purpose of Manual

2.1.1 The purpose of this manual is to consolidate the management/operations policies and procedures of the cooperative into one centralized, easy to use reference manual. These policies and procedures have been determined by PECCI to be necessary for the effective administration and control of day to day operations throughout the cooperative. In addition to policies and procedures, this manual contains informative notes to help officers and employees to better understand and perform their duties in accordance with the cooperative policy.

2.2.2 This manual provides a summary of the overall management/operations procedures of the cooperative. Individual departments may have more detailed procedures for each position.

2.2. Applicability of Manual

This manual is for the benefit of all cooperative officers and employees who are involved in day to day operations, regardless of their location or organizational relationships. Officers and employees should be required to read this manual and become familiar with its contents.
3. USING AND UPDATING THE MANUAL

3.1. Using the Manual

The sections of this manual are organized to first state the policy of the cooperative and then elaborate on the procedures for implementing the policy. Where appropriate in each section, exceptions to the general policy are also mentioned. If you have any questions or problems in using this manual, you should contact the PECCI General Manager, 4th Floor Universal-re Building, Paseo De Roxas corner Perea Street, Makati City, Philippines +63 (2) 813-1657.

3.2. Updating the Manual

From time to time, this manual will be revised to reflect changes in cooperative policies and procedures brought about by changes in technology or organization, issuance of other significant reference material and to add information to help the user. As users of the manual, officers and employees are encouraged to add to or amend its contents. However, all additions, deletions, and revisions require the written approval of the Board of Directors. Any manual user who identifies a need for a revision is requested to submit a written request to the General Manager who in turn shall secure the approval of the Board.

In this request, please provide the following:

3.2.1 Details supporting the need for revision; and
3.2.2 A brief summary of a possible solution.
4. **PECCI ORGANIZATIONAL CHART**
(As of May 2008)

- **GENERAL MEMBERSHIP**
- **GENERAL ASSEMBLY**
- **BOARD OF DIRECTORS** (8)
  - **SUPERVISORY COMMITTEE** (3)
  - **EDUCATION COMMITTEE (10) and EDCOM STAFF (2)**
  - **CREDIT COMMITTEE** (3)
  - **ELECTION COMMITTEE** (3)
  - **CONCILIATION AND MEDIATION COMMITTEE** (3)
- **GENERAL MANAGER** (1)
  - **ACCOUNTING** (3)
  - **CASHIER** (2)
  - **ADMIN** (5)
  - **FINACCTG** (4)
  - **LOAN PROCESSING** (5)
  - **SAVINGS** (2)
  - **AUDIT** (3)
  - **PAYROLL** (4)
  - **MIS** (3)
5. Responsibilities for Operations

5. RESPONSIBILITIES FOR OPERATIONS

5.1. General Membership

Every member shall have the following duties:

5.1.1 pay the installments on capital pledged as they fall due and participate in the capital build-up through regular savings;

5.1.2 patronize the business;

5.1.3 participate in the parliamentary affairs;

5.1.4 obey the rules and regulations provided by Republic Act No. 6938 or the Cooperative Code of the Philippines; these by-laws, the decision of the General Assembly and the Board of Directors and policies and decision that may be promulgated by the Cooperative Development Authority (CDA); and

5.1.5 promote the aims and purposes of the PECCI, the success of its business, the welfare of its members and the cooperative movement as a whole.

5.2. General Assembly

The General Assembly has the following powers and responsibilities:

5.2.1 remove for cause directors, officers and elective committee members;

5.2.2 hear and pass upon the reports of the Board of Directors, officers, and committees;

5.2.3 take final decisions regarding any drastic change in financial policies, subject to legal restrictions;

5.2.4 act as final arbiter in any dispute or disagreement which may arise between or among the members of the Board of Directors and committee, officers and individual members;

5.2.5 determine and approve the amendments in the Articles of Incorporation and By-Laws;
5. Responsibilities for Operations

5.2.6 exercise all the rights and privileges appurtenant to membership; and
5.2.7 exercise final authority in all matters vitally affecting the PECCI.

5.3. **Board of Directors**

The Board of Directors as a body shall have the following powers and responsibilities:

5.3.1 general supervision and control of the affairs of the PECCI; and
5.3.2 prescribe policies consistent with law, PECCI’s by-laws, and the resolutions of the general assembly for the management of its business and the guidance of its members, officers and employees.

The members of the Board of Directors, in the discharge of their duties, shall be:

5.3.3 jointly and severally responsible for transactions, PECCI’s by-laws, or the resolutions of the general assembly, except those who entered a protest at the time when such transaction, act or omission was acted upon.

5.4. **Supervisory Committee**

The Supervisory Committee shall be responsible for the internal control and the installation of an adequate accounting system. In the performance of its function, the Committee shall:

5.4.1 conduct internal audit and inventory of the assets and properties of PECCI; and
5.4.2 serve as financial consultant of the Board and the General Assembly.
5. Responsibilities for Operations

5.5. **Credit Committee**

The Credit Committee shall be responsible for the credit management of PECCI. In the performance of its functions, it shall:

5.5.1 process, evaluate and act upon loan applications and withdrawals of deposits, except when the applicant is a member of the Committee in which case, the application shall be acted upon by the Board of Directors; and

5.5.2 exercise general supervision over all loans to members.

5.6. **Election Committee**

The Election Committee shall:

5.6.1 supervise the conduct of all elections, performs its duties in accordance with prescribed election practices, canvass and certify in writing the returns to the Board of Directors and Annual General Assembly;

5.6.2 appoint subordinate personnel who are members of good standing in order to carry out effectively its functions;

In the exercise of its functions, the Committee shall:

5.6.3 submit to the Board of Directors the complete list of General Assembly delegates 30 days after the election.

5.7. **Conciliation and Mediation Committee**

The Conciliation and Mediation Committee shall have the following powers and functions:

5.7.1. conciliate, hear and decide all intra-cooperative disputes between or among its members, officers, directors and the community;

5.7.2. subject to the approval of the general assembly, to issue supplemental rules and procedures concerning conciliation and mediation processes as may be deemed necessary; and
5.7.3. exercise such other powers as may be necessary to ensure speedy, just, equitable and inexpensive settlement of disputes within PECCI.

5.8. Education Committee
The Committee shall be responsible for planning and implementing educational and promotional activities of the PECCI.

5.9. General Manager
The General Manager, under policies set by the Board of Directors, shall:

5.9.1 have general charge of all the phases of the business operation of PECCI;
5.9.2 maintain his records and accounts in such a manner that the true and correct condition of the business of PECCI may be ascertained at any time;
5.9.3 render annual periodic statements and reports in the form and in the manner prescribed by the Board of Directors, and shall preserve the books, documents, correspondence, and records of whatever kind pertaining to the business which may come into his possession;
5.9.4 subject to policies that may be promulgated by the board of Directors, shall employ, supervise, and dismiss any agent and employee in the management force;
5.9.5 upon appointment of his successor, shall turn over to the aforesaid successor all money and property belonging to the PECCI which he has in his possession or over which he has control;
5.9.6 submit recommendations to the Board of Directors for the promotion of deserving employees; and
5. Responsibilities for Operations

5.9.7 develop work improvement procedures in the business operation.

5.10. Cashier

The Cashier shall have the following responsibilities:
5.10.1 receive cash and check deposits/payments through over-the-counter transactions from individual members, from Pangkabuhayan Loan Officer for checks maturing on the date indicated, and from PLDT for checks representing collective collection done through payroll deduction;
5.10.2 acknowledge receipt of cash or check deposit/payment by issuing a corresponding Official Receipt in duplicate copies;
5.10.3 handle the custodianship of Petty Cash/Revolving Fund and the proper disbursement and replenishment of same;
5.10.4 issue cash or check payments for savings withdrawal transactions of members or authorized representatives; and
5.10.5 prepare Daily Collection Report for submission to the Office of the General Manager and Finance/Admin Section for monitoring and booking purposes, respectively.

5.11. EdCom Staff

The EdCom Staff shall have the following responsibilities:
5.11.1 assist the Education Committee in the implementation of educational and promotional activities;
5.11.2 administratively report to the Office of the General Manager and handle the release of loan checks payable to members and the take the necessary control in the issuance of said checks; and
5.11.3 handle the proper control in the mailing of checks to members in provincial exchanges by forwarding said checks to designated check disbursement officer in the area.
5. Responsibilities for Operations

5.12. Audit Staff

The Audit Staff shall have the following responsibilities:

5.12.1 assist the Supervisory Committee in the performance of its audit functions such as reviewing the requests for replenishment of petty cash and revolving funds before these are processed for check payment;

5.12.2 review the total amount deposited against the bank deposit slips;

5.12.3 administratively report to the Office of the General Manager and handle the inventory of office equipment and all other assets of the Cooperative;

5.12.4 conduct on-the-spot counting of cash that is kept on the Cashier's vault, as assigned by the Supervisory Committee from time to time;

5.12.5 review past savings withdrawal transactions to rule out possible discrepancy; and

5.12.6 reconcile balance reflected on sub-ledgers against balance reflected in the PIP System for loan refunds caused by payroll-over deduction.

5.13. Financial Accounting Unit

The Financial Accounting Unit shall have the following responsibilities:

5.13.1 For Cash Receipt Recording

a.) handle the recording of cash receipts; and
b.) ensure that the daily cash balance corresponds with the balance on bank and on hand.

5.13.2 For Cash Disbursement

a.) handle the recording and control of payables; and
b.) initiate check preparation.
5.13.3 For Accounting Unit
   a.) post journal vouchers; and
   b.) prepare financial and accounting reports.

5.14. **Admin Unit**

The Admin Unit shall have the following responsibilities:

5.14.1 handle the recording and control of personnel records;
5.14.2 initiate the purchase requisition for materials and office supplies, and the proper control in the issuance;
5.14.3 perform liaising functions with banks and PLDT on matters concerning document and data disks pick up and delivery; and
5.14.4 perform other clerical functions assigned by management from time to time.

5.15. **Loan Processing**

The Loan Processing Unit has the following functions:

5.15.1 perform frontline service to walk-in members such as receipt of loan application and withdrawal slips;
5.15.2 handle queries regarding members’ accounts and customer complaints;
5.15.3 log all loan application received for proper tracking later;
5.15.4 handle the processing of loan applications; and
5.15.5 monitor the post dated check payments of Pangkabuhayan loan borrowers, endorse the check to the cashier upon date of maturity and handle the manual booking of pangkabuhayan loan payments accordingly.
5. Responsibilities for Operations

5.16. Savings

The Savings Unit shall have the following duties:

5.16.1 handle the processing of members’ request for withdrawal from savings account; and
5.16.2 verify if member’s total savings can accommodate amounts being withdrawn, if any.

