



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila

Head Office:
P.O. Box 3589 Manila
FAX No. 522-14-34
Tel. Nos. 523-84-61 to 70
Website : www.insurance.gov.ph

Circular Letter (CL) No.:	2014-41
Date:	25 September 2014
Superseded:	

CIRCULAR LETTER

TO : ALL NEW AND EXISTING MUTUAL BENEFITS ASSOCIATIONS (MBAs) DOING BUSINESS IN THE PHILIPPINES

SUBJECT : STANDARD CHART OF ACCOUNTS (SCA) FOR MBAs

In line with the requirements of SRC Rule 68, Section 189 of The Amended Insurance Code, and current accounting standards in the Philippines, a revised SCA for MBAs are hereby issued to be maintained in the MBAs' books.

The SCA for MBAs will list a uniform system of account numbers categorized based on MBAs' revenue, expenses, assets, liabilities and fund value for similar transactions and events, in compliance with the latest Philippine Accounting Standards (PAS) and Philippine Financial Reporting Standards (PFRS).

The SCA for MBAs aims to fulfill the following objectives:

- 1) To establish uniform, comprehensive, minimum chart of accounts to improve financial data collection, reporting, accuracy and comparability;
- 2) To meet both the internal and external reporting requirements;
- 3) To ensure that MBAs comply with the generally accepted accounting principles (PAS/PFRS);
- 4) To allow for timely and accurate recording of financial transactions;
- 5) To allow for logical framework that can be used to determine where the funds are allocated and used in compliance with the requirements of The Amended Insurance Code; and
- 6) To provide comprehensive, full disclosure of the Financial Position of the MBA to its members and regulators.

Account Titles are presented in the SCA for MBAs according to their economic characteristics and elements of financial statements such as assets, liabilities, fund balance, revenues, expenses and other comprehensive revenues. Each element is assigned a unique account number as presented in Annex A.

Some of the account classifications are further classified or have sub-classifications. The detailed descriptions of the accounts are discussed in Annex A and a pro-forma Financial Statements in Annex B.

The SCA for MBAs will be subjected for review once every three (3) years to assess its compliance with the PAS/PFRS and/or other applicable regulations and standards.

This CL No. 2014-41 shall take effect immediately and will be used in the financial statement for calendar year 2014. Signed this 25th day of September, 2014.



EMMANUEL F. DOOC
Insurance Commissioner

Attachments: As stated
CC: Office of the Secretary, Department of Finance

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
111000	<p>ASSETS</p> <p>Economic Resources of MBAs that are recognized and measured in conformity with Philippine Financial Reporting Standards (PFRSs).</p> <p>This represents resources controlled by the MBA (entity) as a result of past events and which future economic benefits are expected to flow to the MBA (Framework for the Preparation and Presentation of Financial Statements (1989), paragraph 4.4 (a)).</p>	DR
111000 – 116300	<p>CURRENT ASSETS</p> <p>Cash and other assets that are reasonably expected to be realized in cash or intended for sale or consummation within twelve (12) months after the reporting period (balance sheet date), or the normal operating cycle of the business, unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period (balance sheet date) (PAS 1, paragraph 66).</p>	DR
111000	<p>Cash and Cash Equivalents</p> <p>Cash includes money and any other negotiable instrument that is receivable in money and acceptable by the bank for deposit and immediate credit. Cash comprises cash on hand and demand deposits (PAS 7, paragraph 6).</p> <p>Cash equivalents are short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value (PAS 7, paragraph 6). Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. An investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition. (PAS 7, paragraph 7).</p>	DR
111100	<p>Cash on Hand</p> <p>This represents the total amount of undeposited collections in the custody of the cashier. This includes any acceptable currency notes and coins, checks, bank drafts, Postal Money Orders, and other cash items in favor of the MBA that is awaiting deposit within the day or the following banking day. This does not include postdated checks (PDCs) and returned checks which have been dishonored by the bank due to insufficient funds.</p>	DR

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STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
111200	<p>Petty Cash Fund</p> <p>This represents the fund established to defray immediate minimal disbursements which are evidenced by duly accomplished and approved petty cash vouchers with the corresponding supporting receipts and/or other supporting documents. This fund shall be maintained under an imprest system.</p>	DR
111300	<p>Cash in Banks</p> <p>This account refers to money deposited in the bank under the name of the MBA i.e. savings, current, and combo-account which are unrestricted and available for use in the current operations. A subsidiary ledger shall be maintained for each bank account and may include the following:</p>	DR
111310	<i>Cash in Banks – Savings</i>	DR
111320	<i>Cash in Banks – Current/Checking</i>	DR
111330	<i>Cash in Banks – Combo-Account</i>	DR
111340	<i>Cash in Banks – Other Account</i>	DR
111400	<p>Cash Equivalents</p> <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 (PAS 7, paragraph 6). An investment normally qualifies as a cash equivalent only when it has short maturity of three (3) months or less from the date of acquisition (PAS 7, paragraph 7) (e.g. three-month debt securities, debt securities purchased three (3) months before maturity). Time deposits and investments maturing beyond 3 months are presented under Short-term Financial Assets. A subsidiary ledger shall be maintained for each account and may include the following:</p>	DR
111410	<i>Cash Equivalents – Time Deposits</i>	DR
111420	<i>Cash Equivalents – Money Market Instruments</i>	DR
111430	<i>Cash Equivalents – Others</i>	DR
<u>112000</u>	<p><u>Financial Assets at Amortized Cost (FAAC) – Current</u></p> <p>This account refers to financial assets (debt securities) which are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding</p>	<u>DR</u>

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STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	(PFRS 9, paragraph 4.1.2) within 12 months after the reporting period. ¹	
112100	FAAC – Investment in Bonds/Debt Securities This refers to the current portion of investment in bonds (formal unconditional promise made under seal to pay a specified sum of money on a determinable future date and to make periodic interest payments at a stated rate until the principal sum is paid) issued by National Government, private corporation and/or other domestic/foreign institution. To be classified as FAAC, the MBA's primary objective is the hold the asset to collect the contractual cash flow rather than selling the asset prior to its maturity (hold to maturity). The account may be further classified as follows:	DR
112110	<i>FAAC – Investment in Bonds – Government Securities</i>	<i>DR</i>
112120	<i>FAAC – Investment in Bonds – Corporate Issues</i>	<i>DR</i>
112130	<i>FAAC – Investment in Bonds – Others (i.e Foreign Issues)</i>	<i>DR</i>
113000	<u>Financial Assets at Fair Value (FAFV) – Profit and Loss (P&L)</u> This represents financial assets that are (a) quoted equity/debt instruments and which are intended to be sold within one year, and (b) irrevocably designated, at initial recognition, as at fair value through profit or loss (PFRS 9, paragraph 4.1.5). A financial asset shall be measured at fair value unless it is measured at amortized cost (PFRS 9, paragraph 4.1.4).	<u>DR</u>
113100	FAFV (P&L)– Investment in Bonds/Debt Securities This refers to investment in bonds issued by the National Government, private corporation and/or other domestic/foreign institution. To be classified as FAFV through profit and loss, the MBAs primary objective is to collect the contractual cash flow and selling the financial asset within the calendar year. The account may be further classified as follows:	DR
113110	<i>FAFV (P&L) – Investment in Bonds – Government Securities</i>	<i>DR</i>
113120	<i>FAFV (P&L) – Investment in Bonds – Corporate Issues</i>	<i>DR</i>
113130	<i>FAFV (P&L) – Investment in Bonds – Others (i.e Foreign Issues)</i>	<i>DR</i>

¹ Debt securities maturing beyond one (1) year shall be classified as non-current Financial Assets at Amortized Cost.

