



# NOTICE

**TO** : MICROFINANCE NGOS, MICROFINANCE NGO CLIENTS, MICROFINANCE INDUSTRY STAKEHOLDERS AND ALL INTERESTED PARTIES

**SUBJECT** : REQUEST FOR COMMENTS ON THE SECOND EXPOSURE DRAFT OF THE MNRC MEMORANDUM CIRCULAR ON THE STANDARD CHART OF ACCOUNTS FOR MICROFINANCE NGOS

During its 30<sup>th</sup> Meeting held on 24 October 2019, the Microfinance NGO Regulatory Council (“MNRC” or the “Council”) approved the second public exposure of the Draft MNRC Memorandum Circular on the Standard Chart of Accounts for Microfinance NGOs.

The Council is inviting microfinance NGOs, their clients, industry stakeholders and all interested parties to submit their written comments on the attached draft circular (with annexes) to the MNRC Secretariat through any of the following modes no later than 04 November 2019:

Letter	MNRC Secretariat SEC Corporate Governance and Finance Department Ground Floor, North Wing Hall, Secretariat Bldg. PICC Complex, Vicente Sotto St. 1307 Pasay City
Email	<a href="mailto:cgfd@sec.gov.ph">cgfd@sec.gov.ph</a>
Fax No.	(02) 818-5990

Please note that the items revised from earlier versions of the draft circular are highlighted. Please use the attached *Comments Table* in submitting comments and proposed revisions.

Issued on 25 October 2019.



**Memorandum Circular No. \_\_\_\_**  
**Series of 2019**

**STANDARD CHART OF ACCOUNTS  
FOR MICROFINANCE NGOS**

**Whereas**, under Section 11 of Republic Act (“R.A.”) No. 10693, otherwise known as the “*Microfinance NGOs Act*”, the Microfinance NGO Regulatory Council (“MNRC”) is an accrediting entity empowered to require the regular submission of reports by Microfinance NGOs (“MF-NGOs”) as it may deem appropriate;

**Whereas**, MNRC Memorandum Circular Nos. 1, 2 and 4, series of 2018 require MF-NGOs to submit a Certification from the Chairperson of the Board of Trustees, President and Chief Financial Officer or his/her equivalent, indicating the adoption of the Standard Chart of Accounts, in the submission of the 2018 Audited Financial Statements and every year thereafter;

**Whereas**, Rule 7, Section 1 of the Implementing Rules and Regulations of R.A. No. 10693 requires MF-NGOs to continue to adopt the standard chart of accounts widely used by MF-NGOs until a new standard chart of accounts shall have been prescribed by the Council;

**Whereas**, Certificates of Accreditation effective for three (3) years have already been issued and are still being issued by the MNRC for the year 2019 and every year thereafter;

**Whereas**, Rule 68<sup>1</sup> of R.A. No. 8799, otherwise known as the “*Securities Regulation Code*”, states that the financial statements prepared and filed by entities covered by the Rule shall be in accordance with the following financial reporting framework, and based on the criteria provided hereunder:

- (1) Philippine Financial Reporting Standards (“PFRS”) for Large and/or Public Interest Entities;
- (2) PFRS for Small and Medium-Sized Entities (“SMEs”) for Medium-Sized Entities; and
- (3) PFRS for Small Entities (“SEs”) for SEs.

**Now Therefore**, the following are hereby promulgated:

1. The MNRC adopts the financial reporting framework provided for by Part I, Section 2(A), Rule 68<sup>2</sup> of R.A. No. 8799 in the case of MF-NGOs;
2. The Standard Chart of Accounts (“SCA”) (attached hereto as Annex 1 and made an integral part of this Memorandum Circular) shall be used by the MF-NGOs beginning calendar year 2020; and
3. As a result of the adoption of a SCA, the Special Form for Financial Statements for MF-NGOs (attached hereto as Annex 2 and made an integral part of this Memorandum Circular) shall be used beginning calendar year 2020.

This circular shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation in the Philippines.

Issued this \_\_\_\_\_, \_\_\_\_\_.

**EMILIO B. AQUINO**  
Chairperson

<sup>1</sup> As revised on 03 October 2019.

<sup>2</sup> *Id.*

**STANDARD CHART OF ACCOUNTS FOR MICROFINANCE NGOS**

**A. STATEMENT OF FINANCIAL POSITION**

<b>CODE</b>	<b>NB</b>	<b>ACCOUNT TITLE</b>	<b>ACCOUNT DESCRIPTION</b>
<b>1-00-00-00-00</b>	<b>DR</b>	<b>ASSETS</b>	<p>An asset is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.</p> <p>The future economic benefit embodied in an asset is the potential to contribute directly and indirectly, to the flow of cash and cash equivalents to the entity. Those cash flows may come from using the asset or from disposing of it.</p>
<b>1-01-00-00-00</b>	<b>DR</b>	<b>CURRENT ASSETS</b>	<p>An entity shall classify an asset as current when:</p> <p>(a) it expects to realize the asset, or intends to sell or consume it, in the entity's normal operating cycle;                      (b) it holds the asset primarily for the purpose of trading;                      (c) it expects to realize the asset within twelve months after the reporting date; or                      (d) the asset is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.</p> <p>Current assets that are sold, consumed or realized as part of the normal operating cycle even when they are not expected to be realized within 12 months after the reporting period. The operating cycle of an entity is the time between the acquisition of assets for processing and their realization in the form of cash or cash equivalents. When the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months.</p>
<b>1-01-01-00-00</b>	<b>DR</b>	<b>CASH AND CASH EQUIVALENTS</b>	<p>Cash is cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Investments normally only qualify as cash equivalent if they have a short maturity of three months or less from the date of acquisition. Financial instruments can only be included if they are in substance cash equivalents, e.g., debt investments with fixed redemption dates that are acquired within a short period of their maturity.</p>
<b>1-01-01-01-00</b>	<b>DR</b>	Cash on Hand	<p>This represents the total amount of undeposited collections in the custody of the cashier. This includes petty cash, revolving funds, undeposited cash collections or cash items awaiting deposit such as client's check, cashier's or manager's checks, traveler's checks, bank drafts and money orders.</p>
<b>1-01-01-02-00</b>	<b>DR</b>	Cash in Bank	<p>Cash held in a bank account that handles the bank transactions of an MF-NGOs. This account refers to money deposited in the bank under the name of the MF-NGOs i.e. savings and current, which may be restricted or unrestricted and available for use in the operations.</p>
<b>1-01-01-03-00</b>	<b>DR</b>	Cash Equivalents	<p>This account refers to short-term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent only when it has short maturity of three (3) months or less from the date of placement.</p>
<b>1-01-02-00-00</b>	<b>DR</b>	<b>SHORT-TERM INVESTMENTS</b>	<p>Any financial debt instrument where return to the MF-NGO is a fixed/variable amount or rate of return over the life of the instrument. These include time deposits with maturities more than 3 months but less than 12 months.</p>
<b>1-01-03-00-00</b>	<b>DR</b>	<b>LOANS RECEIVABLES</b>	<p>This refers to the outstanding balance of microfinance loans granted to clients.</p> <p>These refer to financial assets with fixed or determinable payments that are not quoted in an active market. These are maturing for the following 12 months after the date of Statement of Financial Position.</p>