5.17. Payroll

The Payroll Unit shall have the following responsibilities:

5.17.1 maintain record of attendance and tardiness of employees;
5.17.2 monitor the leave and medical benefits availed of by employees and ensure that required documents are properly accomplished and submitted by the concerned staff; and
5.17.3 handle the remittance of dues to SSS, BIR and HDMF/Pag-ibig.

5.18. MIS

The MIS Unit shall have the following responsibilities:

5.18.1 For Administrator

a.) administer and maintain the PIP System;
b.) perform the creation of back-up systems and recovery of the same;
c.) handle the setting up of the system in user’s terminal and the maintenance of the same;
d.) administer system security for new and existing users;
e.) establish system standards and ensure compliance of users;
f.) provide system access to authorized employees during office hours;
5. Responsibilities for Operations

g.) provide technical assistance to PECCI staff on matters relating to the use of the system; and
h.) plan and design PECCI software requirements.

5.18.2 For Data Encoder/Operator
a.) perform data entry and recording;
b.) perform the scheduled job processing;
c.) assist the Administrator in the day-to-day administration of the PIP System; and
d.) perform other duties that may be assigned from time to time.
6. **COOPERATIVE SERVICES**

6.1 **MEMBERSHIP**

6.1.1 Membership to the Cooperative shall be open to all employees of PLDT, PLDT Subsidiaries and Affiliates (S&A), as well as Cooperatives owned and organized by PLDT employees and recognized by PLDT Company. In this regard, the Cooperative shall require the following qualifications for PECCI membership:

a) Must be a Filipino citizen
b) Must be a regular employee
c) Must pledge to undertake the responsibilities required of Coop members
d) Must anticipate to use the services of the Cooperative more particularly in the savings and loaning services and other allied services

6.1.2 Membership to the Cooperative may also be granted for non-employees, provided that they meet the following qualifications:

a) Must be immediate family member (i.e., legitimate spouse and dependent children) or relatives up to the third (3rd) degree of consanguinity of a regular member of the Cooperative
b) For dependent children and relatives, age criteria must be at least 18 years old but not more than 21 years old at the time of application for membership

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1 Non-employee members are immediate family members and relatives of an active PECCI member, who satisfy the required qualifications and requirements for Coop membership. Their membership account is attached to the concerned employee member’s payroll account and recorded as a secondary account.
6. Cooperative Services

6.1.3 Prospective members who meet the above stated qualifications shall be required to settle the following requirements before they get the full entitlement to the membership benefits:

a) Duly accomplished “PECCI Membership Application Data Form” (See Exhibit 1)

b) Payment of membership and educational fee of Fifteen Pesos (P15.00) upon filing and submission of application for membership

c) Subscription of shares in capital stock for at least five (5) shares valued at Five Hundred Pesos (P500.00) payable through installments, where a minimum of one (1) share at One Hundred Pesos (P100.00) per share must be purchased upon filing and submission of application for membership

d) Attendance to the Cooperative Pre-Membership Seminar (PMS)

6.1.4 For non-employees, the following documents must also be submitted in addition to the above mentioned requirements for full entitlement to the membership benefits:

a) For the spouse, photocopy of marriage contract and medical certificate from any hospital with original copy presented for authentication

b) For dependent children and relatives, photocopy of Certificate of Live Birth and medical certificate from any hospital with original copy presented for authentication
6.1.5 Previous PECCI members who have been active members continuously for seven (7) years with good membership standing shall have the following options to continue membership even if their employment has been discontinued due to resignation and/or retirement.

a) Continue membership with PECCI and still be classified as payroll members by way of attaching their account to an active payroll member, who is an immediate family. The payroll member’s conformity shall be required for this type of arrangement.

b) Continue membership with PECCI and be classified as non-payroll members, whose remittance and payments shall be made through direct/check payments to PECCI.

6.1.6 Non-payroll members may avail of maximum loan benefits offered by PECCI provided two (2) active members sign as principal co-makers in the loan application.

6.1.7 Application for membership shall be evaluated and approved by the Board of Directors. Only applicants who satisfy the required qualifications and requirements shall be entitled for membership.

6.1.8 All approved applicants for membership shall be encoded in the PECCI Integrated Processing System (PIPS) under the “Membership Application Data Capture Screen” to establish the applicant’s membership data record and to provide all other pertinent data regarding the membership deductions for the newly approved member.

6.1.9 Membership in PECCI may be terminated either by withdrawal or expulsion:

a) Any member desiring to terminate the membership by withdrawal shall submit a written application to
the Board of Directors. However, no member shall be allowed to withdraw or terminate the membership during any period in which the concerned member has pending obligations with PECCI.

b) The Board of Directors shall expel a member whenever the latter commits any act pre-judicial to the interest of PECCI or refuses to comply with the duties and responsibilities as a member. However, in lieu of expulsion, the Board of Directors may just order the suspension of a member's right to vote and/or other rights and privileges.

6.1.10 The action of the Board of Directors suspending or expelling a member shall be appealable to the General Assembly and a majority vote of the delegates present shall decide the matter if such decision is final.

6.1.11 For Process Map on Processing of Request for Coop Membership (See succeeding page).
6.2 SAVINGS DEPOSIT & WITHDRAWAL

6.2.1 Regular Savings Deposit

6.2.1.1 All members shall be entitled for a savings account at PECCI after payment completion of five (5) shares of capital stock investment equivalent to Five Hundred Pesos (P500.00).

6.2.1.2 Regular Savings Deposit shall earn a corresponding interest rate compounded monthly based on the lowest monthly balance outstanding during the period. Interests earned for such savings deposit shall be distributed to members at the end of the year along with the schedule of annual Dividend Distribution.

6.2.1.3 The rate of interest on savings deposit shall be determined by the Board of Directors at the beginning of each fiscal year based on the ceiling rates offered elsewhere. Currently, savings deposit at PECCI earns an interest of 7% compounded monthly to be computed based on lowest monthly balance.

6.2.1.4 A minimum of One Hundred Pesos (P100.00) shall be required as a maintaining balance for the member’s savings account.

6.2.1.5 Savings deposit shall be done through payroll deduction or over the counter cash deposits. As a requirement to effect salary deduction for savings deposit, the member shall initiate an authorization for PECCI to deduct a specified amount every payroll period through the
6. Cooperative Services

6.2.1.6 The authorized amount for savings deposit through salary deduction shall be encoded in the System under the “Savings Deposit Data Entry Screen”. This shall be encoded as soon as the duly-accomplished Request to Increase / Decrease Savings & Fixed Deposit Form has been submitted by the member.

6.2.1.7 The total deductions to be made from an employee’s salary shall be submitted by PECCI to PLDT payroll per established cut-off period, which shall include the authorized amount for the member’s savings deposit.

6.2.1.8 Over-the counter deposit on savings shall be initiated by the member directly through the Cashier. This in turn, shall be covered by an Official Receipt (O.R.), which is being issued by the Cashier upon receipt of cash deposit from the member.

6.2.1.9 Cash deposits can be made in both Perea and Reposo Satellite Offices of PECCI. In cases where cash deposit was made at Reposo Satellite Office, the Cashier at Perea Office shall be advised by the Cashier at Reposo Satellite Office regarding the deposit amount and the corresponding O.R. involved.

6.2.1.10 A Summary Report of O.R. for cash deposits made at Reposo Satellite Office shall be prepared by the concerned Cashier at the end of the day. This in turn, shall be forwarded to Perea Office.
6. Cooperative Services

for proper updating of member’s Savings Deposit Balances in the system.

6.2.1.11 For Process map on Handling of Request for Regular Savings Deposit (See succeeding page).
6.2.2 Regular Savings Withdrawal

6.2.2.1 Savings withdrawal shall be initiated by the member through the “PECCI Withdrawal Slip” (See Exhibit 3), which can be made over the counter or through fax during regular business hours of the Cooperative.

Note: Withdrawal slips are color coded to differentiate the cash from the check or ATM payment. Yellow colored withdrawal slips are used for cash payment while white withdrawal slips are used for check or ATM payment.

6.2.2.2 Savings withdrawal initiated through phone shall also be granted provided that the request has been approved by the General Manager of PECCI.

6.2.2.3 The member shall only be allowed with only one withdrawal transaction per day, which shall be released through the following options:

<table>
<thead>
<tr>
<th>Mode of Release</th>
<th>Required Withdrawal Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>Up to P10,000.00</td>
</tr>
<tr>
<td>Check / ATM</td>
<td>Above P10,000.00</td>
</tr>
</tbody>
</table>

6.2.2.4 If member desires to have the savings withdrawal released through ATM even if amount is less than P10,000.00, this shall be allowed provided that the request has been signified in the withdrawal slip.
6. Cooperative Services

Note: Withdrawals of P10,000.00 or less shall be drawn against the Revolving Fund of the Cashier.

6.2.2.5 For members in provincial exchanges requesting for savings withdrawal, only check and ATM payments, depending on the member’s preference, shall be considered as mode of releasing regardless of the amount involved.

6.2.2.6 For control purposes, a separate logbook shall be maintained for manual recording of withdrawal slip numbers released through the ATM. This is to facilitate tracking in case of inquiries from concerned parties.

6.2.2.7 Release of cash and check withdrawals should be acknowledged by the member or his authorized representative upon receipt.

6.2.2.8 For Process map on Handling of Request for Regular Savings Withdrawal (See succeeding pages).
6.2.3 **Special Savings Deposit (SSD)/Investment**

6.2.3.1 Special Savings Deposit/Investment is a special type of savings deposit where a higher and graduated interest rate shall be offered to interested members.

6.2.3.2 Placement in the Special Savings Deposit shall be opened to members only when the need arises and shall be accompanied by the “Application for Special PECCI Deposit Form” (See Exhibit 4).

6.2.3.3 Accommodation of special placement on Special Savings Deposit shall be determined by the Treasurer in accordance with the Cooperative’s liquidity position as of a given time.

6.2.3.4 Selection of interested member(s) for entitlement to SSD shall depend on the evaluation and recommendation of the Treasurer and on the capacity of the interested member on providing the needed fund.

6.2.3.5 Special Savings Deposit is classified as a VIP account. For control purposes, recording and control of SSD account shall be handled manually by the Disbursement Supervisor.

6.2.3.6 Members who wish to transact SSD withdrawal may do so by advising the General Manager well in advance so that appropriate processing may be implemented at the right time.

6.2.3.7 Withdrawal of SSD prior to its maturity date will be subject to a lower interest rate.
6.2.3.8 SSD withdrawals shall be issued in checks which shall be acknowledged by the member upon receipt.