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
<p>113200</p> <p>113210 113220 113230</p>	<p>FAFV (P&L) – Investment in Stocks/Equities</p> <p>This refers to investments in equity securities, either common/ordinary or preferred/preference share, that are purchased and held for short term, principally for the purpose of generating gains on resale (trading securities) and reported at fair value with gains and losses through profit or loss. Investments in equity securities that are not trading securities are classified as non-current through FAFV through other comprehensive income (OCI) account.</p> <p><i>FAFV (P&L) – Investments in Stocks/Equities – Common/Ordinary</i> <i>FAFV (P&L) – Investments in Stocks/Equities – Preferred/Preference</i> <i>FAFV (P&L) – Investments in Stocks/Equities – Others (i.e Foreign)</i></p>	<p>DR</p> <p>DR DR DR</p>
<p><u>114000</u></p>	<p><u>Receivables</u></p> <p>This refers to financial assets that represent a contractual right to receive cash or another financial asset.</p>	<p><u>DR</u></p>
<p><u>114100</u></p>	<p><u>Members' Fees & Dues Receivable</u></p> <p>This represents membership fees and dues which remain to be uncollected as of the end of the accounting period.</p>	<p><u>DR</u></p>
<p><u>114200</u></p>	<p><u>Members' Contributions Due and Uncollected</u></p> <p>This represents contributions due and uncollected at the end of the accounting period on all membership certificates (basic policies) which are classified as in force on the MBA's valuation records. These are contributions that are due and uncollected within the grace period.</p>	<p><u>DR</u></p>
<p><u>114300</u></p>	<p><u>Net Premiums Due and Uncollected</u></p> <p>This represents net premiums due and uncollected at the end of the accounting period on all optional policies which are classified as in force on the MBA's valuation records. These are net premiums that are due and uncollected within the grace period.</p>	<p><u>DR</u></p>
<p><u>114400</u></p>	<p><u>Unremitted Members' Contributions, Dues and Fees</u></p> <p>This represents members' contributions, fees and dues collected by partner individuals/institutions on membership certificates (basic</p>	<p><u>DR</u></p>

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	policies) but which have not been remitted as of the end of the accounting period.	
<u>114500</u>	<u>Unremitted Premiums</u> This represents gross premiums collected by partner individuals/institutions on all optional policies but which have not been remitted as of the end of the accounting period.	<u>DR</u>
<u>114600</u>	<u>Amounts Recoverable from Reinsurers</u> This represents the accrued amount recoverable from reinsurers arising from paid claims and claims payable.	<u>DR</u>
114610	Allowance for Probable Losses – Reinsurers This represents the total amount set up to provide for losses which may arise from non-collection of the amounts recoverable from reinsurers.	CR
<u>114700</u>	<u>Members' Assessment Receivable</u> This includes assessment on members arising from any impairment on the reserves as may be determined by the Insurance Commission that remains to be unpaid as of valuation date.	<u>DR</u>
114710	Allowance for Probable Losses- Members' Assessment This represents the amount set up to provide for losses which may arise from non-collection of the amounts recoverable from members.	CR
<u>114800</u>	<u>Accrued Income</u> This represents income earned but not yet received as of the end of the accounting period.	<u>DR</u>
114810	Accrued Interest Income This represents interest income earned from time deposits, investments and loans receivable but not yet received as of the end of the accounting period.	DR
<i>114811</i>	<i>Accrued Interest Income – Bonds</i>	<i>DR</i>
<i>114812</i>	<i>Accrued Interest Income – Receivables</i>	<i>DR</i>
<i>114813</i>	<i>Accrued Interest Income – Others</i>	<i>DR</i>

**STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT
ASSOCIATIONS (MBAs)**

Account Code	Account Title/Account Description	Normal Balance
114820	Accrued Dividend Income This represents dividend income earned from investments but not yet received as of the end of the accounting period.	DR
<i>114821</i>	<i>Accrued Dividend Income – Common/Ordinary Shares</i>	<i>DR</i>
<i>114822</i>	<i>Accrued Dividend Income – Preferred/Preference Shares</i>	<i>DR</i>
<i>114823</i>	<i>Accrued Dividend Income – Others</i>	<i>DR</i>
114830	Other Accrued Income This represents other income earned but not yet received as of the end of the accounting period.	DR
<u>114900</u>	<u>Other Current Receivables</u> This includes accounts or those not supported by promissory notes which arise from the normal operations but are not classified under any of the foregoing accounts.	<u>DR</u>
114910	Advances to Officers and Employees This account refers to duly approved cash advances for official business to officers and employees, subject to liquidation in accordance with the policy of the MBA.	DR
114920	Due from Officers and Employees This account refers to total collectibles due from officers and employees arising from credit accommodations, shortages, losses and unliquidated cash advances beyond the prescribed period, that are subject to immediate settlement.	DR
114930	Lease Receivables This represents receivables arising from lease contracts.	DR
114940	Receivables – Others This represents all other receivables which cannot be classified under any of the foregoing receivables.	DR

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
<p>114950</p> <p>114951 114952 114953 114954</p>	<p><i>Allowance for Probable Losses – Other Current Receivables</i></p> <p>This represents the amount set up to provide for losses which may arise from non-collection of the foregoing loans receivables. This account may have the following sub-accounts:</p> <p><i>Allowance for Probable Losses – Advances to Officers and Employees</i></p> <p><i>Allowance for Probable Losses – Due from Officers and Employees</i></p> <p><i>Allowance for Probable Losses – Lease Receivables</i></p> <p><i>Allowance for Probable Losses – Others</i></p>	<p>CR</p> <p>CR CR CR CR</p>
<p><u>115000</u></p>	<p><u>Due to/from Other Funds</u></p> <p>This represents interfund (e.g. General Fund, Basic Benefit Fund, and Optional Fund) receivables and/or payables. This should always be equal to “zero” during consolidation.</p>	<p><u>DR</u></p>
<p><u>116000</u></p>	<p><u>Prepayments and Other Current Assets</u></p> <p>This account refers to payments (e.g. insurance, interest, rentals, etc.) made in advance and other assets which are expected to be realized, consumed or used within the year or one operating cycle.</p>	<p><u>DR</u></p>
<p>116100</p>	<p>Prepaid Expenses</p> <p>This account represents unamortized portion of advance payments which is expected to be incurred within one year or one operating cycle.</p>	<p>DR</p>
<p>116200</p>	<p>Unused Stationery and Supplies</p> <p>This account represents unused accountable forms, stationery and other supplies.</p>	<p>DR</p>
<p>116300</p>	<p>Other Current Assets</p> <p>This account represents other assets which are expected to be realized or consumed within one year or one operating cycle.</p>	<p>DR</p>

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
121000 – 190000	<p>NON-CURRENT ASSETS</p> <p>All assets not classified as current are classified as noncurrent assets (PAS 1, paragraph 66).</p>	DR
121000	<p><u>Financial Assets at Amortized Cost (FAAC)</u></p> <p>This account refers to financial assets (debt securities) which are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of payments of principal and interest on the principal amount outstanding (PFRS 9, paragraph 4.1.2) beyond 12 months after the reporting period.</p>	DR
121100	<p>FAAC – Investment in Bonds/Debt Securities</p> <p>This refers to the non-current portion of investment in bonds issued by National Government, private corporation and/or other domestic/foreign institution. To be classified as FAAC, the MBA's primary objective is the hold the asset to collect the contractual cash flow rather than selling the asset prior to its maturity (hold to maturity). The account may be further classified as follows:</p>	DR
121110	<i>FAAC – Investment in Bonds – Government Securities</i>	<i>DR</i>
121120	<i>FAAC – Investment in Bonds – Corporate Issues</i>	<i>DR</i>
121130	<i>FAAC – Investment in Bonds – Others (i.e Foreign Issues)</i>	<i>DR</i>
122000	<p><u>Financial Assets at Fair Value (FAFV) – Other Comprehensive Income (OCI)</u></p> <p>This represents financial assets that are (a) quoted equity/debt instruments and which are not held for trading and (b) irrevocably designated, at initial recognition, as at fair value through other comprehensive income (PFRS 9, paragraph 5.7.5).</p>	DR
122100	<p>FAFV (OCI) – Investment in Bonds/Debt Securities</p> <p>This refers to investment in bonds issued by the National Government, private corporation and/or other domestic/foreign institution. To be classified as FAFV through other comprehensive income, the MBA initially recognized it as available for sale and its primary objective is to collect the contractual cash flow and selling the financial asset before its maturity. The account may be further classified as follows:</p>	DR