1-01-03-01-00	DR	<b>Loans Receivables - Microfinance</b>	This pertains to loans granted to clients.
1-01-03-01-01	DR	Accrued Interest Receivables	This account refers to interest earned but not yet received from Microfinance operations.
1-01-03-01-02	CR	Allowance for Impairment Losses	An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount.
1-01-03-02-00	DR	<b>Loans Receivables - Others</b>	This refers to loans receivables other than from microfinance activities, i.e. <b>employees loans</b> .
1-01-03-02-01	DR	Accrued Interest Receivables	This account refers to interest earned but not yet received from other activities.
<b>1-01-04-00-00</b>	<b>DR</b>	<b>OTHER RECEIVABLES</b>	<b>This account refers to any other receivables that cannot be classified above which are expected to be collected within the year.</b>
<b>1-01-04-01-00</b>	<b>DR</b>	<b>Advances to officers and employees</b>	<b>This account refers to advances for official business subject to liquidation in accordance with the policy of the MF-NGOs.</b>
<b>1-01-04-02-00</b>	<b>DR</b>	<b>Others</b>	<b>This account refers to any other receivables that cannot be classified as advances to officers and employees which are expected to be collected within the year.</b>
<b>1-01-04-03-00</b>	<b>CR</b>	<b>Allowance for Impairment Losses</b>	<b>This account refers to the cumulative amount of probable or impairment losses that may arise from non-collection or non-payment on Other Receivables.</b>
1-01-05-00-00	DR	<b>FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)</b>	This is the classification of financial instruments that are held for trading or for which the entity's business model is to manage the financial asset on a fair value basis i.e. to realize the asset through sales as opposed to holding the asset to collect contractual cash flows. This category represents the "default" or "residual" category if the requirements to be classified as amortized cost or Fair Value Through Other Comprehensive Income (FVOCI) are not met. All derivatives would be classified as at Fair Value Through Profit or Loss.
1-01-05-01-00	DR	Investment in Debt	These are investments in Commercial Papers.
1-01-05-02-00	DR	Investment in Shares	These are investment in Common Shares and Preferred Shares.
1-01-05-03-00	CR	<b>Allowance for Impairment Losses</b>	An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount.
1-01-06-00-00	DR	<b>FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)</b>	This is the classification for financial instruments for which an entity has a dual business model, i.e. the business model is achieved by both holding the financial asset to collect the contractual cash flows and through the sale of the financial assets. The characteristics of the contractual cash flows of instruments in this category, must still be solely payments of principal and interest.  The changes in fair value of Fair Value Through Other Comprehensive Income (FVOCI) debt and equity instruments are recognized in other comprehensive income (OCI). Any interest income, foreign exchange gains/losses and impairments are recognized immediately in profit or loss. Fair value changes that have been recognized in OCI are recycled to profit or loss upon disposal of the debt and equity instrument.
1-01-06-01-00	DR	Investment in Debt	These are investment in Commercial Papers.
1-01-06-02-00	DR	Investment in Shares	These are investment in Common Shares and Preferred Shares.

1-01-06-03-00	CR	Allowance for Impairment Losses	An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount.
1-01-07-00-00	DR	FINANCIAL ASSETS AT AMORTIZED COST	The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.
1-01-07-01-00	CR	Allowance for Impairment Losses	This account refers to the cumulative amount of probable or impairment loss incurred on financial assets using the required provisions in the MNRC regulations and in conformity with PFRS.
1-01-08-00-00	DR	AVAILABLE-FOR-SALE FINANCIAL ASSETS	Are any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as:  (a) loans and receivables; (b) held-to-maturity investments; or (c) financial assets at fair value through profit or loss.  This classification is used only for Small and Medium Entities. For companies adopting full PFRS, classification and measurement should be in accordance with the new PFRS 9.
1-01-08-01-00	CR	Allowance for Impairment Losses	This refers to the amount of impairment loss that has been incurred on Available for Sale Securities. The amount shall be the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value.
1-01-09-00-00	DR	HELD-TO-MATURITY INVESTMENT	Held-to-Maturity Investments are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the MF-NGO's management has the positive intention and ability to hold to maturity. These HTM Investments are maturing more than 12 months after the date of Statement of Financial Position.
1-01-09-01-00	CR	Allowance for Impairment Losses	This refers to the cumulative amount of impairment loss that has been incurred on Held-to-Maturity securities.
1-01-10-00-00	DR	DUE FROM RELATED PARTIES	Receivables to be collected from related parties.  A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity):  (a) a person or a close member of that person's family is related to a reporting entity if that person: (i) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity; (ii) has control or joint control over the reporting entity; or (iii) has significant influence over the reporting entity.  (b) an entity is related to a reporting entity if any of the following conditions applies: (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others). (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member). (iii) both entities are joint ventures of the same third entity. (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity. (vi) the entity is controlled or jointly controlled by a person identified in (a). (vii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity. (viii) a person identified in (a)(ii) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

1-01-11-00-00	DR	DUE FROM BRANCH/HEAD OFFICE	This account refers to Inter-office transactions.
1-01-12-00-00	DR	OTHER CURRENT ASSETS	This account refers to any other current assets not classified above which are expected to be realized, consumed or used within the year.
1-01-12-01-00	DR	Supplies	This refers to materials or supplies to be consumed in the process of rendering services.
1-01-12-02-00	DR	Prepayments	Prepayments represent expenses not yet incurred but already paid in cash.  These refer to all pre-payments made by the MF-NGOs (e.g. prepaid expenses, prepaid interests, deposits to suppliers, security deposit for rental).
1-01-12-03-00	DR	Current Tax Assets	Current tax for the current and prior periods is as an asset to the extent that the amounts already paid exceed the amount due. The benefit of a tax loss which can be carried back to recover current tax of a prior period is recognized as an asset.
1-01-12-04-00	DR	Others	This refers to other current assets which are not classified above.
1-02-00-00-00	DR	NON CURRENT ASSETS	All other assets which do not meet the above definition of current assets shall be classified as non-current.
1-02-01-00-00	DR	LOANS RECEIVABLES	These refer to financial assets with fixed or determinable payments that are not quoted in an active market. These are maturing more than 12 months after the date of Statement of Financial Position.
1-02-01-01-00	DR	Loans Receivables - Microfinance	This pertains to loans granted to clients.
1-02-01-01-01	CR	Allowance for Impairment Losses	An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount.
1-02-02-00-00	DR	FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)	This is the classification of financial instruments that are held for trading or for which the entity's business model is to manage the financial asset on a fair value basis i.e. to realize the asset through sales as opposed to holding the asset to collect contractual cash flows. This category represents the "default" or "residual" category if the requirements to be classified as amortized cost or Fair Value Through Other Comprehensive Income (FVOCI) are not met. All derivatives would be classified as at Fair Value Through Profit or Loss.
1-02-02-01-00	DR	Investment in Debt	These Investments are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the MF-NGOs management has the positive intention and ability to hold to maturity.
1-02-02-02-00	DR	Investment in Shares	These are investment in Common Shares and Preferred Shares.
1-02-02-03-00	CR	Allowance for Impairment Losses	An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount.
1-02-03-00-00	DR	INVESTMENT IN SUBSIDIARIES	Subsidiary is an entity where MF-NGO has the power to control and decide on the financial and operating policies of the entity.
1-02-04-00-00	DR	INVESTMENT IN ASSOCIATES	Associate is an entity over which the MF-NGO has significant influence, being the power to participate in the financial and operating policy decisions of the investee (but not control or joint control) over those policies.
1-02-05-00-00	DR	INVESTMENT IN JOINT VENTURES	Joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).  A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint ventures can take the form of jointly controlled operations, jointly controlled assets or jointly controlled entities.