6.2.3.9 For Process map on Handling of Request for Special Savings Deposit (SSD)/Investment (See succeeding page).
6.3 **PECCI STANDARD LOAN SERVICES**

6.3.1 The following loan services shall be granted to members in good standing for providential or productive purposes:

a) Regular Loan  
b) Educational Loan  
c) Emergency Loan  
d) Calamity Loan  
e) Mini Loan  

6.3.2 A member can avail himself of any loans if he has been a member for a minimum of 1 month or has been subjected to at least two (2) payroll deductions of the membership dues.

6.3.3 For regular and educational loans, prerequisites for the loaned amount shall be equivalent to Four Hundred Percent (400%) of the member’s current fixed deposit or share capital.

6.3.4 A fixed deposit of at least Three Thousand Six Hundred Pesos (P3,600.00) shall be required in availing the emergency and calamity loans whereas, fixed deposit requirement in the availment of mini loan is waived.

6.3.5 All loans shall be paid through semi-monthly amortization schedule, which shall start depending on the approval date of the loan (i.e., For loans approved with in 1 – 15th month period, start of deduction shall be on the 30th of the same month. Otherwise, start of deduction shall be on the 15th of the following month if the loan has been approved with in 16 – 30th month period).
6. Cooperative Services

6.3.6 Consistent with the labor rules and regulations, the total monthly amortization for loan payments shall not exceed ¼ of the member’s basic monthly salary.

6.3.7 All loans shall bear an interest rate of Twelve Percent (12%) per annum plus a corresponding service charge, which are both deducted from the proceeds of the loan (See Annex A for maximum loan amount, amortization schedule and corresponding interest and service charges per type of loan).

6.3.8 By default, all loan proceeds shall be released/credited through the member’s ATM account. However, releasing through check may also be considered on a per request basis.

6.3.9 All loan proceeds shall be released on a daily basis provided that the application for loan has been submitted with in the prescribed cut-off time (i.e., 12:30PM), unless otherwise revised depending on availability of funds.

6.3.10 Application for loan shall be made by accomplishing the corresponding Application for Loan Forms (See Exhibit 5 to 7), which must be submitted to PECCI through hand-carry, courier or fax. This should be signed by the member and six co-makers before having it submitted to PECCI for processing.

6.3.11 Incumbent PECCI officers are disqualified from signing as co-makers in loan application of individual members.

6.3.12 No two (2) loans of the same type shall be allowed at the same time.

6.3.13 Application for renewal of loans shall be approved and processed provided a certain percent has already been paid. The loan balance for such previous loan shall be deducted from the proceeds of the new loan.
6.3.14 Generally, members with deferred payments are disqualified from availing of new or other types of loans. However, members may be allowed to apply for a loan provided all loans, arrears on unpaid amortization, including amount of penalty charges shall be deducted from the proceeds of the new loan.

6.3.15 MIS shall generate a quarterly statistical report on members with deferred payments, including the total amount under deferment. This report shall be submitted to the Board of Directors to provide them an information profile on deferred payments.

6.3.16 For Process map on Processing of PECCI Standard Loan Services – Regular/ Educational/ Emergency/ Calamity/ Mini (See succeeding pages).
6.4  **PANGKABUHAYAN LOAN SERVICE**

6.4.1 Pangkabuhayan Loan is a special type of loan which shall be granted only to qualified members for purposes of financing livelihood projects.

6.4.2 Qualified members are those classified as payroll members of good standing, who have passed the criteria set by the Pangkabuhayan Loan Committee.

6.4.3 Applications for Pangkabuhayan loan shall be initiated by the member through the Pangkabuhayan Loan Form (See Exhibit 8), which shall be accompanied by the following supporting documents/papers:

a) Registration Certificate from SEC or Licenses or Mayor’s Permit and other government agency.

b) Copy of the Title (ownership of collateral with original copy required upon approval).

c) The applicant shall fill up loan agreement with 6 co-makers.

d) Project Feasibility study

e) Projected cash flow for 3 years

f) Projected Financial Statement for 3 years

g) Two (2) year Financial Statements for existing business

h) The Pangkabuhayan Loan Committee shall evaluate the application for Pangkabuhayan Loan. Only applications that satisfy the technical, financial and legal aspects of the project feasibility study attached to the loan applications shall be recommended for board approval.
6.4.4 Post-dated checks and collateral shall be required of the member as a guarantee for payment of loan.

6.4.5 The amount of loan to be granted shall be based on the appraised value of the member's collateral for the loan. In no case shall the loan amount be more than the appraised value of the collateral for the loan.

6.4.6 Loan payment should be completed within 30 months from date of release through equal monthly or quarterly installments, as determined by the Committee. However, amortization period should not exceed the borrower's 60th birthday.

6.4.7 The Committee shall determine the loan payment moratorium period, if requested, but such moratorium period should not be more than 6 months.

6.4.8 Pangkabuhayan Loan shall bear an interest rate of 12% per annum computed from date of release of loan. Other charges for normal fees and expenses in accordance with schedules provided by law shall likewise be charged from the proceeds of the loan such as:

a) Service charge - 3% of gross loan value
b) Notarial and documentation expenses
c) Other incidental expenses, if any.

6.4.9 The member/borrower shall be considered in default if he fails to pay any three (3) monthly installments on the loan.

6.4.10 In the event of payment default, the entire outstanding loan together with accrued interest charges, fees (if any) and penalties shall become due and demandable. Payment shall be collected in the manner provided for in the loan agreement such as but not limited to proceeding
6. Cooperative Services

against the individual guarantors and foreclosure of collaterals and other securities offered for the purpose.

6.4.11 For Process map on Processing of Pangkabuhayan Loan Service (See succeeding pages).
6.5 PATRONAGE DIVIDENDS

6.5.1 Annual profit sharing in the form of interest on share capital/savings deposit and patronage refunds shall be one of the benefits that a member derives from availing of the savings and loan facilities that the PECCI has to offer.

6.5.2 Dividend refers to the individual member’s share in the cooperative’s annual net profit. Member’s dividend shall be comprised of the following components:

a) **Patronage Refund** – refers to a portion of the interest paid for by a member when he availed of loans and which is refunded back to the member. This is computed by determining the amount of interest(s) paid for the current loan(s) plus the deferred interest for previous loans multiplied by a factor which shall be set by the Board of Directors, depending on the current financial standing of the Cooperative.

b) **Interest on Savings Deposit** – refers to the interest earned by the member’s savings deposit. This amount is computed on the lowest monthly balance of such deposit multiplied by 7% over 12 months.

c) **Interest on Fixed Deposit** – refers to the interest earned by a member’s fixed deposit, the value of which is computed on a graduated rate as follows:
   - First 10,000 = 8%, balance 9%

6.5.3 The Board of Directors shall decide on what parameters to use in computing for year-end dividends, taking into consideration the current financial standing of the
6. Cooperative Services

Cooperative and the net income earned for the period covered.

6.5.4 Dividends shall be distributed every end of the year, the release date of which shall be determined by the Board of Directors.

6.5.5 Distribution of dividends is made, courtesy of PLDT, by crediting such dividends in member’s payroll account. Total amount of dividend is advanced to PLDT, which in turn will credit it against individual member’s payroll.

6.5.6 For Process map on Processing of Patronage Dividends (See succeeding page).
6.6 **COMPREHENSIVE BENEFIT PLAN**

6.1. **General**

6.1.1 All members of the cooperative are covered by a Comprehensive Benefit Plan which provides death and retirement benefits to members.

6.1.2 A member is entitled to a death benefit of Php 120,000 for a monthly premium of Php 50 or Php 25 per payday.

6.1.3 In case of death, the benefit shall be applied regardless of residence in membership.

6.1.4 Members who retire from the Company may opt to continue membership in the cooperative.

6.2. **Table of Comprehensive Benefit Plan**

<table>
<thead>
<tr>
<th>Years of Membership</th>
<th>Premium – Php 25 per payday</th>
<th>Death Benefit – Php 120,000</th>
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### 6. Cooperative Services

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6.7 **COMPLAINTS HANDLING**

6.7.1 Members’ complaints shall be attended to without delay and address the problem within the shortest time possible;

6.7.2 Member’s complaints are classified into the following types:
   a.) non-posting of payment;
   b.) over-deduction;
   c.) wrong posting; and
   d.) discourteous service.

6.7.3 Any staff receiving queries/complaints shall obtain pertinent details about the complaint. If possible, he/she shall determine the cause of the problem before concluding the conversation with the complainant.

6.7.4 In the event that a member’s complaint is being made by phone and his problem can only be resolved through reference to other documents, the staff shall politely advise the complainant that his problem will be attended to and that he will be notified of results as soon as possible. In this case, the complainant’s contact no. shall be obtained before concluding the conversation.

6.7.5 All complaints should be resolved within the day that the complaint was filed by the member. In case the complaint is that of over deduction and the member wishes to have a refund for the excess amount of deduction, this shall be made on the day that the complaint was filed (Refer to Section 6.9 for Processing of Refund).
6. Cooperative Services

6.7.6 For reference purposes, all complaints received shall be recorded in a Complaint Logbook which shall bear these information:
   a.) complaint number;
   b.) name of member/complainant;
   c.) nature of complaint (service/payment);
   d.) date and time of complaint;
   e.) name of staff handling such complaint;
   f.) action taken; and
   g.) date when complaint was resolved.

6.7.7 Complaints which necessitate corrections/adjustments in the system should be properly documented by the staff concerned and signed by the General Manager before endorsing to MIS for processing.

6.7.8 For Process Maps (See succeeding pages)
   a.) Handling of Payments-related Complaints; and
   b.) Handling of Service-related Complaints.
6.8 CORRECTIONS AND ADJUSTMENTS

6.8.1 Corrections refer to any update/change as a result of an error/revision on the member’s record in the Master File, while adjustments refer to modifications in the member’s Loan Processing Module.

6.8.2 Types of transactions necessitating corrections:
   a.) transfer of location;
   b.) change in member’s family name; beneficiaries’ name;
   c.) increase/decrease in or discontinuance of savings deduction; and
   d.) increase/decrease in member’s fixed deposit.

6.8.3 Types of transactions necessitating adjustments:
   a.) non-posting of payment;
   b.) over-deduction;
   c.) wrong posting;
   d.) erroneous entry in the ledger;
   e.) cancellation of a processed loan; and
   f.) reprocessing of a loan with a check ready for release.

6.8.4 Corrections or adjustments in member’s account are either member-initiated or staff-initiated.
   a.) Member-initiated correction or adjustment is a type of correction/adjustment which is made upon receipt of complaint from member, and which complaint requires a correction or adjustment in the system to be able to correct it.
b.) Staff-initiated correction or adjustment is a type of correction/adjustment which is made upon discovery of an error in the records of the member.

6.8.5 Adjustments in the system shall be the responsibility of MIS. Transactions classified for correction shall be assigned to the Collection Clerk.