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
122110 122120 122130	<i>FAFV (OCI) – Investment in Bonds – Government Securities</i> <i>FAFV (OCI) – Investment in Bonds – Corporate Issues</i> <i>FAFV (OCI) – Investment in Bonds – Others (i.e Foreign Issues)</i>	<i>DR</i> <i>DR</i> <i>DR</i>
122200	FAFV (OCI) – Investment in Stocks/Equities This refers to investments in equity securities, either common/ordinary or preferred/preference share, that are purchased and held for long term, principally for the purpose of generating gains and reported at fair value with gains and losses through other comprehensive income. These securities that are not trading securities and are classified as non-current through FAFV through other comprehensive income (OCI) account.	DR
122210 122220 122230	<i>FAFV (OCI) – Investments in Stocks/Equities – Common/Ordinary</i> <i>FAFV (OCI) – Investments in Stocks/Equities – Preferred/Preference</i> <i>FAFV (OCI) – Investments in Stocks/Equities – Others (i.e Foreign)</i>	<i>DR</i> <i>DR</i> <i>DR</i>
<u>131000</u>	<u>Loans Receivable</u> Loans receivables are credit accommodations to members on the security of a pledge or chattel mortgage of personal properties of the borrowers, or in the absence thereof, on the security of the membership certificate of the borrowing members, in which event such loan shall become a first lien on the proceed thereof (Insurance Code).	<u>DR</u>
131100	Membership Certificate Loans This represents the outstanding balances of loans granted to members at prescribed interest rates, fully secured by the members' equity value of the certificate. These may be in the form of a cash loan applied for by the members or Automatic Contributions Loan applied by the MBA, as provided for in the membership certificate, to cover contribution(s) due on the certificate but still unpaid within the grace period.	DR
131200	Policy Loans This represents the outstanding balances of loans granted to members at prescribed interest rates, fully secured by the cash surrender value of the underlying optional/traditional insurance policy. These may be in the form of a cash loan applied for by the policyholder or Automatic Premium Loan applied by the MBA, as provided for in	DR

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STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	the policy contract, to cover premium(s) due on the policy but still unpaid within the grace period. Policy loan may be further classified into:	
131210	<i>Policy Loans – Regular</i>	DR
131220	<i>Policy Loans – Micro</i>	DR
131300	Other Loans Receivable	DR
	This represents all other loans which cannot be classified under any of the foregoing loan accounts (e.g. real estate mortgage loan, financial assistance loans, etc.).	
131400	Allowance for Loan Impairment	CR
	This represents the amount set up to provide for losses which may arise from decrease in the estimated future cash flows from any of the foregoing loans receivable accounts (PFRS 9, paragraph 5.2.2).	
131410	<i>Allowance for Loan Impairment – Membership Certificate Loans</i>	CR
131420	<i>Allowance for Loan Impairment – Policy Loans</i>	CR
131430	<i>Allowance for Loan Impairment – Other Loans Receivable</i>	CR
<u>141000</u>	<u>Investments in Associates</u>	<u>DR</u>
	This represents the amount of the MBA's investments in stocks of an entity over which the MBA has significant influence and that is neither a subsidiary nor an interest in a joint venture (PAS 28, paragraph 2) as approved by the Commissioner.	
<u>142000</u>	<u>Investments in Subsidiaries</u>	<u>DR</u>
	This represents the amount of the MBA's investments in stocks of a subsidiary, that is controlled by the MBA (known as the parent) (PAS 27, paragraph 4) as approved by the Commissioner.	
<u>143000</u>	<u>Investment in Joint Venture</u>	<u>DR</u>
	This represents the cost of the MBA's investments in joint ventures as approved by the Commissioner. A joint venture is a joint arrangement whereby the MBA and one or more parties have rights to the net assets of the arrangement (PFRS 11, paragraph 16).	

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	This represents building, or part of a building, or both held by the MBA that is still under the construction with a purpose to earn rentals or for capital appreciation or both, rather than for: (a) use in the MBA's business operations or for administrative purposes; or (b) sale in the ordinary course of business. The account may be further classified as follows:	
151310	<i>Investment in Property – Under Construction – Building(s)</i>	DR
151320	<i>Investment in Property – Under Construction – Building Improvements</i>	DR
151400	Accumulated Depreciation – Investment in Property – Building and Building Improvements	CR
	This account refers to the total amount of depreciation and impairment on Investment Property – Building that are set up periodically and charged against the current operations if the MBA elect to use the cost model. If the entity use the fair value model in recognizing the asset, this account will not be used.	
151410	<i>Accumulated Depreciation – Investment in Property – Building</i>	CR
151420	<i>Accumulated Depreciation – Investment in Property – Improvements</i>	CR
161000	<u>Property and Equipment</u>	<u>DR</u>
	These are tangible items that are: (a) held for use in the MBA's business operations or for administrative purposes; and (b) expected to be used during more than one accounting period (PAS 16, paragraph.6).	
161100	Land	DR
	This represents the land used by the MBA in its ordinary course of business.	
161200	Building(s) and Building Improvements	DR
	These represent the building and improvements used by the MBA in its ordinary course of business. The account may be further classified as follows:	
161210	<i>Building</i>	DR
161220	<i>Building Improvements</i>	DR

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
161300	<p>Leasehold Improvements</p> <p>This represents the cost of additions, improvements and /or alterations on the MBA's leased office premises which are incurred in making the property ready for use and occupancy.</p>	DR
161400	<p>IT Equipment</p> <p>This represents the cost of the information processing systems of the MBA including the computer hardware, customized software, and peripherals.</p>	DR
161500	<p>Transportation Equipment</p> <p>This represents the cost of motor vehicle and other transportation equipment owned, operated, used, or to be used by the MBA in carrying out its business and/or insurance operations and as service vehicle of its officers and employees.</p>	DR
161600	<p>Office Furniture, Fixtures and Equipment</p> <p>This represents the costs of office machines, equipment, furniture and fixtures.</p>	DR
161700	<p>Other equipment</p> <p>This account includes other equipment otherwise not chargeable to the foregoing property and equipment.</p>	DR
<u>162000</u>	<p><u>Accumulated Depreciation - Property and Equipment</u></p> <p>This represents that portion of the property cost, which was already allocated or charged to operations. This is a "contra property and equipment" account.</p>	<u>CR</u>
162100	<p>Accumulated Depreciation-Building(s) and Building Improvements</p> <p>Accumulated depreciation - building represents that portion of the cost of building and building improvements, which was already allocated or charged to operations. This is a "contra building and building improvements" account.</p>	CR