1-02-06-00-00	DR	<b>FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)</b>	<p>This is the classification for financial instruments for which an entity has a dual business model, i.e. the business model is achieved by both holding the financial asset to collect the contractual cash flows and through the sale of the financial assets. The characteristics of the contractual cash flows of instruments in this category, must still be solely payments of principal and interest.</p> <p>The changes in fair value of Fair Value Through Other Comprehensive Income (FVOCI) debt and equity instruments are recognized in other comprehensive income (OCI). Any interest income, foreign exchange gains/losses and impairments are recognized immediately in profit or loss. Fair value changes that have been recognized in OCI are recycled to profit or loss upon disposal of the debt and equity instrument.</p>
1-02-06-01-00	DR	Investment in Debt	These are investments in Commercial Papers.
1-02-06-02-00	DR	Investment in Shares	These are investment in Common Shares and Preferred Shares.
1-02-06-03-00	DR	Other Long Term Investment	Other Investment includes time deposits with more than one year and etc.
1-02-06-04-00	CR	Allowance for Impairment Losses	An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount.
1-02-07-00-00	DR	<b>AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>	<p>Are any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as:</p> <p>(a) loans and receivables;  (b) held-to-maturity investments; or  (c) financial assets at fair value through profit or loss.</p> <p>This classification is used only for Small and Medium Entities. For companies adopting full PFRS, classification and measurement should be in accordance with the new PFRS 9.</p>
1-02-07-01-00	CR	Allowance for Impairment Losses	This refers to the amount of impairment loss that has been incurred on Available for Sale Securities. The amount shall be the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value.
1-02-08-00-00	DR	<b>HELD-TO-MATURITY INVESTMENT</b>	Held-to-Maturity Investments are quoted non-derivative financial assets with fixed or determinable payments and fixed maturities for which the MF-NGO's management has the positive intention and ability to hold to maturity. These HTM Investments are maturing more than 12 months after the date of Statement of Financial Position.
1-02-08-01-00	CR	Allowance for Impairment Losses	This refers to the cumulative amount of impairment loss that has been incurred on Held-to-Maturity securities.
1-02-09-00-00	DR	<b>PROPERTY AND EQUIPMENT</b>	<p>This section applies to accounting for property, plant and equipment and accounting for investment property whose fair value cannot be measured reliably without undue cost or effort on an ongoing basis.</p> <p>Property and equipment are tangible assets that:</p> <p>(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and  (b) are expected to be used during more than one period.</p> <p>Property, plant and equipment does not include:</p> <p>(a) biological assets related to agricultural activity (Specialized Activities); or  (b) mineral rights and mineral reserves, such as oil, natural gas and similar non-regenerative resources.</p>
1-02-09-01-00	DR	Land	This account refers to the acquisition cost of the land used for the MF-NGO's main operations plus incidental costs.

1-02-09-02-00	DR	Land Improvement	This account refers to the cost of the land enhancement.
1-02-09-03-00	DR	Buildings	This account refers to the acquisition cost of the building and its improvements used for the MF-NGO's main operations plus incidental costs. Major repairs or improvements that will prolong the life of the property are considered capitalizable cost.
1-02-09-04-00	DR	Leasehold Improvement	This account refers to the cost of improvements on premises under operating lease including cost of rights and concession rights which are subject to amortization over the useful life of the property or the term of the lease, whichever is shorter.
1-02-09-05-00	DR	Furniture and Fixtures	This account refers to the cost of movable (furniture) and immovable (fixtures) used in the ordinary course of business such as but not limited to desks, chairs, cabinets, computers, vaults including incidental expenses incurred in acquiring them.
1-02-09-06-00	DR	Office Equipment	This account refers to the cost of office equipment used in the operations of the MF-NGOs.
1-02-09-07-00	DR	Transportation Equipment	This account refers to the cost of equipment used in transporting goods, services and personnel such as motorcycles, van, car, and other types of vehicles.
1-02-09-08-00	DR	Construction-in-Progress	This account refers to the cost of materials, labor and other construction-related costs incurred on unfinished construction project, prior to occupancy or actual use.
1-02-09-09-00	DR	Right of Use Asset	The right-of-use asset is a lessee's right to use an asset <b>amortized</b> over the life of a lease.
1-02-09-10-00	DR	Other Equipment	This account refers to Property and Equipment not falling in any of the above categories.
1-02-09-11-00	CR	Accumulated Depreciation	This refers to the accumulated depreciation of all property and equipment excluding land.
1-02-10-00-00	DR	<b>INVESTMENT PROPERTY</b>	Investment property is property (land or a building, or part of a building, or both) held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both, instead for:  (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business.  A property interest that is held by a lessee under an operating lease may be classified and accounted for as investment property using this section if, and only if, the property would otherwise meet the definition of an investment property and the lessee can measure the fair value of the property interest without undue cost or effort on an ongoing basis. This classification alternative is available on a property-by-property basis.  Mixed use property shall be separated between investment property and property, plant and equipment.
1-02-10-01-00	CR	Accumulated Depreciation	<b>This refers to the accumulated depreciation of all investment property excluding land.</b>
1-02-11-00-00	DR	<b>INTANGIBLE ASSETS</b>	An Intangible asset is an identifiable non-monetary asset without physical substance. Such an asset is identifiable when:  (a) it is separable, i.e., capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability, or (b). It arises from the contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.  This section does not apply to the following:



			(a) financial assets; or (b) mineral rights and mineral reserves, such as oil, natural gas and similar non-regenerative resources.
1-02-11-01-00	DR	Computer Software	This account refers to the computer software used by the MF-NGOs in its information system (e.g. loan tracking system, payroll, accounting, etc). This includes costs of acquisition, development and installation.
1-02-11-02-00	DR	Goodwill	This account refers to the future economic benefit arising from assets that are not capable of being individually identified and separately recognized.
1-02-11-03-00	DR	Other Intangible Assets	This account refers to the right for the exclusive use and distribution of products or services acquired from an author or artists such as Trademarks, Copyright, Trade Dress, Newspaper Mastheads, Internet domains, licensing, royalty and standstill agreements.
1-02-11-04-00	CR	Accumulated amortization	MF-NGOs shall allocate the depreciable amount of an intangible asset on a systemic basis over its useful life.
1-02-12-00-00	DR	<b>DEFERRED TAX ASSET</b>	The amounts of income taxes recoverable in future periods in respect of: a) deductible temporary differences; b) the carryforward of unused tax losses, and c) the carryforward of unused tax credits
1-02-13-00-00	DR	<b>RETIREMENT BENEFIT ASSET</b>	If the MF-NGO's present value of the defined benefit obligation at the reporting date is less than the fair value of plan assets at the date, the plan has a surplus. MF-NGOs shall recognize a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.
1-02-14-00-00	DR	<b>OTHER NON CURRENT ASSETS</b>	This pertains to assets which do not fit into any of the preceding classifications. This may include biological assets and long-term assets.
2-00-00-00-00	CR	<b>LIABILITIES</b>	A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of the resources embodying economic benefits.
2-01-00-00-00	CR	<b>CURRENT LIABILITIES</b>	Obligations reasonably expected to be settled within the normal operating cycle that is due within 12 months.  An MF-NGO shall classify a liability as current when:  (a) it expects to settle the liability in its normal operating cycle; (b) it holds the liability primarily for the purpose of trading; (c) the liability is due to be settled within twelve months after the reporting period; or (d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
2-01-01-00-00	CR	<b>MICROSAVINGS</b>	This refers to small amount of money collected by MF-NGOs to its clients for purposes of maintaining a compensating balance.
2-01-01-01-00	CR	Capital Build Up	The total amount of mandatory savings collected from clients which serves as compensating balance. This earns interest and may or may not be withdrawable depending on the MF-NGO policy.