6.8.6 For control purposes, no request for adjustment in the system shall be implemented by MIS unless a written request duly signed by the General Manager is endorsed by the Loan Processing Staff.
6.9 PROCESSING OF REFUND

6.9.1 Refund refers to the amount that is returned back to a member on account of an over-deduction in his loan payment amortization.

6.9.2 The payslip(s) showing the excess amount deducted shall support a member’s claim of over-deduction.

6.9.3 Processing of refund is initiated by the Loan Processing Unit only after determining that a member’s request for refund is valid.

6.9.4 Refund of this nature shall be drawn against the Revolving Fund regardless of the amount involved.

6.9.5 Processing of refund is initiated through a Petty Cash Voucher which shall be prepared by the Loans Processing Staff concerned and approved by the General Manager before endorsing to the Cashier for release. The supporting documents described in Item 6.9.2 should be attached to the Petty Cash Voucher.

6.9.6 For Process Map on Processing of Refund (See succeeding pages).
7. **FINANCIAL AND ACCOUNTING PROCESSES**

**HANDLING OF ACCOUNTS RECEIVABLES**

**PLDT Payroll-Billed Receivables**

The following shall comprise accounts receivable from payroll members:

a) Membership Fixed Deposit (share capital)

b) CBP Fees

c) Savings Deposit (if any)

d) Loan Amortization Payments (if any)

Collection of accounts receivable from members shall be made through salary deduction from PLDT payroll. This is applicable to members who are under the regular payroll of PLDT (herein referred to as payroll members) or to members who have opted to piggy ride with a member's salary deduction from PLDT. Piggy riding with a member’s salary shall only be allowed, however, between members who are of the immediate family.

To effect salary deduction of corresponding accounts receivables from members, PECCI shall be required to transmit accurate billing data to PLDT Payroll through a data diskette. Applied deductions from employee’s payroll account shall be uploaded into the PIP System after end of each payroll period.

Every payroll period, MIS shall process a Deduction Register which is a consolidation of
accounts receivable per individual member. After processing, MIS shall create a back up copy of this Register, in a diskette form, and have this forwarded to PLDT for payroll processing. A covering summary of total amounts due per member shall accompany this back-up diskette.

After payroll processing, PLDT shall forward to the Cooperative the diskette containing the data on Applied Deduction, along with a Discrepancy Listing which contains data on employees with deferred payments due to inadequate salary.

Once the PLDT diskette containing the applied deductions has been received, the Data Base Administrator shall upload the data to the PIP System to update the payment record of individual members.

A Summary of Collection per Payday is likewise generated by the Data Base Administrator immediately after processing the data on applied deductions. The Reconciliation Clerk shall reconcile the total amount reflected in this summary with the total deferred amount indicated in the Discrepancy Listing forwarded by PLDT. The same Reconciliation Clerk shall later determine the consolidated breakdown of applied deductions and have it booked in the appropriate journal.

PLDT shall issue a check payable to PECCI for the aggregate total of amount deducted from
employees’ salaries. Such check payment goes to the Cashier for the appropriate issuance of O.R. before this is deposited to the bank.

Non-PLDT Payroll Billing Receivables

The following shall also comprise accounts receivable from non-payroll members:

a) Membership fixed deposit (share capital)
b) CBP fees
c) Savings Deposit (if any)
d) Loan Payments (if any)

Collection of accounts receivable from non-payroll members may be made through postdated check payments and/or over-the-counter cash payments.

Postdated checks from non-payroll members shall be under the responsibility of a designated Customer Care Specialist who is tasked to monitor checks that become due. This in turn shall be endorsed by the Customer Care Specialist to the Cashier for issuance of corresponding O.R. (in duplicate copies) on the date that the check matures and deposited to the bank.

For over-the-counter cash payments, acknowledgment of cash receipts from non-payroll members shall also be made by the Cashier through the issuance of corresponding O.R. (in duplicate copies).
Upon issuance corresponding O.R., the Cashier shall encode the payment data in the PIP System to update the member’s record. A summary of cash and check payments received shall be generated by the MIS Administrator at the end of the day and this summary shall be forwarded to the Reconciliation Clerk for manual reconciliation. Duplicate copies of the O.R. shall be forwarded to the Reconciliation Clerk for posting on the Individual Member’s Subsidiary Ledger.

Deferred Accounts

Members with deferred accounts shall be charged penalty fees corresponding to 1% of the amount due for a given period when the deferment was incurred. Penalty charges for deferred accounts shall be compounded on a monthly basis until the account becomes current.

For member’s with insufficient salary to pay in full the amount due for a given payroll period, the PIP System shall automatically distribute into the following accounts, by order of priority, the total amount deducted from the member’s payroll:

a) CBP contribution
b) Regular Loan
c) Educational Loan
d) Calamity Loan
e) Emergency Loan
f) Mini-Loan

h) Savings Deposit

i) Co-maker

Accounting shall post adjustments in the PIP System Journal Register as soon as deferment in loan payments has been noted.

The General Manager shall notify in writing members who have incurred payment deferments, with an advice to immediately update his account to avoid the inconvenience of suspension from availing loans until the account is updated.

A member shall be given a grace period of 6 months (twelve paydays) within which to update his account. If after this period and no word or advice is received from the member, his membership shall automatically be terminated and all benefits due him shall be computed net of his outstanding obligation with the Cooperative.

Where the net benefits due the member is insufficient to pay in full his outstanding obligation with the Cooperative, his Co-makers in the loan(s) availed of, shall automatically assume responsibility for the balance. The said balance shall be distributed equally among his co-makers.
Bank Reconciliation

All cash movements shall be posted in the PIP System to provide a means to monitor the daily cash position of the Cooperative. For this purpose, a Daily Cash Position Report shall be generated by the system, which contains data on amounts of cash deposited to and/or disbursed through the bank(s) on a day-to-day basis.

The Daily Cash Position Report shall be reconciled against the monthly Bank Statement at the end of the month to examine whether the figures/details shown in the Bank Statement correspond accurately with the figures reflected in the records of the Cooperative.

The Audit Staff shall be responsible for performing the bank reconciliation process. Reconciliation and review shall be done within five (5) working days from date of presentation of the Bank Statement.

For any discrepancy noted in the reconciliation process, Audit shall exercise best efforts to identify the cause of the discrepancy. The attention of the parties concerned, specifically the General Manager, shall be called to advise them of the discrepancy. Accordingly, adjustments to correct the discrepancy shall be employed by the General Manager in accordance with existing policies.
The Bank in question shall also be advised of a discrepancy, if applicable.

**HANDLING OF CASH DISBURSEMENTS**

**Purchase Order/Invoice**

The term ‘materials and supplies’ shall refer to office supplies, furniture and fixtures, office equipment and computer/peripherals purchased by the Cooperative for its operational use whereas Supplier shall refer to the person or organization willing to provide materials and supplies required by the Cooperative upon request.

The Office of the General Manager shall ensure that price quotations for regularly procured items are obtained twice a year from various suppliers to determine the best value for money when ordering for materials and supplies. The General Manager shall select the supplier that offers the best price.

The volume requirements for regularly used office supplies based on the historical record of usage for 12 months shall be made by the Administration Unit. This is to allow PECCI to avail of volume discounts for such requirements when ordering from approved supplier(s) that offer the best value for money.

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1 Purchasing is the task of procuring materials and supplies to serve the day to day operational requirements of the Cooperative. Recording of purchase transactions is a tool to account for the capital and operational expenditures and to monitor the accounts payable to suppliers should purchase is made on credit.
Staggered delivery for volume purchases may be requested and terms for payment done on a per delivery basis should likewise be negotiated by the Office of the Manager. Negotiated terms should be documented in writing.

Purchase requests up to P2,500 per single transaction may be purchased thru petty cash payment. Purchase requests in excess of this amount shall require prior approval before purchase is made.

The following shall be the authorized parties for the approval of purchase request for materials and supplies:

a) General Manager – for purchases with amount of up to 5,000
b) Board of Directors – for purchases with amount above 5,000

No splitting of expense shall be allowed for approval of purchase request.

Upon delivery of ordered items from a supplier, the Administration Unit shall be tasked to examine the goods delivered against the items indicated on the Purchase Order (P.O.) and the Supplier’s Invoice.

All deliveries should be properly acknowledged by the Administration Unit staff by signing on the delivery/invoice receipt. Invoice Receipts and/or Delivery Receipts shall be forwarded to Financial Accounting for payment processing if purchase is made on credit.
If purchase is to be paid on cash, the Administration Unit shall initiate processing of payment thru petty cash in accordance with established procedures.

If purchase is made on credit, Financial Accounting shall initiate payment processing on the date that the Invoice is due. An Accounts Payable Voucher (APV) shall be prepared and a copy of the purchase order, if applicable, and/or invoice receipt shall be attached.

The check, together with the APV and attachments shall be forwarded to the Office of the General Manager for review before endorsing to the authorized signatories.

The information on P.O./invoice processed for payment will automatically be captured by the PIP Financial System once the check has been released for payment.

**Accounts Payable Vouchers (APVs)**

APVs shall be classified into two types:

a) APV for trade – for payment of member’s retirement benefits, refunds and other dues payable to retired and non-payroll members

b) APV for non-trade – for payment to suppliers and creditors, monthly payment for dues to SSS, Pag-ibig, BIR and PhilHealth, interest dues to investors and request for cash advance by officers
The following documents shall be needed in processing APVs:

a) APV for Trade
   - Advice from PLDT re resignation/retirement from service of an existing member
   - Printed copy of ledger showing over deduction from non-payroll member’s dues

b) APV for Non-Trade
   - Purchase Order
   - Invoice Receipts/Delivery Receipt
   - Statement of Account
   - Contract, if applicable
   - Request for Cash Advance

Note: Except for SSS, Pag-ibig, BIR and PhilHealth dues, recommendation for payment from the General Manager shall be attached to the applicable documents.

Since the Cooperative adopts the voucher system of accounting for disbursements, Financial Accounting shall be responsible in preparing and processing the Accounts Payable Vouchers (APVs) for all disbursements involving suppliers and other creditors.

APVs for payment of members’ retirement benefits, refunds and other dues payable to retired and non-payroll members shall be initiated by the Loans Processing Unit.
However, preparation of APV shall still be centralized at Financial Accounting.