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
162110	<i>Accumulated Depreciation – Building(s) and Building Improvements – Building</i>	CR
162120	<i>Accumulated Depreciation – Building(s) and Building Improvements – Building Improvements</i>	CR
162200	Accumulated Depreciation-Leasehold Improvements This account represents that portion of the leasehold improvement costs, which was already allocated or charged to operations. This is a “contra leasehold improvement” account.	CR
162300	Accumulated Depreciation-IT Equipment This account represents that portion of the IT equipment cost, which was already allocated or charged to operations. This is a “contra IT equipment” account”.	CR
162400	Accumulated Depreciation-Transportation Equipment This account represents that portion of the transportation equipment cost, which was already allocated or charged to operations. This is a “contra transportation equipment” account”.	CR
162500	Accumulated Depreciation- Office Furniture, Fixtures & Equipment This account represents that portion of the office furniture, fixtures and equipment cost, which was already allocated or charged to operations. This is a “contra office furniture and fixture” account.	CR
162600	Accumulated Depreciation-Other Equipment This account represents that portion of the other equipment cost, which was already allocated or charged to operations. This is a “contra fixed asset” account.	CR
171000	<u>Other Non-Current Assets</u> Include tangible, intangible and financial assets of long-term nature and are not classified under any of the foregoing accounts.	DR
171100	Other Funds and Deposits	DR

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	This account refers to restricted funds set aside for funding of Statutory and other reserves such as Retirement and Other Funds. This may be in the form of time deposit or other securities which may be convertible to cash when needed.	
171200	Rental Deposit This represents rental deposits on leased properties beyond one year which may be applied on the last period of occupancy or may be refunded upon termination of the lease contract.	DR
171300	Foreclosed Properties This represents real and other properties acquired by the MBA in settlement of loans or any obligations such as foreclosure of mortgage loan arrangements.	DR
171400	Allowance for Probable Losses – Foreclosed Properties This account refers to the cumulative amount of impairment loss incurred on ROPA, which shall be accounted for in accordance with PAS 36.	CR
171500	Net Pension Asset This represents excess of the MBA's contribution to the benefit fund over the projected benefit obligation (PBO) with respect to post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care (PAS 19). This account arises when there is overfunding in the post-employment benefit fund.	DR
171600	Miscellaneous non-current assets This account refers to assets not falling in any of the foregoing categories.	DR
200000	LIABILITIES Economic Obligations that are recognized and measured in conformity with Philippine Financial Reporting Standards (PFRSs).	CR

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	<p>This represents the present obligation of the MBA (entity) arising from past events, the settlement of which is expected to result in an outflow from the MBA (entity) of resources embodying economic benefits. (Framework for the Preparation and Presentation of Financial Statements (1989), paragraph 4.4 (b)).</p>	
210000	<p><u>CURRENT LIABILITIES</u></p> <p>Obligations reasonably expected to be settled within the normal business operating cycle, that: (a) is due within 12 months after balance sheet date; (b) is held primarily for the purpose of being traded; (c) does not have an unconditional right to defer settlement of the liability for at least 12 months after balance sheet date (PAS 1, PFRSs p. 397).</p>	CR
211000	<p><u>Liability on Individual Equity Value</u></p> <p>This represents the total amount of obligations set-up by the MBA on membership certificates pertaining to the 50% equity value, as required under the Insurance Code, and any incremental amount declared by the MBA.</p>	CR
212000	<p><u>Basic Contingent Benefit Reserve</u></p> <p>This represents the total actuarial reserve set-up by the MBA pertaining to the basic life benefit that is in force as at the end of the accounting period. It refers to the amount of liability which the MBA establishes for a certificate to meet the contractual obligation as it falls due.</p>	CR
213000	<p><u>Optional Benefit Reserve</u></p> <p>This represents the total actuarial reserve set up by the MBA pertaining to the policies under optional benefit that is in force as at the end of the accounting period. It refers to the amount of liability which the MBA establishes for an optional policy to meet the contractual obligation as it falls due. The account may be further classified as follows:</p>	CR
213100	Optional Benefit Reserve – Regular	CR
213200	Optional Benefit Reserve – Micro	CR
214000	<u>Claims Payable on Basic Contingent Benefit</u>	CR

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	This represents benefit claims on membership certificates filed or reported to the MBA but not yet paid as of the end of the accounting period. It includes claims due and unpaid, claims in the course of settlement, resisted claims and those which are incurred but not reported.	
214100	Claims Payable on Basic Contingent Benefit - Due and Unpaid This represents the sum of the individual claims on membership certificates that are due and have already been approved for payment but, for one reason or another, have not actually been paid. This includes checks already issued to beneficiaries but not yet released as of end of the accounting period.	CR
214200	Claims Payable on Basic Contingent Benefit – In Course of Settlement This represents the sum of the individual claims on membership certificates on which the MBA has already received notice of claim but on which, for one reason or another, final action has not been taken either approving the claims for payment in full or rejecting it in part or in full.	CR
214300	Claims Payable on Basic Contingent Benefit - Claims Resisted This represents the sum of the individual amounts claimed on membership certificates which the MBA has been notified that its decision to deny liability, either in whole or in part, is being challenged and on which the contest has not yet been resolved.	CR
214400	Claims Payable on Basic Contingent Benefit - Incurred but not yet Reported (IBNR) This represents the sum of the individual claims on membership certificates that have already occurred but on which notice has not yet been received by the MBA. This estimate takes into account any policy reserve liability set up by the MBA and any amount recoverable from reinsurers.	CR
215000	Claims Payable on Optional Benefits This represents benefit claims on optional benefit filed or reported to the MBA but not yet paid as of the end of the accounting period. It	CR

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
215100 215200	<p>includes claims due and unpaid, claims in the course of settlement, resisted claims and those which are incurred but not reported. Claims payable on Optional benefits will be further break into:</p> <p>Claims Payable on Optional Benefits – Regular Claims Payable on Optional Benefits – Micro</p> <p>Regular and Micro accounts shall include the following:</p>	CR CR
215310	<p><i>Claims Payable on Optional Benefit-Due and Unpaid</i></p> <p>This represents the sum of the individual claims on optional policies that are due and have already been approved for payment but, for one reason or another, have not actually been paid. This includes checks already issued to beneficiaries but not yet released as of end of the accounting period.</p>	CR
215320	<p><i>Claims Payable on Optional Benefit - In Course of Settlement</i></p> <p>This represents the sum of the individual claims on optional policies on which the MBA has already received notice of claim but on which, for one reason or another, final action has not been taken either approving the claims for payment in full or rejecting it in part or in full.</p>	CR
215330	<p><i>Claims Payable on Optional Benefit - Claims Resisted</i></p> <p>This represents the sum of the individual amounts claimed on optional policies which the MBA has been notified that its decision to deny liability, either in whole or in part, is being challenged and on which the contest has not yet been resolved.</p>	CR
215340	<p><i>Claims Payable on Optional Benefit-Incurred but not yet Reported (IBNR)</i></p> <p>This represents the sum of the individual claims on optional policies that have already occurred but on which notice has not yet been received by the MBA. This estimate takes into account any policy reserve liability set up by the MBA and any amount recoverable from reinsurers.</p>	CR
216000	<p><u>Other Benefits Payable on Basic Policies</u></p> <p>This represents the sum of the individual claims for maturity, surrenders and withdrawals on basic policies of which for one reason</p>	CR