2-01-01-02-00	CR	Voluntary savings	Additional savings collected from clients on top of the Capital Build-Up.
2-01-01-03-00	CR	Accrued Interest- Micro Savings	Interest incurred on microsavings but not yet paid.
2-01-02-00-00	CR	<b>LOANS PAYABLE-CURRENT</b>	The principal balance due within one year from the statement date for all borrowed funds.
2-01-03-00-00	CR	<b>ACCRUED EXPENSES</b>	These refer to all expenses incurred but not yet paid.
2-01-03-01-00	CR	Accrued Interest- Loans Payable	Interest incurred on loans but not yet paid.
2-01-03-02-00	CR	Accrued Employee Salary & Benefits	These refer to expenses incurred for employee salary and benefits but not yet paid.
2-01-03-03-00	CR	Other Accrued Expenses	These refer to all accrued expenses incurred which do not fit into any of the preceding classifications.
2-01-04-00-00	CR	<b>ACCOUNTS PAYABLE</b>	Short-term liabilities due within 12 months, including but not limited to tax liabilities, withholdings, insurance premium collections, obligations to suppliers and litigation.
2-01-05-00-00	CR	<b>DEFERRED DONATIONS AND GRANTS</b>	This account refers to donations or grant given to the MF-NGOs that have not been fully utilized for its intended purpose.
2-01-06-00-00	CR	<b>DUE TO RELATED PARTIES</b>	The amount payable to related parties. Please refer to "Due from Related Parties" for the definition of Related Parties.
2-01-07-00-00	CR	<b>DUE TO HEAD OFFICE/BRANCHES</b>	This account refers to Inter-office transactions.
2-01-08-00-00	CR	<b>LEASE OBLIGATION-CURRENT</b>	This pertains to Lease obligation not more than 12 months.
2-01-09-00-00	CR	<b>FUNDS HELD IN TRUST</b>	This account refers to funds provided by donors in which the MF-NGOs is only the custodian of the fund and has no control over its use.
2-01-10-00-00	CR	<b>OTHER CURRENT LIABILITIES</b>	This account includes statutory liabilities and other liabilities that cannot be classified under specific current liability accounts.
2-02-00-00-00	CR	<b>NON-CURRENT LIABILITIES</b>	Obligations expected to be settled beyond 12 months.
2-02-01-00-00	CR	<b>LOANS PAYABLE - NON-CURRENT</b>	The principal balance due in more than 12 months for all borrowed funds through contractual debt agreements.
2-02-02-00-00	CR	<b>RETIREMENT AND POST-EMPLOYMENT BENEFIT PAYABLE</b>	This account refers to the accumulated retirement and post-employment benefit costs.
2-02-03-00-00	CR	<b>DEFERRED TAX LIABILITIES</b>	The amounts of income taxes payable in future periods in respect of taxable temporary differences
2-02-04-00-00	CR	<b>LEASE OBLIGATION-NON CURRENT</b>	This pertains to lease obligation more than 12 months.
2-02-05-00-00	CR	<b>OTHER NON-CURRENT LIABILITIES</b>	Other long-term liabilities due in more than 12 months such as but not limited to mortgages on real estate, other loans for fixed asset purchases and litigation.
3-00-00-00-00	CR	<b>FUND BALANCE</b>	This refers to the cumulative balance of periodic results of operations, grants and donations received.
3-01-00-00-00	CR	<b>CAPITAL CONTRIBUTION</b>	Capital contribution is a contribution of capital, in the form of money, property, to a business by an owner, partner, or member and result of the spin-off of Microfinance from the parent company.

3-02-00-00-00	CR		<b>GENERAL FUND</b>	This account refers to funds, surplus accumulated over the years in which the MF-NGOs has discretionary control.
3-02-01-00-00	CR		Prior Years Earnings	This pertains to net earnings of previous years
3-02-02-00-00	CR		Current Year Earnings	This pertains to net earnings of current year
3-02-03-00-00	CR		Other Comprehensive Income	Other comprehensive income (OCI) includes revenues and gains that have yet to be realized and expenses and losses that have not yet incurred.
3-02-03-01-00	CR		Net Unrealized (Gains/Losses) on AFS/ <b>FVOCI</b> Investments	<b>Investment in Debt Securities</b> , this refers to the contra account of "Accumulated Market Gains/(Losses) – AFS/ <b>FVOCI</b> Debt Securities". The account is credited for gains and debited for losses from change in the fair value of the AFS/ <b>FVOCI</b> Debt Securities.  <b>Investment in Equity Securities</b> , this refers to the contra account of "Accumulated Market Gains/(Losses) – AFS/ <b>FVOCI</b> Equity Securities". The account is credited for gains and debited for losses from change in the fair value of the AFS/ <b>FVOCI</b> Equity Securities.
3-02-03-02-00	CR		Cumulative Translation Adjustment on Retirement	This refers to result of gain or loss of fair value of the plan assets retirement which are invested in different financial institutions.
3-02-03-03-00	CR		Unrealized (Gains/Losses) on foreign currency translation	This refers to: (i) Exchange component of the gains or losses on foreign currency denominated non-monetary items, where such gains or losses are recognized directly in equity. (ii) Exchange differences arising on a monetary item that forms part of net investment in a foreign operation denominated in the functional currency of the foreign operation.
3-02-03-04-00	CR		Revaluation Surplus	The account refers to changes in the value of capital assets.
3-03-00-00-00	CR		<b>RESTRICTED FUND</b>	This account refers to funds appropriated from the earnings of the MF-NGOs for specific purposes.
3-04-00-00-00	CR		<b>DONATIONS AND GRANTS</b>	This represents donations and grants received by the MF-NGOs from local and foreign donors (i.e. individuals, entities and/or government).
3-05-00-00-00	CR		<b>OTHER FUND BALANCE ACCOUNTS</b>	This pertains to other fund balance accounts.

#### B. STATEMENT OF COMPREHENSIVE INCOME

CODE	NB	ACCOUNT TITLE	ACCOUNT DESCRIPTION
4-00-00-00-00	CR	<b>REVENUE</b>	Increases in economic benefits during the accounting period of the MF-NGOs. These are in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in the fund balance.  Revenue may come from the following transactions and events:  (a) The sale of goods (whether produced by the entity for the purpose of sale or purchased for resale). (b) Rendering of services. (c) construction contracts in which the entity is the contractor (d) The use by others of entity assets yielding interest, royalties or dividends.
4-01-00-00-00	CR	<b>REVENUE FROM MICROFINANCE ACTIVITIES</b>	Income from interest on loans, fees, commissions, and other charges earned on the microfinance activities and services.
4-01-01-00-00	CR	Interest on Loans	This account refers to interest earned on microfinance loans.
4-01-02-00-00	CR	Service Fees-Loans	This account refers to the fees collected for loan processing/servicing/ collecting.