The following guidelines shall be observed in order to initiate preparation and processing of APV:

**APV for Trade**

a) The Loan Processing Units shall initiate processing of the APV upon receipt of advice of members’ resignation/retirement from service. Upon receipt of advice from PLDT, the loans processor shall compute the net amount payable to the member(s), taking into consideration the last billing cut-off already billed to the member.

b) Processing of APV shall also be initiated by the Loan Processing Unit for all refunds on overpayment, and other dues that are payable to retired and non-payroll members.

c) A request for APV shall be accomplished by the Loans Processor indicating the mathematical computation for the amount payable to the member. This request for APV shall be signed by the General Manager before endorsing to Financial Accounting for the APV preparation.
APV for Non-Trade

d) Receipt of supplier’s delivery shall be acknowledged by the Administration Unit but such delivery should be checked against documents pertaining to its purchase (i.e., request for purchase or purchase order details should match with the description of the item being delivered).

e) Upon receipt of delivery, the Invoice Receipt/ Delivery Receipt/ Purchase Order or Request shall be endorsed to Financial Accounting for payment processing.

f) Financial Accounting shall match the invoices with the Purchase Order or Request for Purchase and Delivery Receipt. Said documents shall be segregated according to payment schedule as reflected in the Invoice Receipt(s).

g) For invoices that are to be paid immediately or under special terms, APV shall be prepared upon receipt of documents. For invoices on a 30-day term, processing of APV shall be 5 working days before the due date.

Financial Accounting shall check the amount reflected in the documents to determine the amount to be paid. Hence, Financial Accounting shall ensure that the following
requirements are satisfied prior to the preparation of APV:

a) Unit cost and quantity stated on the invoices are in accordance with purchase orders and delivery receipts. Any overage on deliveries shall be deducted from the invoice (for APV Non-Trade).

b) Unit cost and quantity stated on the invoices are in accordance with purchase orders and delivery receipts. Any overage on deliveries shall be deducted from the invoice (for APV Non-Trade).

c) Mathematical computations on the documents are correct (for trade and non trade).

d) Amount to be paid should be in accordance with the recommendation for payment, statement of account, invoices, requests for cash advance, etc.

e) Documents are in order, duly approved by authorized officers concerned.

In preparing APV, Financial Accounting shall indicate the payee's name, invoice number, due date, nature of payment, amount and ledger account. The APV shall also be signed by the concerned Financial Accounting staff in the “Prepared By” portion of the APV form subsequently record the information on the subsidiary creditor’s logbook, if any.

The data reflected on the APV shall be entered by Financial Accounting in the PIP System and
a corresponding audit measure shall be performed by the Supervisory Committee in preparation for payment processing.

In processing payment for APVs, Treasury shall prepare/generate corresponding check and/or bank advise depending on the required mode of release as indicated in the APV form.

All APVs together with the required documents shall be forwarded by Treasury to the Board of Director for signature.

Once everything is in order, corresponding check shall be forwarded to the Cashier for release or corresponding bank advise together with the required documents shall be endorsed by the General Manager to the designated bank for crediting to member’s account.

**Cash Advances**

Cash advance shall refer to the amount of money provided to authorized officers/staff to cover anticipated official business expenditures.

Authorized officers/staff shall refer to PECCI Officers, Committee Chairman, Sub-committee Chairman, Finance Officers and members of EDCom Staff.

Official business expenditures shall refer to expenses incurred in the conduct of coop operational events such as general assembly of members, coop symposiums, coop-related conferences or expenses for the education and
training of members and staff, officers’ training and development, coop information campaign and the like.

Request for cash advance shall be covered by a duly accomplished Cash Advance Form and should be supported by an estimated cost of the project/event for which the funds are intended.

The following shall be the approving authorities for request for cash advance:

a) For operational events/concerns:
   - recommended by – Board of Director
   - approved by – Treasury

b) For Committee activity/concerns:
   - recommended by – Committee Chairman
   - approved by – Board Chairman and/or Treasurer

No officer shall be allowed to approve his own request for cash advance. Likewise, no same officer shall be permitted to sign the check voucher for such advance.

The following items shall serve as the procedure in processing of Cash Advance:

Authorized Officer/Staff shall:

a) Prepare request for Cash Advance, indicating the estimated cost of the event/project/activity for which the money is intended.

b) Submit to the authorized officer(s) for the required recommending approval.
Recommending Officer shall:
c) Review the request and sign on the space provided and forward to the next level of authority for approval.

Approving Authority shall:
d) Review the request and sign on the space provided and endorse the request to the General Manager for processing.

General Manager shall:
e) Receive the request and take note of the date the cash advance is needed. After which, endorse the approved request to the Disbursement Bookkeeper for check processing.

Disbursement Bookkeeper shall:
f) Record on the Disbursement Book the cash advance being requested.
g) Print the computer-generated General Voucher and a computer-generated check.
h) Endorse the check, voucher and the approved request to the Treasurer for signature.

Treasurer shall:
i) Review the documents and if everything is in order, sign on the Voucher. After which, endorse the set of documents to the Supervisory Committee for auditing.
Supervisory Committee shall:

j) Audit the check and voucher against the approved request. If everything is in order, attach signature on the voucher.

k) Endorse the set of documents to any two (2) Directors for signature.

Board of Director(s) shall:

l) Sign on the check and turn it over to the Cashier for release.

Cashier shall:

m) Release the check to the officer/staff concerned.

n) Endorse all remaining documents to the Disbursement Bookkeeper for file and reference.

Liquidation of Expenses

Liquidation of expenses should be made within 10 calendar days after the completion of the project/event/activity for which the fund was intended. Failure to liquidate the cash advance within the said period shall be sufficient ground for the automatic deduction of the amount in full from the allowances/salary of the officer concerned.

Liquidation of expenses should be made through the use of the PECCI Liquidation Form and submitted to the General Manager within the prescribed period for liquidation.
Unused/excess cash should be returned back to the Cashier for the issuance of O.R. The O.R. validation no. should be clearly indicated on the Liquidation of Expenses submitted by the Officer.

Liquidation of expenses shall be subject to an audit review by the Supervisory Committee.

The following items shall serve as the procedure in processing Liquidation of Expenses:

**Officer/Staff Concerned shall:**

a) Submit a Liquidation of Expenses to the General Manager with supporting O.R.’s duly attached thereto.

**General Manager shall:**

b) Review the Liquidation and check if all required documents are presented.

c) Sign under the “approved by” portion then forward the form and its attachment to the Supervisory Committee for auditing.

**Supervisory Committee shall:**

d) Audit the entries on the Liquidation Form. After which, endorse the audited liquidation to the Disbursement Bookkeeper for proper booking.

**Disbursement Bookkeeper shall:**

e) Post the audited Liquidation Form on appropriate expense accounts and shall book it accordingly.
Petty Cash Fund/ Revolving Fund/ Emergency Fund

Petty Cash Fund shall refer to the cash on hand advanced to and maintained by the Administration Unit intended to support the small operational expenditures and emergency expenses of the office.

Revolving Fund shall refer to the cash on hand maintained by the Cashier to cover the cash savings withdrawal of members.

Emergency Fund shall refer to the working fund maintained to provide funds for cash advance by Officers, the emergency encashment of checks and emergency expenses that are more than P2,500 per transaction.

The Emergency Fund is under the financial accountability of the Treasurer.

The Administration Unit shall be the Custodian for Petty Cash Fund while the Cashier shall be for the Revolving Fund. As Custodians, they shall be accountable for the proper handling and safekeeping of said funds.

The Supervisory Committee shall conduct a quarterly review of petty cash/revolving fund replenishment in order to determine and monitor whether to increase or decrease the level, depending on expenditure profile for the given period.

The Board of Directors shall set the level to be maintained for revolving fund based on the
recommendation of the Supervisory Committee.

The level for Petty Cash Fund is likewise approved by the Board of Directors, upon the recommendation of the Supervisory Committee who is tasked to determine the need to increase or decrease the amount.

The following guidelines shall be observed in processing Petty Cash Reimbursement:

a) Only expenses that are P2,500 and less shall be reimbursed through the petty cash fund.

b) All requests for petty cash reimbursement shall be made through the Petty Cash Voucher (PCV). Such request must be properly accomplished in handwriting, supported by original copies of O.R. and duly approved by the General Manager.

c) No alterations on the form shall be allowed when requesting for reimbursement from the petty cash fund. The Administration Unit Staff shall not be allowed to correct or alter discrepancies or errors on the form.

d) All petty cash payments should be properly acknowledged by the payee.

e) After payment, the PCV shall be stamped “PAID” with the date of payment indicated thereon.

Replenishment of the petty cash fund shall be made by the Custodian every 15th and 30th day.
7. Financial & Accounting Processes

of the month or as soon as the fund has reached its replenishment level. Request for replenishment should be accompanied by a Summary of Cash disbursed and submitted to the Accounting Section for processing.

Note: At all times, the amount set up for the Petty Cash Fund should equal the cash portion of the fund and the total amount of Petty Cash Vouchers for replenishment.

Replenishment of the Revolving Fund shall likewise be made daily by the Cashier. Request for replenishment shall likewise be accompanied by a Summary of Cash Savings Withdrawal. This request shall be forwarded to the FinAd Section- Cash Disbursement Staff for processing.

Replenishment of Emergency Fund shall be made by the Treasurer, using as basis the summary of disbursement prepared by the General Manager. All requests for replenishment shall be properly supported with O.R.s, Cash Advance Receipts, Check Encashment Document, etc.

FinAd Section- Cash Disbursement Staff shall, upon receipt of request for replenishment, book the cash disbursements to its proper Accounting expense account.

A system-generated Check Voucher shall be prepared together with corresponding check after posting has been made.
In order to generate a CV for replenishment, the Disbursement Officer shall provide data on withdrawals which can be captured from the system. Posting of withdrawals shall automatically be run in the system once the Disbursement Officer accomplishes the CV for replenishment of Revolving Fund.
7. Financial & Accounting Processes

7.3 FIXED ASSETS AND CAPITAL EXPENDITURES

7.3.1 Guidelines for Acquisition

7.3.1.1 Fixed assets include all tangible assets with a useful life beyond one year, are used in the conduct of business, and not intended for sale in the ordinary course of business. Fixed assets include land, building, equipment, motor vehicles, computer and peripherals, office space and the like. Acquisition is made only as the need arises and upon approval by the Board. However, if the amount involved in acquiring fixed assets is considered material, the General Assembly’s approval is necessary before acquisition is made.

7.3.1.2 Purchase of fixed assets such as land, building, office equipment, computer and peripherals, motor vehicle, office space etc, shall only be made upon proper approval by the Board of Directors. Recommendation to acquire shall be made in writing by the General Manager and/or any of the existing Committee stating clearly the justification for such acquisition. A cost benefit analysis should accompany the recommendation for purchase.

7.3.1.3 The Board of Directors shall evaluate the request for purchase, guided by the current financial situation of the Cooperative and the long term benefits that may be derived from the acquisition.