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	or another final action has not been taken either by approving the claims for payment in full or by rejecting it in part or in full.	
<u>217000</u>	<u>Other Benefits Payable on Optional Policies</u>	<u>CR</u>
	This represents the sum of the individual claims for maturity, surrenders and withdrawals on optional policies of which for one reason or another final action has not been taken either by approving the claims for payment in full or by rejecting it in part or in full. This is further classified into:	
217100	Other Benefits Payable on Optional Policies – Regular	CR
217200	Other Benefits Payable on Optional Policies – Micro	CR
<u>221000</u>	<u>Members' Contributions Received in Advance - Current</u>	<u>CR</u>
	This represents member contributions received but not yet due/earned as of the end of the accounting period and which is expected to become due within one year.	
<u>222000</u>	<u>Premiums Received in Advance - Current</u>	<u>CR</u>
	This represents premium on optional benefits received but not yet due/earned as of the end of the accounting period and which is expected to become due within one year.	
222100	Premiums Received in Advance – Current – Regular	CR
222200	Premiums Received in Advance – Current – Micro	CR
<u>223000</u>	<u>Unearned Income</u>	<u>CR</u>
	This account pertains to income received but not yet earned, such as rent received in advance or other income received in advance not falling in any of the foregoing categories.	
<u>224000</u>	<u>Amount Due to Reinsurers</u>	<u>CR</u>
	This represents reinsurance premiums due and payable by the MBA to all its reinsurers.	
<u>225000</u>	<u>Loans Payable – Current</u>	<u>CR</u>

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STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	This account refers to the indebtedness to financial institutions or individuals payable within the accounting period and includes the current portion of the Long-term Loans Payable.	
<u>226000</u>	<u>Accounts Payable</u> Accounts payable represents liabilities of the MBA as a result of indebtedness due to any institution, individual or supplier.	<u>CR</u>
226100	Accounts Payable – Minor Beneficiary This refers to amounts due to beneficiaries, classified as minor, which shall be released to the beneficiary or his/her guardian in accordance with existing laws, rules and regulations.	CR
226200	Withholding Taxes Payable This account represents the amount due to the Bureau of Internal Revenue (BIR) for liabilities arising from taxes withheld from employee compensation or fees for other services provided to the MBA.	CR
226300	SSS/ECC/Pag-ibig/Philhealth Contributions Payable This account refers to amounts withheld from the compensation income of employees representing their premium contributions to SSS, Pag-ibig (HDMF) and Philhealth agencies and the corresponding share of the MBA as employer. (Note: The MBA may have subsidiary ledgers for each agency.)	CR
226400	SSS/Pag-ibig Loans Payable This account refers to the amount due to SSS, representing amounts withheld from the compensation income of employees representing their payment of loans to SSS and Pag-ibig (HDMF) agencies. (Note: The MBA may have subsidiary ledgers for each agency.)	CR
226500	Other Accounts Payable Includes other current liabilities that cannot be classified under foregoing accounts.	CR
<u>231000</u>	<u>Accrued Expenses</u>	<u>CR</u>

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**STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT
ASSOCIATIONS (MBAs)**

Account Code	Account Title/Account Description	Normal Balance
	This represents expenses incurred for the period but not yet paid as of the end of the accounting period.	
231100	<p>Accrued Utilities</p> <p>This represents accruals for utilities consumed by the MBA during the reporting period which have not yet been paid. This includes accruals for electricity, water and communications.</p>	CR
231200	<p>Accrued Services</p> <p>This represents accruals for services rendered to the MBA such as janitorial, security, professional fees and others.</p>	CR
231300	<p>Accrual for Unused Compensated Absences</p> <p>This represents the MBA's liability relating to unused compensated absences, incurred when the employees render service.</p>	CR
231400	<p>Accrued Interest Expense</p> <p>Includes interest expense incurred but not yet paid as of end of accounting period.</p>	CR
231500	<p>Other Accrued Expenses</p> <p>Includes other expenses incurred but not yet paid as of end of the accounting period.</p>	CR
250000	<p>NON-CURRENT LIABILITIES</p> <p>All liabilities not classified as current are classified as noncurrent liabilities (PAS 1, paragraph 69).</p>	CR
<u>251000</u>	<p><u>Members' Contribution Received in Advance – Non-current</u></p> <p>This represents members' contribution received during the accounting period but not yet due/earned for which recognition as income exceeds one year.</p>	<u>CR</u>
<u>252000</u>	<p><u>Premiums Received in Advance – Non-current</u></p>	<u>CR</u>

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
<p>252100 252200</p>	<p>This represents premium income received during the accounting period but not yet due/earned for which recognition as income exceeds one year. This account is further classified into:</p> <p>Premiums Received in Advance – Non-current – Regular Premiums Received in Advance – Non-current – Micro</p>	<p align="center">CR CR</p>
<p><u>253000</u></p>	<p><u>Net Pension Liability</u></p> <p>This represents excess of the MBA's projected benefit obligation (PBO) over the benefit fund over with respect to post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care (PAS 19). This liability arises when there is underfunding in the post-employment benefit fund.</p>	<p align="center"><u>CR</u></p>
<p><u>254000</u></p>	<p><u>Long-term Loans Payable</u></p> <p>This account refers to the indebtedness to financial institutions or individuals payable beyond the accounting period.</p>	<p align="center"><u>CR</u></p>
<p><u>255000</u></p>	<p><u>Other Long-term Liabilities</u></p> <p>Includes other non-current liabilities that cannot be classified under foregoing accounts.</p>	<p align="center"><u>CR</u></p>
<p>300000</p>	<p>FUND BALANCE</p> <p>Refers to the residual interest in the assets of the MBA after deducting all its liabilities (Framework for the Preparation and Presentation of Financial Statements (1989), paragraph 4.4 (c)). This represents the accumulated earnings of the MBA reduced by whatever losses the MBA may incur during a certain accounting period.</p>	<p align="center">CR</p>
<p><u>310000</u></p>	<p><u>Free and Unassigned Fund Balance</u></p> <p>This represents portion of the fund balance that is not restricted.</p>	<p align="center"><u>CR</u></p>
<p><u>320000</u></p>	<p><u>Assigned Fund Balance</u></p>	<p align="center"><u>CR</u></p>

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	This includes portion of the fund balance which has been appropriated for special purposes. This may include the following:	
321000	Funds Assigned for Guaranty Fund This represents portion of the fund balance that is restricted as guaranty fund.	CR
322000	Funds Assigned for Members' Benefits This represents portion of the fund balance that shall be used to provide benefits to members.	CR
322100	<i>Funds Assigned for Incremental Benefit for Individual Equity Value</i> This account refers to a portion of the net surplus set aside by the MBA as additional benefits to its members computed proportionately on their Individual Equity Value.	CR
322200	<i>Funds Assigned for Education and Training</i> This account refers to the amount allocated by the MBA for education and training of its members, officers and staff of the MBA.	CR
322300	<i>Funds Assigned for Other Members' Benefit</i> Includes other members' benefit allocated by the MBA that cannot be classified under foregoing accounts.	CR
323000	Funds Assigned for Community Development This account refers to the fund set aside from the net surplus for projects and/or activities that will benefit the community where the MBA operates.	CR
330000	<u>Revaluation Increment/ Surplus</u> This refers to the amount of increase in the asset's carrying amount as a result of revaluation less the amount recognized in profit or loss (PAS16).	<u>CR</u>
400000	REVENUES	CR