4-01-03-00-00	CR		Fines, Penalties & Surcharges	This account refers to the fees imposed and collected on the delayed amortization payments of the clients.
4-01-04-00-00	CR		Commission on Insurance	This refers to commissions received from licensed insurance providers.
4-02-00-00-00	CR		<b>INTEREST FROM DEPOSITS</b>	<b>This refers to interest income earned from bank deposits.</b>
4-03-00-00-00	CR		<b>DONATIONS AND GRANTS</b>	<b>This represents donations and contributions received by the MF-NGO.</b>
4-04-00-00-00	CR		<b>EARNINGS FROM INVESTMENTS</b>	This refers to the income from non-speculative investments other than the microfinance loan portfolio such as government securities and other listed debt instruments.
4-05-00-00-00	CR		<b>RENT INCOME</b>	<b>This refers to the income earned from rent/lease of owned properties.</b>
4-06-00-00-00	CR		<b>OTHER INCOME</b>	<b>This refers to all other revenues received including but not limited to issuance of members' passbooks and identification cards and others.</b>
4-06-01-00-00	CR		<b>Recovery from Written Off Accounts</b>	<b>This refers to the total amount of principal recovered on all loans written-off. This includes principal on loans that are partially recovered and those that are recovered in full.</b>
4-06-02-00-00	CR		<b>Gain(Loss) On Foreign Exchange</b>	<b>This account refers to gains (losses) from foreign exchange transactions.</b>
4-06-03-00-00	CR		<b>Others</b>	<b>This refers to other income which is not classified above.</b>
5-00-00-00-00	DR		<b>COSTS/EXPENSES</b>	Total amount of expenses incurred in activities directly related to the microfinance operations and costs incurred in activities that indirectly contribute to the generation of revenues.
5-01-00-00-00	DR		<b>OPERATING COSTS</b>	Total amount of expenses incurred in activities directly related to the microfinance operations.
5-01-01-00-00	DR		<b>FINANCE COSTS</b>	This refers to expenses related to borrowing of funds used for operations.
5-01-01-01-00	DR		Interest Expense on microsavings	This refers to interest expense on microsavings of clients.
5-01-01-02-00	DR		Interest and Fee Expense on Borrowing	This refers to all interests and fees incurred on all borrowings that is used to fund the microfinance loan portfolio.
5-01-01-03-00	DR		Others	This refers to other financial costs related to financial services such as interest on non-funding liabilities, interest on mortgages and other loans linked to fixed assets used for operations (e.g. vehicle loans).
5-01-02-00-00	DR		<b>IMPAIRMENT LOSSES</b>	This refers to loan loss provision set aside as an allowance for uncollectible loans.
5-01-03-00-00	DR		<b>PERSONNEL COSTS</b>	This refers to expenses incurred for the personnel of the MF-NGOs.
5-01-03-01-00	DR		Salaries and Wages	<b>This refers to expenses incurred for services rendered by employees directly engaged in operations.</b>
5-01-03-02-00	DR		Employee Benefits	This refers to benefits given to employees other than salaries and wages. This includes but not limited to 13 <sup>th</sup> month pay, insurance, performance incentive, bonuses and de minimis benefits.
5-01-03-03-00	DR		SSS, PAG-IBIG, PHILHEALTH Premium Expense	<b>This refers to expenses incurred for the mandatory benefits such as, SSS, Pag-IBIG, PhilHealth etc.</b>

5-01-03-04-00	DR			Retirement and Post-employment benefit expense	This refers to all forms of consideration given by the MF-NGOs in exchange for service rendered by employees or for the termination of employment.
5-01-04-00-00	DR			<b>OTHER OPERATIONS-RELATED EXPENSES</b>	Other Expenses related to the operations.
5-01-04-01-00				Trainings, Seminars and Conference	This refers to expenses incurred for staffs and officers in attending trainings and seminars including but not limited to in-house trainings.
5-01-04-02-00	DR			Transportation and other travel expense	This refers to expenses incurred by management and staff for transportation while on official travel.
5-01-04-03-00	DR			Stationaries and Office Supplies	This refers to expenses incurred for office supplies used in the conduct of business operations.
5-01-04-04-00	DR			Rent	This refers to expenses incurred for the rental of property and equipment for its operations.
5-01-04-05-00	DR			Interest Expense	This refers to interest expense on lease obligations.
5-01-04-06-00	DR			Utilities	This refers to expenses incurred for the use of utilities (e.g. electricity, water) in the conduct of operations.
5-01-04-07-00	DR			Communication and Postage	This refers to expenses incurred by officers, management and staff for telephone, cellphones, internet, and others communication related items.
5-01-04-08-00	DR			Meetings	This refers to expenses incurred for the conduct of meetings.
5-01-01-09-00	DR			Publication, Printing, Subscription and Membership Dues	This accounts refers to the expenses which include but not limited to: a. Publication of relevant reports and documents; b. Printing of relevant marketing materials; c. Subscription to newspapers and magazines; and d. Membership dues to organizations and/or associations.
5-01-04-10-00	DR			Taxes and Licenses	This refers to expenses incurred for payment of taxes, business permits, licenses, etc.
5-01-04-11-00	DR			Repairs and Maintenance	This refers to expenses incurred for repairs and maintenance of equipment and facilities except those that are subject to capitalization policy.
5-01-04-12-00	DR			Insurance Expense	This refers to expenses incurred for insurance premiums for the assets and bonds of accountable officers.
5-01-04-13-00	DR			Information Technology Expense	This refers to expenses incurred for subscription dues and maintenance of IT system and services.
5-01-04-14-00	DR			General Support Services	This refers to expenses incurred for janitorial, messengerial and other support services.
5-01-04-15-00	DR			Representation Expense	This refers to expenses incurred in representing the MF-NGOs before clients. It is referred to as public relations, generally performed by employees, administrators, directors and other executives of the company, with the purpose of receiving future benefit.
5-01-04-16-00	DR			Depreciation and Amortization	This refers to non-cash expense that allocates purchase cost of an MF-NGO's fixed assets over their useful life. Amortization is used for other tangible assets such as software. If amortization is significant, it should be disclosed and two sub-accounts should be created, i.e. one for depreciation and another for amortization.

5-01-04-17-00	DR			Miscellaneous	This refers to expenses incurred that are not classified in any of the specified expense account.
5-01-05-00-00	DR			<b>CLIENT AND COMMUNITY SERVICES</b>	This refers to expenses incurred by the MF-NGOs in providing social and development related services to the community, the clients and their families (e.g. financial literacy, health, education and scholarship, relief activities, medical missions, transformation, and environmental activities).
5-02-00-00-00	DR			<b>ADMINISTRATIVE COSTS/EXPENSES</b>	This refers to costs incurred in activities that indirectly contribute to the generation of revenues of the MF-NGOs. These include costs such as: oversight, management, general record keeping, general maintenance and similar expenses. In case of joint cost incurred for shared services, 70% shall form part of the operating expenses.
5-02-01-00-00	DR			<b>PERSONNEL COSTS</b>	This refers to expenses incurred for the personnel of the MF-NGOs.
5-02-01-01-00	DR			Salaries and Wages	This refers to expenses incurred for services rendered by employees directly engaged in operations.
5-02-01-02-00	DR			Employee Benefits	This refers to benefits given to employees other than salaries and wages. This includes but not limited to 13 <sup>th</sup> month pay, insurance, performance incentive, bonuses and de minimis benefits.
5-02-01-03-00	DR			SSS, PAG-IBIG, PHILHEALTH Premium Expense	This refers to expenses incurred for the mandatory benefits such as, SSS, Pag-IBIG, PhilHealth etc.
5-02-01-04-00	DR			Retirement and Post-employment benefit expense	This refers to all forms of consideration given by the MF-NGOs in exchange for service rendered by employees or for the termination of employment.
5-02-02-00-00	DR			<b>OTHER ADMINISTRATIVE EXPENSES</b>	Other expenses incurred by MF-NGOs other than expenses enumerated above.
5-02-02-01-00	DR			Trainings, Seminars and Conference	This refers to expenses incurred for staffs and officers in attending trainings and seminars including but not limited to in-house trainings.
5-02-02-02-00	DR			Transportation and other travel expense	This refers to expenses incurred by management and staff for transportation while on official travel.
5-02-02-03-00	DR			Stationaries and Office Supplies	This refers to expenses incurred for office supplies used in the conduct of business operations.
5-02-02-04-00	DR			Rent	This refers to expenses incurred for the rental of property and equipment for its operations.
5-02-02-05-00				Interest Expense	This refers to interest expense on lease obligations.
5-02-02-06-00	DR			Utilities	This refers to expenses incurred for the use of utilities (e.g. electricity, water) in the conduct of operations.
5-02-02-07-00	DR			Communication and Postage	This refers to expenses incurred by officers, management and staff for telephone, cellphones, internet, and others communication related items.
5-02-02-08-00	DR			Meetings	This refers to expenses incurred for the conduct of meetings.
5-02-02-09-00	DR			Publication, Printing, Subscription and Membership Dues	This accounts refers to the expenses which include but not limited to: e. Publication of relevant reports and documents; f. Printing of relevant marketing materials; g. Subscription to newspapers and magazines; and h. Membership dues to organizations and/or associations.