7.3.1.4 The Board of Directors will then discuss the allocation of budget for the requisitioned item. The Treasurer will either grant the request for budget or advise the Board
7.3.1.5 Board approval of purchase should be clearly and properly reflected on the approval sheet, as confirmed by the President. The Treasurer and Secretary will attach their signatures on the approval sheet.

7.3.1.6 Once the request for purchase has been approved, the General Manager may then proceed with the canvassing of quotations. A minimum of three (3) quotations shall be required. The quotation that offers the best value for money shall be selected the winning supplier.

7.3.1.7 The quotations will be summarized by the Office of the General Manager showing the price, unit of measure, and quantity being quoted. If applicable, after sales support contract provisions should likewise be presented. The canvassing sheet should present the one that offers the best value for money.

7.3.1.8 The canvassing sheet shall be attached to the purchase order and these shall be forwarded to the President for notation prior to release to the supplier.

7.3.1.9 Once the ordered item has been delivered, a copy of the invoice shall be posted under accounts payable by the Finance Unit and filed temporarily under payment is due for processing.

7.3.1.10 After receipt of delivery, a property tag shall be attached to the item delivered, indicating the date of purchase, the serial no. and item description. Accordingly, the list of property inventory shall be updated in accordance with existing recording policies. This task shall be under the responsibility of the Admin Unit.
7.3.1.11 Once the payment is due for processing, Financial Accounting Unit will initiate payment processing in conformity with established procedures. Refer to Section 7.2.2 – Accounts Payable Voucher.

7.3.2 Guidelines for Retirement

7.3.2.1 Except for land and building, a fixed asset is considered retirable if the unit is said to have already reached the limit of its economic life.

7.3.2.2 The General Manager shall conduct a periodic assessment of all units and items that have incurred repetitive handling for repair and maintenance. Such units are deemed to be entrants for obsolescence.

7.3.2.3 The General Manager shall submit to the Board a list of units scheduled for retirement, with a justification why such units are being declared obsolete, due for replacement or retirement.

7.3.2.4 As soon as the Board approves the recommendation of the General Manager, the units/items are deleted by the Administration Staff from the property inventory, and accounting records are adjusted by the Finance Unit to reflect the obsolescence status of said items/units.

7.3.2.5 The Audit Staff shall be tasked to determine the base price for these items.

7.3.2.6 Once the base price has been established, the units are then declared for bidding. The employees are given the priority in bidding for the retired units.

7.3.2.7 Bidding shall be under the responsibility of the Audit Staff.
7.3.2.8 Bidding may either be through sealed bids or open bids, depending on the agreed mechanics set forth by the Board.

7.3.2.9 The income derived from the sale of obsolete units/items shall be recorded appropriately.

7.3.3 Determining the Net Book Value

7.3.3.1 Financial Accounting Unit shall be responsible for determining the net book value of fixed assets.

7.3.3.2 Provision for depreciation is based on the straight-line method using group composite rates applied to depreciable property. Consistently followed in prior years, depreciation during the current year is provided at the noted annual rates starting the month following acquisition of the properties.

a) Office Space – 5%
b) Motor vehicle – 20%
c) Office Furniture & Equipment – 20%

7.3.3.3 A depreciation schedule shall be prepared using the following headings:

a) Property Number;
b) Property Description;
c) Month (January to December); and
d) Grand Total

7.3.3.4 Three working papers for retirement, removal and salvage shall be prepared using the following headings:

a) Property Number;
b) Property Description; and
c) Cash Receipts, Payables, and Journal Vouchers.
7.4 MANAGEMENT ENTRIES

7.4.1 Management entries cover the monthly accruals, reversal of entries, and adjustments which are necessary in correcting or aligning entries or records in the accounting books.

7.4.2 A recommendation why such an entry is deemed necessary shall be recommended by the Treasurer after consulting the General Manager and/or Accountant. The said recommendation shall be presented by the Treasurer to the Chairman of the Board for review and approval.

7.4.3 No management entry shall be done by the Accountant/General Manager without the recommendation of the Treasurer and the approval of the Chairman of the Board.

7.4.4 For Process Map on Management Entries (See succeeding page).
7.5 FINANCIAL REPORTS & ACCOUNTING SYSTEM

7.5.1. Definition of Terms

7.5.1.1 Accounting is defined as the art of recording, classifying, summarizing, in a significant manner and in terms of money, transactions and events which are in part at least of a financial character and interpreting the results thereof. Accounting is a service activity as its function is to provide quantitative information, primarily financial in nature, about economic entities that is intended to be useful in making economic decisions;

7.5.1.2 Bookkeeping is the systematic and chronological recording of all transactions that take place in the cooperative. The importance of bookkeeping are as follows:

a) to have a record of whatever changes there are in the financial condition of the credit cooperative;

b) to protect funds;

c) to serve as the guide in the formulation of policies and activities for the coming year;

d) to serve as the source of information necessary for the Board to properly set the policies of the cooperative;

e) to serve as basis of reports to members; and

f) to enable the management to run the affairs of the cooperative and for the preparation of financial statements as mandated by the government.
7. Financial & Accounting Processes

7.5.1.3 **Books of Accounts** is a set of books where business transactions are recorded. These are classified into books of **original entry** and of **final entry**.

a) Books of original entry are the books where entries from source documents are first recorded. These are the cash receipts book, cash disbursements book, and general journal.

b) The book of final entry called general ledger is the book where entries in the books of original entry are posted to the corresponding accounts. It is also called a “reference book” of the accounting system where transactions are classified and summarized. This is the source data for the trial balance and eventually the financial statements.

7.5.1.4 **Financial Statements** are the means by which the information accumulated and processed in financial accounting is periodically communicated to those who use it. They are designed to serve the needs of a variety of users, particularly owners and creditors.

Through the accounting process, the myriad and complex effects of the economic activities of a cooperative are accumulated, analyzed, quantified, classified, recorded, summarized, and reported as information of two basic types:

a) financial condition which relates to a point in time; and

b) financial operations which relates to a period of time.

Notes to the statements, which may explain headings, captions or amounts in the statements or present
7. Financial & Accounting Processes

7.5.1.5 Statement of Financial Condition (balance sheet) presents three major categories a) assets b) liabilities and c) equity, which is the difference between the total assets and total liabilities. The statement of financial condition at any date presents an indication, in conformity with generally accepted accounting principles of the financial status of the Cooperative at a particular point in time.

7.5.1.6 Statement of Operation (Statement of Net Surplus) for a period presents the revenues, expenses, gains, losses, and net surplus (net loss) recognized during the period and thereby presents an indication in conformity with generally accepted accounting principles of the results of the cooperative's service-directed activities during the period. The information presented in the statement of operation is usually considered the most important information provided by financial accounting because the net surplus is a paramount concern to those interested in the economic activities of the cooperative.

7.5.1.7 Statement of Cash Flows is a formal statement summarizing all operating, investing, and financing activities of a cooperative. In simple language, the statement of cash flows provides information about cash receipts and cash payments of a cooperative during a period.
7.5.2. General

7.5.2.1 The general concept of the Cooperative’s accounting system has transactions that are categorized into five (5) major classification:

a) Cash Receipts Register - which is a record of all cash inflows/receipts;

b) Cash Disbursements - which is a record of all cash payments/outlay;

c) Loaning Operation - which is a record of all loans transactions;

d) Purchase on Account and other liabilities - which is a record of the Cooperative’s payables and liabilities; and

e) Others - which consists of records on property inventory, personnel records, etc.

7.5.2.2 Forms and documents serve as official source of information for recording and control of the various transactions of the Cooperative. The data sourced from these forms/documents are posted in the corresponding accounts register which are as follows:

<table>
<thead>
<tr>
<th>Source Documents</th>
<th>Accounts Register</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official Receipts</td>
<td>Cash Receipt</td>
</tr>
<tr>
<td>Validated Bank Deposit Slip</td>
<td></td>
</tr>
<tr>
<td>Petty Cash Voucher</td>
<td></td>
</tr>
<tr>
<td>Replenishment Summary</td>
<td></td>
</tr>
<tr>
<td>General Voucher for Savings</td>
<td></td>
</tr>
<tr>
<td>Withdrawal via check payment</td>
<td></td>
</tr>
<tr>
<td>Revolving Fund Replenishment</td>
<td></td>
</tr>
<tr>
<td>Summary Check Vouchers( for payables)</td>
<td></td>
</tr>
<tr>
<td>Loan Vouchers for loan released via Check</td>
<td></td>
</tr>
<tr>
<td>Loan Voucher for loan released via ATM</td>
<td>Journal</td>
</tr>
<tr>
<td>General Voucher for Savings</td>
<td></td>
</tr>
</tbody>
</table>
7. Financial & Accounting Processes

<table>
<thead>
<tr>
<th>Withdrawal via ATM</th>
<th>Supplier’s Invoice, Bills/Other Documents</th>
<th>Payroll Check-Off</th>
<th>Property Ledger, etc</th>
<th>Journal of Adjustments</th>
</tr>
</thead>
</table>

A report on daily transactions is generated by the system in order to provide a tool in monitoring the financial condition and service profile of the Cooperative. These reports are then translated into financial reports by the Accountant.

7.5.2.3 A trial balance shall be generated by the system every month. This trial balance will serve as the basis for the Accountant in finalizing the Financial Reports which are as follows:

a) Statement of Financial Condition;
b) Statement of Operations; and
c) Statement of Cash Flow

7.5.2.4 The above stated financial reports are prepared regularly, which is every first week of the month following the month being reported.

7.5.3. Income and Expense Accounts

To ensure a uniform classification and recording of transactions of the Cooperative, the following essential accounts are defined as follows. Accounts which are self explanatory are not included below:

7.5.3.1 Assets

a) Cash on Hand- refers to the value of money in the form of bills and checks that are still under the physical possession of the Cooperative. It is
debited for all daily collections and credited when the collections are deposited in the bank.

b) Cash in Bank- the actual money deposited in various banks under the name of the Cooperative. This account is debited when collections are deposited to a current or savings bank account. It is credited for disbursements/withdrawals.

c) Petty Cash Fund- Amount of cash allocated for small operating expenditures. This is debited for the amount set up to take care of petty cash disbursements as well as additions thereto. This account will only be credited/debited when the fund itself has to be increased/reduced.

d) Revolving Fund- amount of cash allocated to meet the savings withdrawal of members. This is debited for the amount set up and additions thereto. This account will only be credited/debited when the fund itself has to be increased/reduced.

e) Emergency Fund- amount of cash allocated to meet emergency operating expenditures in excess of the authorized petty cash limit. This is debited for the amount set up and additions thereto. This account will only be credited/debited when the fund itself has to be increased/reduced.

f) Loans Receivable- the amount borrowed by members in accordance with the Cooperative policies. This is credited upon release of loan and credited upon collection.
7. Financial & Accounting Processes

7. Financial & Accounting Processes

7.5.3.2 Capital

a) Share Capital - this account represents the total amounts due the members for their fixed deposits to the Cooperative. This account is credited for amounts due the members for their fixed deposits to the Cooperative. It is debited upon return of deposit to a resigning member.