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	Increases in economic benefits during the accounting period of the MBA in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in the fund balance. (Framework for the Preparation and Presentation of Financial Statements, PFRSs).	
<u>411000</u>	<u>Members' Fees/Dues</u> Represents fees and dues collected from individuals to maintain their membership in the MBA.	<u>CR</u>
<u>412000</u>	<u>Members' Contributions</u> This represents considerations given by the member in exchange for the promises of the MBA to pay a stipulated sum in the event of a loss covered under the basic benefits indicated in the Internal Rules and Regulations (IRR) of the MBA and/or membership certificates.	<u>CR</u>
<u>412100</u>	<u>Members' Contributions Ceded to Reinsurers</u> Includes cost of premiums on ceded basic benefit insurance business.	<u>DR</u>
<u>413000</u> <u>413100</u> <u>413200</u>	<u>Premiums</u> This represents considerations given by the insured in exchange for the promises of the MBA to pay a stipulated sum in the event of a loss covered under the optional insurance contract of the MBA. This account may be further classified into: Premiums – Regular Premiums – Micro	<u>CR</u> CR CR
<u>413110</u> <u>413111</u> <u>413112</u>	<u>Premiums Ceded to Reinsurers</u> Includes cost of premiums on ceded optional insurance business. This account may be further classified into: Premiums Ceded to Reinsurers – Regular Premiums Ceded to Reinsurers – Micro	<u>DR</u> DR DR
<u>414000</u>	<u>Reinsurance Commissions</u>	<u>CR</u>

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	This represents commissions derived from ceded business.	
<u>415000</u>	<u>Experience Refund</u> This represents the refund received from insurers and reinsurers arising from favorable claims experience over a given period.	<u>CR</u>
<u>416000</u>	<u>Penalties and Surcharges</u> This represents the amount of penalties and surcharges imposed upon members/policyholders due to late payments of contributions and/or premiums, including early withdrawals and surrenders.	<u>CR</u>
<u>421000</u>	<u>Interest Income</u> This represents interest earned by the MBA from its bank deposits, investments and loans receivable.	<u>CR</u>
<u>422000</u>	<u>Dividend Income</u> This represents income derived from cash dividend declaration on stock investments, including those accrued or earned but not yet received.	<u>CR</u>
<u>430000</u>	<u>Donations and Other Contributions Received</u> This represents donations and contributions received by the MBA.	<u>CR</u>
<u>441100</u>	<u>Gain on Sale of Investments</u> This represents gains realized on sale of the MBA's investments.	<u>CR</u>
<u>441200</u>	<u>Gain On Sale of Property and Equipment</u> This represents gains realized on sale of property and equipment.	<u>CR</u>
<u>499999</u>	<u>Miscellaneous Income</u> This represents income received or earned from various sources which cannot be properly classified under any of the revenue accounts.	<u>CR</u>

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STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
500000	EXPENSES This refers to decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incidences of liabilities that result in decreases in fund balance (Framework for the Preparation and Presentation of Financial Statements, PFRSs).	DR
510000	BENEFIT EXPENSES This refers to all costs incurred that are directly related to the provision of insurance services to its members.	DR
<u>511000</u> 511100 511200 511300	<u>Benefits/Claims Expense</u> This represents the aggregate losses and claims (including refund of equity value, if any) against the MBA arising from the certificates and/or insurance contracts issued to members. This account may be further classified into: Benefits/Claims Expenses – Basic Benefits Benefits/Claims Expenses – Optional – Regular Benefits/Claims Expenses – Optional – Micro	<u>DR</u> DR DR DR
<u>511400</u> 511410 511420 511430	<u>Benefit/Claims Recovery</u> This is the portion of gross losses and claims that are covered by reinsurers. This refers to the share of the reinsurer in the benefits and claims expense. This account may be further classified into: Benefits/Claims Recovery – Basic Benefits Benefits/Claims Recovery – Optional – Regular Benefits/Claims Recovery – Optional – Micro	<u>CR</u> CR CR CR
512000	<u>Allocation for Liability on Individual Equity Value</u> This represents the 50% of the members' contribution on the basic benefit.	<u>DR</u>
512100	<u>Increase/(Decrease) on Liability on Individual Equity</u>	<u>DR</u>

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	This represents the net change in the liability on individual equity value for basic benefit for the current period (i.e. withdrawal of membership and additional contribution).	
<u>513100</u>	<u>Increase/(Decrease) in Reserve for Basic Contingent Benefit</u> This represents the net change in the reserve for basic benefit for the current period.	<u>DR</u>
<u>513200</u>	<u>Increase/(Decrease) in Reserve for Optional Benefit</u> This represents the net change in the reserves for optional benefit for the current period. This account may be further classified into:	<u>DR</u>
<u>513210</u> <u>513220</u>	<u>Increase/(Decrease) in Reserve for Optional Benefit – Regular</u> <u>Increase/(Decrease) in Reserve for Optional Benefit – Micro</u>	<u>DR</u> <u>DR</u>
<u>514000</u>	<u>Incremental Benefit on Individual Equity Value</u> This represents additional benefit given by the MBA to its members on their respective Individual Equity Value.	<u>DR</u>
<u>515000</u>	<u>Other Expenses for Members</u> This refers to all expenses incurred for information education, training and development of members, including conduct of special events such as anniversary, sports fest, team building, mass wedding, etc.	<u>DR</u>
<u>516000</u>	<u>Membership Enrollment and Marketing Expense</u> This represents expenses for marketing, including member mobilization, and production of policy forms and promotional materials, among others.	<u>DR</u>
<u>517000</u>	<u>Collection fees</u> This refers to fees paid to individuals and/or partner institutions for collection services.	<u>DR</u>
<u>518000</u>	<u>Research and Development Expense</u>	<u>DR</u>

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STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	Includes expenses related to conduct of research related to the improvement of existing products (e.g. client impact assessment and clients satisfaction survey) and development of new products.	
520000	OPERATING EXPENSES Expenses incurred related to general administration, management and operations of the MBA.	DR
521000	<u>Salaries, Wages and Benefits</u> This represents all types of remuneration paid to the officers and staff of the MBA.	<u>DR</u>
521010	Salaries and Wages This represents basic salaries, wages and allowances paid to the officers and employees of the MBA.	DR
521020	13th month/Bonuses/Incentives This account refers to 13 th month pay, bonuses, incentives and awards given to employees of the MBA.	DR
521030	SSS/EC/Pag-ibig/Philhealth Contributions This account refers to employer's contribution in the SSS/EC premium (Republic Act No. 1161 as amended by RA No.8282), Philhealth (RA No.7875) and Pag-ibig Fund.	DR
521040	Post-Employment Benefit Cost This represents the cost of the MBA's employee retirement plan as required under PAS 19.	DR
521050	Other Employee Welfare and Benefits This represents other benefits given to the employees including rice subsidy/allowances, service awards, annual excursion expenses, Christmas party benefits, expenses incurred during MBA meetings, and others not specifically classified under any of the other foregoing accounts.	DR

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
<u>522000</u>	<u>Professional and Technical Development</u> This represents expenses in developing the professional and technical capabilities of the officers and staff of the MBA.	<u>DR</u>
523010	Annual General Assembly This account includes expenses incurred in relation to the conduct of annual general assembly and election of coordinators and board of trustees.	DR
523020	Meetings and Conferences This account refers to expenses incurred during management meetings, board meetings and in attending other meetings or conferences with other agencies and/or organizations (e.g. network, government institutions). Meals and/or refreshments served during management and board meetings are chargeable to this account. Registration fees, transportation expense, gasoline and oil expense, hotel accommodation and per diem of staff attending the meetings with other agencies and/or organizations are also chargeable to this account.	DR
523030	Board Honorarium, Allowances and Benefits This represents honorarium and allowance granted to the members of the Board of Trustees.	DR
523040	Travel Expenses This includes expenses related to transportation including fuel and oil consumption, expenses incurred using public transportation and other incidental expenses related to the official travel other than those related to meetings and conferences.	DR
523050	Representation Expense This represents the cost of representation incurred by the officers and staff for the promotion of the business of the MBA other than those related to meetings and conferences.	DR
<u>524000</u>	<u>Social and Community Service Expenses</u>	<u>DR</u>