5-02-02-10-00	DR			Repairs and Maintenance	This refers to expenses incurred for repairs and maintenance of equipment and facilities except those that are subject to capitalization policy.
5-02-02-11-00	DR			Insurance Expense	This refers to expenses incurred for insurance premiums for the assets and bonds of accountable officers.
5-02-02-12-00	DR			Information Technology Expenses	This refers to expenses incurred for subscription dues and maintenance of IT system and services.
5-02-02-13-00	DR			General Support Services	This refers to expenses incurred for janitorial, messengerial and other support services.
5-02-02-14-00	DR			Representation Expense	This refers to expenses incurred in representing the MF-NGOs before clients. It is referred to as public relations, generally performed by employees, administrators, directors and other executives of the company, with the purpose of receiving future benefit.
5-02-02-15-00	DR			Depreciation and Amortization	This refers to non-cash expense that allocates purchase cost of an MF-NGO's fixed assets over their useful life. Amortization is used for other tangible assets such as software. If amortization is significant, it should be disclosed and two sub-accounts should be created, i.e. one for depreciation and another for amortization.
5-02-02-16-00	DR			Charitable Contribution	This refers to expenses incurred in providing donations, contributions to third parties.
5-02-02-17-00	DR			Research and Development	This refers to expenses related to conduct of research related to the improvement of existing products and development of new products.
5-02-02-18-00	DR			Consultancy and Professional Fees	This account includes but not limited to professional fees paid to consultants, external auditors and lawyers.
5-02-02-19-00	DR			Miscellaneous	This refers to expenses incurred that are not classified in any of the specified expense account.
6-00-00-00-00	DR	TAXES			This refers to taxes imposed and collected by the national government through the Bureau of Internal Revenue (BIR) and local taxes refer to those imposed and collected by the local government.
6-01-00-00-00	DR	INCOME TAX EXPENSE			Taxes on income received from Microfinance operations. The Current Income Tax Expense is based on RA No. 10693 otherwise Known as "Microfinance NGOs Act" which subjects the MF-NGO to a 2% tax based on its gross receipts from microfinance operations in lieu of all national taxes. Based on RA No. 10693, the MF-NGO elected to recognize the 2% tax on gross receipts as a regular income tax.  Gross receipts from microfinance operations shall refer to the gross interest income, penalties, surcharges, commissions and discounts, service and general fees, and other charges related to microfinance operations actually or constructively received without any deduction of any kind or nature.
6-02-00-00-00	DR	CORPORATE TAX EXPENSE			This refers to other income received by the MF-NGO subject to Corporate Income Taxes
6-03-00-00-00	DR	SPECIAL TAX RATE EXPENSE			This refers to taxes on gross receipts from non-microfinance operations. (e.g. percentage tax or value added tax).
7-00-00-00-00	CR	NET INCOME			This refers to the residual amount of earnings after all expenses have been deducted.

**SPECIAL FORM OF FINANCIAL STATEMENTS FOR MF-NGOs**

NAME OF CORPORATION: \_\_\_\_\_  
 CURRENT ADDRESS: \_\_\_\_\_  
 TEL. NO.: \_\_\_\_\_ FAX NO.: \_\_\_\_\_  
 COMPANY TYPE : \_\_\_\_\_

*If these are based on consolidated financial statements, please so indicate in the caption.*

**Table 1. STATEMENT OF FINANCIAL POSITION**

FINANCIAL DATA	2019 ( in P'000 )	2020 ( in P'000 )
<b>1-00-00-00-00 ASSETS</b>		
1-01-00-00-00 Current Assets		
1-01-01-00-00 Cash and cash equivalents		
1-01-01-01-00 Cash on Hand		
1-01-01-02-00 Cash in Bank		
1-01-01-03-00 Cash Equivalents		
1-01-02-00-00 Short-Term Investments		
1-01-03-00-00 Loans Receivables		
1-01-03-01-00 Loans Receivables - Microfinance		
1-01-03-01-01 Accrued Interest Receivables		
1-01-03-01-02 Allowance for Impairment Losses		
1-01-03-02-00 Loans Receivables - Others		
1-01-03-02-01 Accrued Interest Receivables		
1-01-04-00-00 Other Receivables		
1-01-04-01-00 Advances to officers and employees		
1-01-04-02-00 Others		
1-01-04-03-00 Allowance for Impairment Losses		
1-01-05-00-00 Financial Asset at Fair Value through Profit or Loss (FVPL)		
1-01-05-01-00 Investment in Debt		
1-01-05-02-00 Investment in Shares		
1-01-05-03-00 Allowance for Impairment Losses		
1-01-06-00-00 Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)		
1-01-06-01-00 Investment in Debt		
1-01-06-02-00 Investment in Shares		
1-01-06-03-00 Allowance for Impairment Losses		
1-01-07-00-00 Financial Assets at Amortized Cost		
1-01-07-01-00 Allowance for Impairment Losses		
1-01-08-00-00 Available-for-Sale Financial Assets		
1-01-08-01-00 Allowance for Impairment Losses		
1-01-09-00-00 Held-to-Maturity Investment		
1-01-09-01-00 Allowance for Impairment Losses		
1-01-10-00-00 Due from Related Parties		
1-01-11-00-00 Due from Branch/Head Office		
1-01-12-00-00 Other Current Assets		
1-01-12-01-00 Supplies		
1-01-12-02-00 Prepayments		
1-01-12-03-00 Current Tax Assets		
1-01-12-04-00 Others		
1-02-00-00-00 Non Current Assets		
1-02-01-00-00 Loans Receivables		
1-02-01-01-00 Loans Receivables - Microfinance		
1-02-01-01-01 Allowance for Impairment Losses		



**SPECIAL FORM OF FINANCIAL STATEMENTS FOR MF-NGOs**

NAME OF CORPORATION: \_\_\_\_\_  
 CURRENT ADDRESS: \_\_\_\_\_  
 TEL. NO.: \_\_\_\_\_ FAX NO.: \_\_\_\_\_  
 COMPANY TYPE : \_\_\_\_\_

*If these are based on consolidated financial statements, please so indicate in the caption.*