7.5.3.3 Liability

a) Savings Deposit Payable - this account is credited for amounts due the members for their savings deposit to the Cooperative. It is debited upon withdrawal by members.

b) Special Savings Deposit Payable - this account is credited for amounts due the members for their special savings deposit with prescriptive period. It is debited upon withdrawal by members.

c) Interest on Share Capital - This account is debited for the amount allocated for interest on share capital payable to members. It is credited upon payment to members in December.
7. Financial & Accounting Processes

- **d)** Patronage Refund Payable - this is debited for the amount allocated by the Board for patronage refunds from the Cooperative’s yearly net savings. It is credited upon payment to members in December.

- **e)** Accrued Expense - This account is credited for expenses incurred but not paid as of the end of the accounting period. It is debited upon payment of obligation.

- **f)** Loans Payable - This account is credited for loans secured on short term basis. It is debited upon payment of the obligation.

- **g)** Withholding Taxes Payable - this is credited for amounts withheld from PECCI employee’s salary. It is debited upon remittance to the BIR.

- **h)** Unearned Interest on Loans - this account is credited for the unearned portion of the interest on loans which was collected in advance. This is debited upon its realization as income.

- **i)** SSS/ECC/Medicare Premium Payable - this account is credited for PECCI’s liability to the SSS for its share and that of the employee’s corresponding contribution for social security, ECC and Medicare premiums. PECCI’s share is set up every payroll period. It is debited upon remittance of the said premium to SSS.

- **j)** Pag-ibig Premium Payable - This account is credited for PECCI’s liability to the Pag-ibig for its share and that of the employee’s corresponding contribution for Pag-ibig premiums. PECCI’s share is set up every payroll
7. Financial & Accounting Processes

7.5.3.4 Income Accounts

a) Interest on Loans - interests earned from loaning operation other than Pangkabuhayan Loan.

b) Service Fees - service fees collected from loaning operation.

c) Membership Fees - membership fees collected from new members.

d) Other Income - This represents income received from sources such as interests on bank deposits, etc.

7.5.3.5 Expense Accounts

a) Salaries and Wages - salaries/wages and remunerations paid to employees for services rendered.

b) Employees Benefits - expenses incurred for the availment of benefits due the employees.

c) Allowance & Per Diem - expenses incurred for the allowances and per diem of Officers of the Cooperative.

d) Water, electricity and telephone bills.
7.6 BUDGETING PLANNING AND CONTROL

7.6.1 Guidelines for Budgeting

7.6.1.1 The Financial Statements provide an insight into the previous year’s level of performance and expenditures. These statements are used by the Board of Directors to control the activities of the Cooperative and to evaluate its effectiveness. As a starting point in the budgeting process, the Board awaits the release of these financial statements to determine the level of the previous year’s performance and have it compared with past performances.

7.6.1.2 After evaluating the Cooperative’s level of performance for the past year, the Finance Committee determines the economic forecasts and profit objectives for the coming year. Along with these objectives is the timetable stating when budgets must be completed.

7.6.1.3 Immediately after the annual schedule of General Assembly the Supervisory Committee, in consultation with the General Manager, starts preparing the Cooperative’s proposals for operating and financial budgets using the guidelines drawn up by the Finance Committee.

7.6.1.4 The General Manager is tasked to consolidate the budgets, after which these shall be forwarded to the Finance Committee for review.

7.6.1.5 If the budget is reviewed and deemed in order by the Finance Committee, it is then forwarded to the Board of Directors for approval.
7.6.2 Budget Revision

7.6.2.1 The annual budget, once approved by the Board of Directors becomes final and can be revised only during mid year revisions or earlier, if circumstances warrant.

7.6.2.2 Budget revision is allowed if there are major changes affecting the second half of the year which were not existing or determinable at the time of budget preparation. Budget revision that increases or decreases the budget from the original projection shall be justified in writing by the General Manager and must be approved by the Board of Directors.
6.1.11 PROCESSING OF REQUEST FOR COOP MEMBERSHIP

This process occurs as needed.

Organization: PECCI  
Process Owner: Educ Committee/ Board of Directors/ MIS  
Version: 1.0  
Date: 30 May 2008  
Page 1 of 1

1. PECCI shall require all prospective members to be Filipino citizens, regular employees or if not, must be immediate family member or 3rd degree relative of a regular member of the Cooperative.

2. For non employees, PECCI shall also require photocopy of medical certificate, marriage contract (if applicant is the spouse) and certificate of live birth (if applicant is dependent children or relative of a regular member of the Cooperative).

3. PECCI shall require initial payment of P15.00 for membership fee and a minimum purchase of one share of capital stock at P100.00 upon filing and submission of application for membership.

Reviewed by: 
Danilo L. Barrientos  
General Manager - PECCI

Approved by: 
Julieta S. Tañeca  
Treasurer - PECCI Board of Directors
This process occurs as needed.

Organization: PECCI
Process Owner: Customer Care/ MIS/ Cashier
Version: 1.0
Date: 30 May 2008
Page 1 of 1

6.2.1.11 HANDLING OF REQUEST FOR REGULAR SAVINGS DEPOSIT

Regular Savings Deposit shall earn an interest of 7% compounded monthly based on the lowest monthly balance. As a requirement to effect salary deduction for savings deposit, the member shall authorize PECCI to deduct a specified amount every payroll period. This shall be initiated by the member thru the request to Increase/Decrease Savings & Fixed Deposit Form. The Deduction Register is a consolidation of accounts receivable per individual member, which include the authorized amount for the member’s savings deposit. The total deductions to be made from an employee’s salary shall be submitted by PECCI to PLDT payroll per established cut-off period. The required documents to be submitted shall be in hard and soft copy (via diskette).

Reviewed by:
Danilo L. Barrientos
General Manager - PECCI

Approved by:
Julieta S. Tañeca
Treasurer - PECCI Board of Directors
6.2.2.8 HANDLING OF REQUEST FOR REGULAR SAVINGS WITHDRAWAL

This process occurs as needed.
Organization: PECCI
Process Owner: CustCare/ GenMgr/ SupvCom/ BOD/ Cashier/ MIS
Version: 1.0
Date: 30 May 2008
Page 1 of 2

The member shall only be allowed with only one withdrawal transaction per day.

For withdrawals up to P10,000, mode of release shall be through Cash.

Otherwise, if withdrawal is above P10,000, ATM and check payments shall be considered, depending on the member’s preference.

For members in provincial exchanges requesting for savings withdrawal, only check and ATM shall be considered as mode of releasing regardless of the amount involved.

Reviewed by:
Danilo L. Barrientos
General Manager - PECCI

Approved by:
Julieta S. Tañeca
Treasurer - PECCI Board of Directors
6.2.2.8 HANDLING OF REQUEST FOR REGULAR SAVINGS WITHDRAWAL

This process occurs as needed.
Organization: PECCI
Process Owner: CustCare/ GenMgr/ SupvCom/ BOD/ Cashier/ MIS
Version: 1.0
Date: 30 May 2008
Page 2 of 2

Release of cash and check withdrawals should be acknowledged by the member or his authorized representative upon receipt.

For control purposes, a separate logbook shall be maintained for manual recording of withdrawal slip numbers released through the ATM. This is to facilitate tracking in case of inquiries from concerned parties.

Reviewed by:
Danilo L. Barrientos
General Manager - PECCI
Approved by:
Julieta S. Tañeca
Treasurer - PECCI Board of Directors
6.2.3.9 HANDLING OF REQUEST FOR SPECIAL SAVINGS DEPOSIT (SSD)/INVESTMENT

This process occurs as needed.

Organization: PECCI
Process Owner: Treasurer
Version: 1.0
Date: 30 May 2008
Page 1 of 1

Placement in the Special Savings Deposit shall be opened to members only when the need arises. This shall be determined by the Treasurer in accordance with the Cooperative's liquidity position as of a given time.

Selection of interested member(s) for entitlement to SSD shall depend on the evaluation and recommendation of the Treasurer and on the capacity of the interested member on providing the needed fund.

Reviewed by:

Danilo L. Barrientos
General Manager - PECCI

Approved by:

Julieta S. Tañeca
Treasurer - PECCI Board of Directors
This process occurs as needed.

Organization: PECCI
Process Owner: Customer Care/ Credit Com/ Fin Acctg/ Supv Com/ Treasury/ BOD/ GenMgr/ Cashier
Version: 1.0
Date: 30 May 2008
Page 1 of 2

6.3.16 PROCESSING OF PECCI STANDARD LOAN SERVICES (REGULAR/ EDUCATIONAL/ EMERGENCY/ CALAMITY/ MINI)

Application for loan shall be made by accomplishing the corresponding Application for Loan Forms, which must be submitted to PECCI through hand-carry, courier or fax.

If the member desires to have his loan released by check (as reflected on the application form), Customer Care shall ensure that the Treasurer’s signature is reflected on the application form itself.

Corresponding copies of the General Vouchers shall provided to the Credit Committee and to the concerned member for file and/or reference purposes.

Reviewed by:
Danilo L. Barrientos
General Manager - PECCI

Approved by:
Julieta S. Tañeca
Treasurer - PECCI Board of Directors
6.3.16 PROCESSING OF PECCI STANDARD LOAN SERVICES (REGULAR/ EDUCATIONAL/ EMERGENCY/ CALAMITY/ MINI)

This process occurs as needed.
Organization: PECCI
Process Owner: Customer Care/ Credit Com/ Fin Acctg/ Supv Com/ Treasury/ BOD/ GenMgr/ Cashier

Version: 1.0
Date: 30 May 2008
Page 2 of 2

Reviewed by:
_____________________
Danilo L. Barrientos
General Manager - PECCI

Approved by:
_____________________
Julieta S. Tañeca
Treasurer - PECCI Board of Directors

All reports (i.e., bank advise, bank diskette, hard copy of the listing, etc) shall be initially submitted to the Board of Directors for signature prior endorsement to the Bank.
6.4.11 PROCESSING OF PANGKABUHAYAN LOAN SERVICE

The Pangkabuhayan Loan Committee shall evaluate the application for Pangkabuhayan Loan. Only applications that satisfy the technical, financial and legal aspects of the project feasibility study attached to the loan applications shall be recommended for board approval.