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	This account refers to expenses incurred by the MBA in its social community involvement including donations to social organizations, relief operations, scholarship grants, etc.	
<u>525010</u>	<u>Technical and Professional Fees</u> This represents fees paid to individuals/firms for external audits, actuarial, legal and other technical and professional services.	<u>DR</u>
<u>525020</u>	<u>Service Fees</u> This represents fees paid to certain authorized individuals or institution for non-technical services rendered to the MBA on a contractual or temporary basis. (i.e. janitorial & security services)	<u>DR</u>
<u>526010</u>	<u>Dues and Subscriptions</u> This represents regular payments, fees, dues and subscriptions paid to relevant organizations/associations of which the MBA is a member.	<u>DR</u>
<u>526110</u>	<u>Office Supplies</u> This represents expenses incurred by the MBA for the production of forms/materials and purchase of office supplies used in the business operations.	<u>DR</u>
<u>526210</u>	<u>Rent/Lease Expense</u> This represents expenses incurred on rented/leased properties and equipment.	<u>DR</u>
<u>526220</u>	<u>Utilities Expense</u> This represents the cost of electricity, water consumption, telephone/cellphone/internet services, postage/courier services, etc.	<u>DR</u>
<u>526300</u>	<u>Repairs and Maintenance</u> This represents the cost of materials and labor in the repair and maintenance of the MBA property and equipment.	<u>DR</u>
<u>526400</u>	<u>Insurance Expense</u>	<u>DR</u>

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STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	This represents premiums paid on insurance coverage of office building, furniture, fixtures and equipment, IT equipment, vehicles and others. It also includes premium charges on the surety/fidelity bond of accountable officers and staff.	
<u>527000</u>	<p><u>Depreciation</u></p> <p>This represents the periodic depreciation and amortization of the asset cost of the MBA depreciable fixed assets. It represents an estimate of the decline in service potential of the asset occurring during the period. This may include the following accounts:</p> <p>527020 Depreciation-Building and Building Improvements 527030 Depreciation-Leasehold Improvements 527040 Depreciation-IT Equipment 527050 Depreciation-Transportation Equipment 527060 Depreciation- Office Furniture, Fixtures and Equipment 527070 Depreciation- Other Equipment 527110 Depreciation- Investment Property</p>	<u>DR</u>
<u>528100</u>	<p><u>Taxes, Licenses and Fees</u></p> <p>This represents taxes, licenses, permits and fees paid to any government entity.</p>	<u>DR</u>
<u>528210</u>	<p><u>Investment Management Fees</u></p> <p>This represents fees paid to duly authorized investment fund manager for the handling of the MBA's investment portfolio.</p>	<u>DR</u>
<u>528220</u>	<p><u>Bank and Other Charges</u></p> <p>This represents the charges imposed by bank and non-bank institutions on financial transactions (e.g. overdrafts, remittances, money transfers, etc.) other than financing charges.</p>	<u>DR</u>
<u>528230</u>	<p><u>Interest Expense and Financing Charges</u></p> <p>This represents interest expense and other charges on borrowings of the MBA.</p>	<u>DR</u>
<u>529000</u>	<u>Provision for Probable Losses/Loan Impairment Loss</u>	<u>DR</u>

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STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
529010 529020 529030	<p>This represents provisions for losses that may arise from loans and receivables, accounts receivables, and other financial and non-financial assets. This shall be comprised of the following sub-accounts:</p> <p>Loan Impairment Loss Provision for Probable Losses – Accounts Receivable Provision for Probable Losses – Foreclosed Properties</p>	DR DR DR
<u>529100</u>	<p><u>Loss on disposal of assets</u></p> <p>Includes losses incurred by the MBA in relation to the disposal of its assets.</p>	<u>DR</u>
<u>599999</u>	<p><u>Miscellaneous Expense</u></p> <p>This represents other operating expenses which cannot be specifically classified under any of the other expense accounts.</p>	<u>DR</u>
600000	<p>OTHER COMPREHENSIVE REVENUES²</p> <p>This comprises items of income and expense (including reclassification adjustments), that are not recognized in profit or loss as required or permitted by other IFRSs (IAS/PAS 1).</p>	DR /(CR)
<u>610000</u>	<p><u>Unrealized Gain on Financial Assets</u></p> <p>Excess of fair value of investments in securities over carrying amount (PFRS 9).</p>	<u>CR</u>
<u>610009</u>	<p><u>Other Comprehensive Revenues</u></p> <p>This comprises items of income (including reclassification adjustments), that are not recognized in profit or loss as required or permitted by other IFRSs (IAS/PAS 1).</p>	<u>CR</u>
<u>650000</u>	<p><u>Unrealized losses on Financial Assets</u></p>	<u>DR</u>

² Other Comprehensive Income per IAS/PAS 1

STANDARD CHART OF ACCOUNTS FOR MUTUAL BENEFIT ASSOCIATIONS (MBAs)

Account Code	Account Title/Account Description	Normal Balance
	Excess of carrying amount of investments in securities over fair value (PFRS 9).	
<u>650009</u>	<p><u>Other Comprehensive Expenses</u></p> <p>This comprises items of expense (including reclassification adjustments), that are not recognized in profit or loss as required or permitted by other IFRSs (IAS/PAS 1).</p>	<u>DR</u>