**Table 1.STATEMENT OF FINANCIAL POSITION**

FINANCIAL DATA	2019 ( in P'000 )	2020 ( in P'000 )
1-02-02-00-00 Financial Asset at Fair Value through Profit or Loss (FVPL)		
1-02-02-01-00 Investment in Debt		
1-02-02-02-00 Investment in Shares		
1-02-02-03-00 Investment for Impairment Losses		
1-02-03-00-00 Investment in Subsidiaries		
1-02-04-00-00 Investment in Associates		
1-02-05-00-00 Investment in Joint Ventures		
1-02-06-00-00 Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)		
1-02-06-01-00 Investment in Debt		
1-02-06-02-00 Investment in Shares		
1-02-06-03-00 Other Long Term Investment		
1-02-06-04-00 Investment for Impairment Losses		
1-02-07-00-00 Available-for-Sale Financial Assets		
1-02-07-01-00 Allowance for Impairment Losses		
1-02-08-00-00 Held-to-Maturity Investment		
1-02-08-01-00 Allowance for Impairment Losses		
1-02-09-00-00 Property and Equipment		
1-02-09-01-00 Land		
1-02-09-02-00 Land Improvement		
1-02-09-03-00 Buildings		
1-02-09-04-00 Leasehold Improvement		
1-02-09-05-00 Furniture and Fixtures		
1-02-09-06-00 Office Equipment		
1-02-09-07-00 Transportation Equipment		
1-02-09-08-00 Construction-in-Progress		
1-02-09-09-00 Right of Use Asset		
1-02-09-10-00 Other Equipment		
1-02-09-11-00 Accumulated Depreciation		
1-02-10-00-00 Investment Property		
1-02-10-01-00 Accumulated Depreciation		
1-02-11-00-00 Intangible Assets		
1-02-11-01-00 Computer Software		
1-02-11-02-00 Goodwill		
1-02-11-03-00 Other Intangible Assets		
1-02-11-04-00 Accumulated Amortization		
1-02-12-00-00 Deferred Tax Asset		
1-02-13-00-00 Retirement Benefit Asset		
1-02-14-00-00 Other Non Current Assets		
<b>2-00-00-00-00 LIABILITIES</b>		
2-01-00-00-00 Current Liabilities		
2-01-01-00-00 Microsavings		
2-01-01-01-00 Capital Build Up		
2-01-01-02-00 Voluntary savings		

Control No.: \_\_\_\_\_  
 Form Type: SFFS (MF-NGO)

**SPECIAL FORM OF FINANCIAL STATEMENTS FOR MF-NGOs**

NAME OF CORPORATION: \_\_\_\_\_  
 CURRENT ADDRESS: \_\_\_\_\_  
 TEL. NO.: \_\_\_\_\_ FAX NO.: \_\_\_\_\_  
 COMPANY TYPE : \_\_\_\_\_

*If these are based on consolidated financial statements, please so indicate in the caption.*

**Table 1. STATEMENT OF FINANCIAL POSITION**

FINANCIAL DATA	2019 ( in P'000 )	2020 ( in P'000 )
2-01-01-03-00 Accrued Interest - Micro Savings		
2-01-02-00-00 Loans Payable - Current		
2-01-03-00-00 Accrued Expenses		
2-01-03-01-00 Accrued Interest - Loans Payable		
2-01-03-02-00 Accrued Employee Salary & Benefits		
2-01-03-03-00 Other Accrued Expenses		
2-01-04-00-00 Accounts Payable		
2-01-05-00-00 Deferred Donations and Grants		
2-01-06-00-00 Due to Related Parties		
2-01-07-00-00 Due to Head Office/Branches		
2-01-08-00-00 Lease Obligation-Current		
2-01-09-00-00 Fund Held in Trust		
2-01-10-00-00 Other Current Liabilities		
2-02-00-00-00 Non Current Liabilities		
2-02-01-00-00 Loans Payable - Non Current		
2-02-02-00-00 Retirement and Post-Employment Benefit Payable		
2-02-03-00-00 Deferred Tax Liabilities		
2-02-04-00-00 Lease Obligation-Non Current		
2-02-05-00-00 Other Non-Current Liabilities		
<b>3-00-00-00-00 FUND BALANCE</b>		
3-01-00-00-00 Capital Contribution		
3-02-00-00-00 General Fund		
3-02-01-00-00 Prior Years Earnings		
3-02-02-00-00 Current Year Earnings		
3-02-03-00-00 Other Comprehensive Income		
3-02-03-01-00 Net Unrealized (Gains/Losses) on AFS/FVOCI Investments		
3-02-03-02-00 Cumulative Translation Adjustment on Retirement		
3-02-03-03-00 Unrealized (Gains/Losses) on foreign currency translation		
3-02-03-04-00 Revaluation Surplus		
3-03-00-00-00 Restricted Fund		
3-04-00-00-00 Donations and Grants		
3-05-00-00-00 Other Fund Balance Accounts		

**SPECIAL FORM OF FINANCIAL STATEMENTS FOR MF-NGOs**

NAME OF CORPORATION: \_\_\_\_\_  
 CURRENT ADDRESS: \_\_\_\_\_  
 TEL. NO.: \_\_\_\_\_ FAX NO.: \_\_\_\_\_  
 COMPANY TYPE : \_\_\_\_\_

*If these are based on consolidated financial statements, please so indicate in the caption.*

**Table 2. STATEMENT OF COMPREHENSIVE INCOME**

FINANCIAL DATA	2019 ( in P'000 )	2020 ( in P'000 )
<b>4-00-00-00 REVENUE (A.1 + A.2 + A.3 + A.4)</b>		
4-01-00-00-00 Revenue from Microfinance Activities		
4-01-01-00-00 Interest on Loans		
4-01-02-00-00 Service Fees - Loans		
4-01-03-00-00 Fines, Penalties & Surcharges		
4-01-04-00-00 Commission on Insurance		
4-02-00-00-00 Interest from Deposits		
4-03-00-00-00 Donations and Grants		
4-04-00-00-00 Earnings from Investments		
4-05-00-00-00 Rent Income		
4-06-00-00-00 Other Income		
4-06-01-00-00 Recovery from Written Off Accounts		
4-06-02-00-00 Gain (Loss) on Foreign Exchange		
4-06-03-00-00 Others		
<b>5-00-00-00-00 COST/EXPENSES (B.1 + B.2 + B.3 + B.4 + B.5 + B.6 + B.7 + B.8 + B.9)</b>		
5-01-00-00-00 Operating Costs		
5-01-01-00-00 Finance Costs		
5-01-01-01-00 Interest Expense on microsavings		
5-01-01-02-00 Interest and Fee Expense on Borrowing		
5-01-01-03-00 Others		
5-01-02-00-00 Impairment Losses		
5-01-03-00-00 Personnel Costs		
5-01-03-01-00 Salaries and Wages		
5-01-03-02-00 Employee Benefits		
5-01-03-03-00 SSS, PAG-IBIG, PHILHEALTH Premium Expense		
5-01-03-04-00 Retirement and Post employment benefit expense		
5-01-04-00-00 Other Operations-Related Expenses		
5-01-04-01-00 Trainings, Seminars and Conference		
5-01-04-02-00 Transportation and other travel expense		
5-01-04-03-00 Stationaries and Office Supplies		
5-01-04-04-00 Rent		
5-01-04-05-00 Interest Expense		
5-01-04-06-00 Utilities		
5-01-04-07-00 Communication and Postage		
5-01-04-08-00 Meetings		
5-01-01-09-00 Publication, Printing, Subscription and Membership Dues		
5-01-04-10-00 Taxes and Licenses		
5-01-04-11-00 Repairs and Maintenance		
5-01-04-12-00 Insurance Expense		
5-01-04-13-00 Information Technology Expense		
5-01-04-14-00 General Support Services		
5-01-04-15-00 Representation Expense		
5-01-04-16-00 Depreciation and Amortization		
5-01-04-17-00 Miscellaneous		
5-01-05-00-00 Client and Community Services		
5-02-00-00-00 Administrative Costs/Expenses		
5-02-01-00-00 Personnel Costs		
5-02-01-01-00 Salaries and Wages		
5-02-01-02-00 Employee Benefits		
5-02-01-03-00 SSS, PAG-IBIG, PHILHEALTH Premium Expense		
5-02-01-04-00 Retirement and Post employment benefit expense		
5-02-02-00-00 Other Operations-Related Expenses		
5-02-02-01-00 Trainings, Seminars and Conference		
5-02-02-02-00 Transportation and other travel expense		
5-02-02-03-00 Stationaries and Office Supplies		
5-02-02-04-00 Rent		
5-02-02-05-00 Interest Expense		
5-02-02-06-00 Utilities		
5-02-02-07-00 Communication and Postage		
5-02-02-08-00 Meetings		
5-02-02-09-00 Publication, Printing, Subscription and Membership Dues		
5-02-02-10-00 Repairs and Maintenance		
5-02-02-11-00 Insurance Expense		
5-02-02-12-00 Information Technology Expense		
5-02-02-13-00 General Support Services		
5-02-02-14-00 Representation Expense		