Reviewed by:

Danilo L. Barrientos
General Manager - PECCI

Approved by:

Julieta S. Tañeca
Treasurer - PECCI Board of Directors
6.4.11 PROCESSING OF PANGKABUHAYAN LOAN SERVICE

This process occurs as needed.
Organization: PECCI
Process Owner: Pangkabuhayan Loan Comm./BOD/Pangkabuhayan Loan Officer/Cashier

The member/borrower shall be considered in default if he fails to pay any three (3) monthly installments on the loan.

In the event of payment default, the entire outstanding loan together with accrued interest charges, fees (if any) and penalties shall become due and demandable. Payment shall be collected in the manner provided for in the loan agreement such as but not limited to proceeding against the individual guarantors and foreclosure of collaterals and other securities offered for the purpose.

Reviewed by:

_____________________
Danilo L. Barrientos
General Manager - PECCI

Approved by:

_____________________
Julia S. Tañeca
Treasurer - PECCI Board of Directors

From page 1

"B2"

Audits Check Voucher based on existing policies
C1

Check voucher prepared accordingly?
Yes

Affixes signature on Check Voucher
C3

Forwards Check to Board of Directors
C4

Returns Check Voucher to Pangkabuhayan Loan Committee for recomputation/rechecking
C2

Refer to page 1 "A4"

Supervisory Committee
C

Board of Directors
D

Pangkabuhayan Loan Officer
E

Cashier
F

From page 1

"B5"

Monitors maturity of post dated check payments
E1

Retrieves check from file and endorse the same to the Cashier for issuance of O.R.
E2

Records on the member’s Pangkabuhayan Loan Ledger the payments posted for the period
E4

Prepares O.R. representing cleared check payment
F1

Notifies member on availability of O.R.
F2

END

Prepares check deposit slip
E3

Forwards signed check to Pangkabuhayan Loan Processor
D2

Signs on the Check
D1

No

Refers to page 1 "B3"

Signed Check

Prepares O.R. representing cleared check payment
F1

Notifies member on availability of O.R.
F2

END

Refer to page 1 "A4"

Prepares O.R. representing cleared check payment
F1

Notifies member on availability of O.R.
F2

END

Prepares check deposit slip
E3

Forwards signed check to Pangkabuhayan Loan Processor
D2

Signs on the Check
D1
6.5.6 PROCESSING OF PATRONAGE DIVIDENDS

This process occurs as needed.

Organization: PECCI
Process Owner: MIS Admin/ Board of Directors
Version: 1.0
Date: 30 May 2008
Page 1 of 1

1 The Board of Directors shall decide on what parameters to use in computing for year-end dividends, taking into consideration the current financial standing of the Cooperative and the net income earned for the period covered.

2 Dividends shall be distributed every end of the year, the release date of which shall be determined by the Board of Directors.

Reviewed by:

__________________________
Danilo L. Barrientos
General Manager - PECCI

Approved by:

__________________________
Julieta S. Tañeca
Treasurer - PECCI Board of Directors
Complaints may be received through telephone calls or walk in.

A logbook shall be maintained to record all complaints received from members.

Reviewed by:

Danilo L. Barrientos
General Manager - PECCI

Approved by:

Julieta S. Tañeca
Treasurer - PECCI Board of Directors
6.7.8 a) HANDLING OF COMPLAINTS - PAYMENTS
(Non posting, Incorrect posting of payment and Overdeduction)

This process occurs as needed.
Organization: PECCI
Process Owner: Customer Care
Version: 1.0
Date: 30 May 2008
Page 2 of 2

Reviewed by:
Danilo L. Barrientos
General Manager - PECCI

Approved by:
Juliesta S. Tańeca
Treasurer - PECCI Board of Directors
6.7.8 b) HANDLING OF COMPLAINTS - SERVICE
(Discourteous service, etc.)

This process occurs as needed.
Organization: PECCI
Process Owner: Customer Care
Version: 1.0
Date: 30 May 2008
Page 1 of 1

1. Complaints may be received through telephone calls or walk in.
2. A logbook shall be maintained to record all complaints received from members.

Reviewed by:
________________________________________
Danilo L. Barrientos
General Manager - PECCI

Approved by:
________________________________________
Julieta S. Tañeca
Treasurer - PECCI Board of Directors
6.9.6 PROCESSING OF REFUND

This process occurs as needed.

Organization: PECCI
Process Owner: Accounting Department
Version: 1.0
Date: 30 May 2008
Page 1 of 2

Reviewed by:
Danilo L. Barrientos
General Manager - PECCI

Approved by:
Julieta S. Tañeca
Treasurer - PECCI Board of Directors

Enters the following information:
- Particulars such as reason for refund;
- Loan No.;
- Transaction type (Refund ATM); and
- Detailed Information such as Account Description, Subsidiary Code, Debit and Credit Amount.
6.9.6 PROCESSING OF REFUND

This process occurs as needed.

Organization: PECCI
Process Owner: Accounting Department
Version: 1.0
Date: 30 May 2008
Page 2 of 2
7.4.4 MANAGEMENT ENTRIES

This process occurs as needed.

Organization: PECCI  
Process Owner: PECCI Treasurer  
Version: 1.0  
Date: 30 May 2008  
Page 1 of 1

Approved by:  
Julieta S. Tañeca  
Treasurer - PECCI Board of Directors

Reviewed by:  
Danilo L. Barrientos  
General Manager - PECCI

1 The Treasurer may consult the General Manager and/or Accountant to determine the appropriate recommendation for management entries.

2 No management entry shall be done by the Accountant/General Manager without the recommendation of the Treasurer and the approval of the Chairman of the Board.

END
EXHIBIT 2

PLDT EMPLOYEES CREDIT COOPERATIVE INCORPORATED
4th Floor, UNIVERSAL - RE BLDG., Paseo de Roxas cor., Pera St., Makati City
Tels. 8926111 loc. 104, 100

DATE: ________________________________

The undersigned would like to request savings deduction in the amount

(Php __________________ )

Every payday as soon as possible.

__________________________________________________________________________
Print name/ signature/ I.D. No.

PLDT EMPLOYEES CREDIT COOPERATIVE INCORPORATED
4th Floor, UNIVERSAL - RE BLDG., Paseo de Roxas cor., Pera St., Makati City
Tels. 8926111 loc. 104, 100

DATE: ________________________________

The undersigned would like to increase/decrease his/her savings deduction from

(Php __________________ ) to

(Php __________________ ) every payday as soon as possible.

__________________________________________________________________________
Print name/ signature/ I.D. No.

PLDT EMPLOYEES CREDIT COOPERATIVE INCORPORATED
4th Floor, UNIVERSAL - RE BLDG., Paseo de Roxas cor., Pera St., Makati City
Tels. 8926111 loc. 104, 100

DATE: ________________________________

The undersigned would like to increase/decrease his/her fixed deposit from

(Php __________________ ) to

(Php __________________ ) every payday as soon as possible.

__________________________________________________________________________
Print name/ signature/ I.D. No.

PLDT EMPLOYEES CREDIT COOPERATIVE INCORPORATED
4th Floor, UNIVERSAL - RE BLDG., Paseo de Roxas cor., Pera St., Makati City
Tels. 8926111 loc. 104, 100

DATE: ________________________________

The undersigned would like to request that his/her savings deduction in the amount of

(Php __________________ )

be stopped as soon as possible.

__________________________________________________________________________
Print name/ signature/ I.D. No.
Exhibit 3

Withdrawal Slip

Receipt No. W

DATE

Checked By

Paid By

Auth. By

Posted By

Received from the PLDT Employees' Cooperative Credit Association, Inc.

Pesos .................................. (P. ............) on account of Book No.

Bal. Dep. F/D (P............) ........................................ Signature of Depositor

Bal. Dep. S/D (P............) .................................................. Print Name

Loan Balance (P............) ........................................ Section

Remarks: .............................................................. I.D. No.

(FOR CASH ONLY)

I hereby authorize ____________________________

NAME OF REPRESENTATIVE

Whose signature appears below to make this withdrawal for me.

__________________________

SIGNATURE OF REPRESENTATIVE

__________________________

SIGNATURE OF DEPOSITOR

RECEIVED PAYMENT WORDS PESOS (P. ............) FIGURES

__________________________

SIGNATURE OF REPRESENTATIVE

Withdrawal Slip

Receipt No. WC-

DATE

Checked By

Paid By

Auth. By

Posted By

Received from the PLDT Employee's Credit Cooperative, Inc.

Pesos .................................. (P. ............) on account of Book No.

Bal. Dep. F/D (P............) ........................................ Signature of Depositor

Bal. Dep. S/D (P............) .................................................. Print Name

Loan Balance (P............) ........................................ Section

Check No. .............................................................. I.D. No.

(FOR CHECK ONLY)
BOARD OF DIRECTORS

ENRIQUE S. PASCUAL, JR.
President

ROLANDO Y. PADAOAN
Senior Vice-President

JULIUS R. USON
Vice President

JULIETA S. TANECA
Treasurer

Jesus Gregorio F. Noriega III
Asst. Treasurer

CESAR E. MENDOZA
Secretary

FILMORE S. DALISAY
Asst. Secretary
SUPERVISORY COMMITTEE

JOEL M. CAMACHO
Chairman

EDUARDO C. MIRANDA
Secretary

EMMA R. LLAMAS
Member

CREDIT COMMITTEE

VICTORIO H. ALCARAZ
Chairman

NOEL P. SANTOS
Secretary

MIGUEL B. DAWIS
Member

EXECUTIVE COMMITTEE

Enrique S. Pascual Jr.
Chairman

Rolando Y. Padaoan
FINANCE COMMITTEE

Jesus Gregorio F. Noriega III
Julieta S. Taneca
Joel M. Camacho
Cesar E. Mendoza
Noel P. Santos

Chairman

TECHNICAL COMMITTEE
Julieta S. Taneca

Enrique S. Pascual Jr.
Chairman

Rolando Y. Padaoan

Cesar E. Mendoza

Joel M. Camacho
My position regarding the manual is as follows (please check the appropriate box below):

1. I concur without comments / No comments. □
2. I concur but with comments below: □

Note: You may also directly put your comments in the draft or write it below.

Concurred By:

__________________________
DANILO L. BARRIENTOS
GENERAL MANAGER – PECCI

__________________________
Date

Comments:

Thank you very much for your feedback. Corresponding revisions shall be made on the draft based on your comments and suggestions.

Eric F. Vicente
Consultant
My position regarding the manual is as follows (please check the appropriate box below):

1. I concur without comments / No comments. □
2. I concur but with comments below: □

Note: You may also directly put your comments in the draft or write it below.

Concurred By:

__________________________
JULIETA S. TAÑECA
TREASURER – PECCI BOARD OF DIRECTORS

__________________________
Date

Comments:

Thank you very much for your feedback. Corresponding revisions shall be made on the draft based on your comments and suggestions.

Eric F. Vicente
Consultant