V. J. [Signature]

Name of MBA
STATEMENTS OF COMPREHENSIVE REVENUES
 For the year ending _____

	THIS YEAR					PREVIOUS YEAR
	Consolidated	General Fund	Mutual Benefit Fund	Optional Fund-Reg	Optional Fund-Micro	
REVENUES						
412000 Gross Members' contributions	0.00	0.00	0.00			0.00
412100 Members' contributions ceded to reinsurers	0.00		0.00			0.00
Net members' contributions	0.00	0.00	0.00			0.00
413000 Gross Premiums	0.00	0.00		0.00	0.00	0.00
413110 Premiums ceded to reinsurers	0.00			0.00	0.00	0.00
Net premiums	0.00	0.00		0.00	0.00	0.00
411000 Members' fees/dues	0.00	0.00				0.00
414000 Reinsurance Commissions	0.00		0.00	0.00	0.00	0.00
415000 Experience Refund	0.00		0.00	0.00	0.00	0.00
416000 Penalties and Surcharges	0.00		0.00	0.00	0.00	0.00
430000 Donations and Other Contributions Received	0.00		0.00	0.00	0.00	0.00
441200 Gain on Sale of Property and Equipment	0.00		0.00	0.00	0.00	0.00
499999 Miscellaneous Income	0.00		0.00	0.00	0.00	0.00
Other Revenues	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	0.00	0.00	0.00	0.00	0.00	0.00
LESS: BENEFIT EXPENSES						
511000 Benefits/claims expense	0.00		0.00	0.00	0.00	0.00
511400 Benefit/claims recovery	0.00		0.00	0.00	0.00	0.00
Net benefit/claims expense	0.00		0.00	0.00	0.00	0.00
512000 Allocation for liability on individual equity value	0.00		0.00			0.00
512100 Inc (Dec) on Liability on Individual Entity	0.00		0.00			
513100 Inc (Dec) in Reserve for Basic Contingent Benefit	0.00		0.00			
513200 Inc (dec) in reserve for optional benefit	0.00			0.00	0.00	0.00
514000 Incremental benefit on individual equity value	0.00		0.00			0.00
515000 Other expenses for Members	0.00	0.00				0.00
516000 Membership Enrollment and marketing expense	0.00	0.00				0.00
517000 Collection fees	0.00					0.00
518000 Research and development expense	0.00	0.00				0.00
Total Other Benefit Expenses	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL BENEFIT EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00
NET SURPLUS BEFORE OPERATING EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00
LESS: OPERATING EXPENSES						
521000 Salaries, Wages and Benefits	0.00	0.00				0.00
522000 Professional and Technical Development	0.00	0.00				0.00
524000 Social and Community Service Expenses	0.00	0.00				0.00
525010 Technical and Professional Fees	0.00	0.00				0.00
525020 Service Fees	0.00	0.00				0.00
526010 Dues and Subscription	0.00	0.00				0.00
526110 Office Supplies	0.00	0.00				0.00
526210 Rent/Lease Expense	0.00	0.00				0.00
526220 Utilities Expense	0.00	0.00				0.00
526300 Repairs and Maintenance	0.00	0.00				0.00
526400 Insurance Expense	0.00	0.00				0.00
527000 Depreciation	0.00	0.00				0.00
528100 Taxes, Licenses and Fees	0.00	0.00				0.00
528230 Interest Expense and Financing Charges	0.00	0.00				0.00
529000 Provision for Probable Losses/Loan Impairment Loss	0.00	0.00				0.00
529100 Loss on Disposal of Assets	0.00	0.00				0.00
599999 Miscellaneous Expense	0.00	0.00				0.00
TOTAL OPERATING EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00
NET SURPLUS BEFORE INVESTMENT RETURNS	0.00	0.00	0.00	0.00	0.00	0.00
ADD: Investment Revenues						
421000 Interest Income	0.00	0.00	0.00	0.00	0.00	0.00
422000 Dividend Income	0.00	0.00	0.00	0.00	0.00	0.00
441100 Gain (loss) on Sale of Investments	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INVESTMENT REVENUES	0.00	0.00	0.00	0.00	0.00	0.00
LESS: Investment Expenses						
528210 Investment management fees	0.00	0.00	0.00	0.00	0.00	0.00
528220 Bank and other charges	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INVESTMENT EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00
Net Returns from Investment	0.00	0.00	0.00	0.00	0.00	0.00
NET SURPLUS (LOSS)	0.00	0.00	0.00	0.00	0.00	0.00
ADD (LESS): OTHER COMPREHENSIVE REVENUES (EXPENSES)						
600000 Other Comprehensive Revenues	0.00	0.00	0.00	0.00	0.00	0.00
850000 Unrealized Loss on Financial Assets	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL COMPREHENSIVE REVENUES (EXPENSES)	0.00	0.00	0.00	0.00	0.00	0.00
NET COMPREHENSIVE SURPLUS (LOSS)	0.00	0.00	0.00	0.00	0.00	0.00

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Name of MBA
STATEMENTS OF FINANCIAL POSITION
 As of __ December 20xx

ASSETS	THIS YEAR					PREVIOUS YEAR
	Consolidated	General Fund	Mutual Benefit Fund	Optional Fund - Reg	Optional Fund-Micro	
CURRENT ASSETS						
111000 Cash and cash equivalents						
112000 Financial assets at amortized cost (FAAC)- current						
113000 Financial assets at fair value (FAFV) - P&L	0.00	0.00	0.00	0.00	0.00	0.00
114100 Members' fees & dues receivable	0.00	0.00	0.00	0.00	0.00	0.00
114200 Members' contributions due and uncollected	0.00		0.00		0.00	0.00
114300 Net premiums due and uncollected	0.00		0.00			0.00
114400 Unremitted Members' contributions, dues & fees	0.00			0.00	0.00	0.00
114500 Unremitted premiums	0.00		0.00		0.00	0.00
114600 Amounts recoverable from reinsurers - net	0.00			0.00	0.00	0.00
114700 Members' Assessment Receivable -net	0.00		0.00	0.00	0.00	0.00
114800 Accrued income	0.00		0.00	0.00	0.00	0.00
114900 Other Current Receivables - net	0.00	0.00	0.00	0.00	0.00	0.00
115000 Due to/from Other Funds	0.00	0.00	0.00	0.00	0.00	0.00
116000 Prepayments and other current assets	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CURRENT ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
NON-CURRENT ASSETS						
121000 Financial assets at amortized cost (FAAC) - non-current	0.00	0.00	0.00	0.00	0.00	0.00
122000 Financial assets at Fair Value (FAFV) - Othe Comprehensive Income (OCI)	0.00	0.00	0.00	0.00	0.00	0.00
131000 Loans Receivable - net	0.00	0.00	0.00	0.00	0.00	0.00
141000 Investment in associates	0.00	0.00	0.00	0.00	0.00	0.00
142000 Investments in subsidiaries	0.00	0.00	0.00	0.00	0.00	0.00
143000 Investment in joint venture	0.00	0.00	0.00	0.00	0.00	0.00
151000 Investment in property - net	0.00	0.00	0.00	0.00	0.00	0.00
161000 Property and Equipment	0.00	0.00	0.00	0.00	0.00	0.00
162000 Accumulated Depreciation-Property and Equipment	0.00	0.00	0.00	0.00	0.00	0.00
171000 Other Non-Current Assets - net	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-CURRENT ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	0.00	0.00	0.00	0.00	0.00	0.00
LIABILITIES AND FUND BALANCE						
LIABILITIES						
CURRENT LIABILITIES						
211000 Liability on individual equity value	0.00					0.00
212000 Basic contingent benefits reserve	0.00		0.00			0.00
213000 Optional benefit reserve	0.00		0.00			0.00
214000 Claims payable on basic contingent benefit	0.00			0.00	0.00	0.00
215000 Claims payable on optional benefits	0.00		0.00		0.00	0.00
216000 Other Benefits on Basic Policies	0.00			0.00	0.00	0.00
217000 Other Benefits on Optional Policies	0.00		0.00		0.00	0.00
221000 Members' Contributions Received in Advance - current	0.00			0.00	0.00	0.00
222000 Premiums Received in Advance - current	0.00		0.00		0.00	0.00
223000 Unearned income	0.00			0.00	0.00	0.00
224000 Amount due to Reinsurers	0.00	0.00	0.00	0.00	0.00	0.00
225000 Loans Payable-Current	0.00		0.00	0.00	0.00	0.00
226000 Accounts Payable	0.00	0.00	0.00	0.00	0.00	0.00
231000 Accrued Expenses	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CURRENT LIABILITIES	0.00	0.00	0.00	0.00	0.00	0.00
NON-CURRENT LIABILITIES						
251000 Members' Contribution Received in Advance - non-current	0.00					0.00
252000 Premiums Received in Advance - non-current	0.00		0.00			0.00
253000 Net Pension Liability	0.00			0.00	0.00	0.00
254000 Long-term Loans Payable	0.00	0.00			0.00	0.00
255000 Other Long-term Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL NON-CURRENT LIABILITIES	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	0.00	0.00	0.00	0.00	0.00	0.00
FUND BALANCE						
310000 Free and Unassigned Fund Balance	0.00					0.00
320000 Assigned fund balance	0.00	0.00	0.00	0.00	0.00	0.00
321000 Funds Assigned for Guaranty Fund	0.00	0.00	0.00	0.00	0.00	0.00
322000 Funds Assigned for Members' Benefits	0.00	0.00	0.00	0.00	0.00	0.00
323000 Funds Assigned for Community Development	0.00	0.00	0.00	0.00	0.00	0.00
330000 Revaluation Increment/Surplus	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FUND BALANCE	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES AND FUND BALANCE	0.00	0.00	0.00	0.00	0.00	0.00
FUND BALANCE						
Fund Balance, beginning	0.00	0.00	0.00	0.00	0.00	0.00
Net surplus for the year	0.00	0.00	0.00	0.00	0.00	0.00
Fund Balance, ending	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES AND FUND BALANCE	0.00	0.00	0.00	0.00	0.00	0.00

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