5-02-02-15-00 Depreciation and Amortization		
5-02-02-16-00 Charitable Contribution		
5-02-02-17-00 Research and Development		
5-02-02-18-00 Consultancy and Professional Fees		
5-02-02-19-00 Miscellaneous		
<b>6-00-00-00-00 TAXES (B.1 + B.2 + B.3 + B.4 + B.5 + B.6 + B.7 + B.8 + B.9)</b>		
6-01-00-00-00 Income Tax Expense		
6-02-00-00-00 Corporate Tax Expense		
6-03-00-00-00 Special Tax Rate Expense		
<b>7-00-00-00-00 NET INCOME</b>		

**SPECIAL FORM OF FINANCIAL STATEMENTS FOR MF-NGOs**

NAME OF CORPORATION: \_\_\_\_\_  
 CURRENT ADDRESS: \_\_\_\_\_  
 TEL. NO.: \_\_\_\_\_ FAX NO.: \_\_\_\_\_  
 COMPANY TYPE: \_\_\_\_\_

*If these are based on consolidated financial statements, please so indicate in the caption.*

**Table 3. STATEMENT OF CASH FLOW**

FINANCIAL DATA	2019 ( in P'000 )	2020 ( in P'000 )
Cash flow from Operating Activities:		
Cash provided by Operation:		
Depreciation and Amortization		
Allowance for Impairment Losses		
Changes in Assets and Liabilities		
(Increase)/Decrease in:		
Loans Receivables		
Other Receivables		
Other Current Assets		
Increase/(Decrease) in:		
Loans Payable - Current		
Accrued Expenses		
Accounts Payable		
Other Current Liabilities		
Deferred Tax Asset		
Retirement Benefit Asset		
Deferred Donations and Grants		
Due to Related Parties		
Due to Head Office/Branches		
Lease Obligation-Current		
Fund Held in Trust		
Net Cash from Operating Activities		
Cash flow from Investing Activities :		
(Increase)/Decrease in:		
Property and Equipment		
Short-Term Investments		
Financial Asset at Fair Value through Profit or Loss (FVPL)		
Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)		
Financial Assets at Amortized Cost		
Available-for-Sale Financial Assets		
Held-to-Maturity Investment		
Investment in Subsidiaries		
Investment in Associates		
Investment in Joint Ventures		
Investment Property		
Intangible Assets		
Other Non Current Assets		
Net Cash from Investing Activities		
Cash flow from Financing Activities :		
(Increase)/Decrease in:		
Microsavings		
Non Current Liabilities		
Capital Contribution		
General Fund		
Restricted Fund		
Donations and Grants		
Other Fund Balance Accounts		
Net cash from Financing Activities		
Net (Increase)/Decrease in Cash		
Cash Balance, Beginning		
Cash Balance, End		

Control No.: \_\_\_\_\_  
 Form Type: SFFS (MF-NGO)

**SPECIAL FORM OF FINANCIAL STATEMENTS FOR MF-NGOs**

NAME OF CORPORATION: \_\_\_\_\_  
 CURRENT ADDRESS: \_\_\_\_\_  
 TEL. NO.: \_\_\_\_\_ FAX NO.: \_\_\_\_\_  
 COMPANY TYPE: \_\_\_\_\_

*If these are based on consolidated financial statements, please so indicate in the caption.*

**Table 4.STATEMENT OF CHANGES IN FUND BALANCE**

FINANCIAL DATA	2019 ( in P'000 )	2020 ( in P'000 )
Fund Balance		
Capital Contribution		
Balance, Beginning		
Add: Current Allocation		
Total		
Less: Charges		
Balance, End		
General Fund		
Balance, Beginning		
Add: Current Allocation		
Total		
Less: Charges		
Balance, End		
Restricted Fund		
Balance, Beginning		
Add: Current Allocation		
Total		
Less: Charges		
Balance, End		
Donations and Grants		
Balance, Beginning		
Add: Current Allocation		
Total		
Less: Charges		
Balance, End		
Other Fund Balance Accounts		
Balance, Beginning		
Add: Current Allocation		
Total		
Less: Charges		
Balance, End		



**COMMENTS ON THE PROPOSED MNRC MEMORANDUM CIRCULAR  
ON THE STANDARD CHART OF ACCOUNTS FOR MICROFINANCE NGOS**

NAME: \_\_\_\_\_

COMPANY: \_\_\_\_\_

MEMORANDUM CIRCULAR / STANDARD CHART OF ACCOUNTS / SPECIAL FORM OF FINANCIAL STATEMENTS FOR MICROFINANCE NGOS ("MF-NGOS")	COMMENTS	PROPOSED REVISION/S	ESTIMATED COST IMPLICATIONS <sup>1</sup> TO COMPLY WITH MEMORANDUM CIRCULAR / STANDARD CHART OF ACCOUNTS / SPECIAL FORM OF FINANCIAL STATEMENTS FOR MF- NGOS
1. The MNRC adopts the financial reporting framework provided for by Part I, Section 2(A), Rule 68 <sup>2</sup> of R.A. No. 8799 in the case of MF-NGOs;			
2. The Standard Chart of Accounts ("SCA") (attached hereto as Annex 1 and made an integral part of this Memorandum Circular) shall be used by the MF-NGOs beginning calendar year 2020; and			
3. As a result of the adoption of a SCA, the Special Form of Financial Statements for MF-NGOs (attached hereto as Annex 3 and made an integral part of this Memorandum			

<sup>1</sup> Please indicate cost item/particular and estimated amount, e.g. Labor Cost - P537.00/day.

<sup>2</sup> As revised on 03 October 2019.

Circular) shall be used beginning calendar year 2020.			
<b>Note:</b> <i>For comments on Annex 1, please specify the Code, NB and Account Title in this column.</i>			
<b>Note:</b> <i>For comments on Annex 2, please specify the Table and Financial Data in this column.</i>			