

HPPRECC

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DAHIL SA COOP, KAYA MO NA!

Chairman's Report

By Val Hilario

Early Beginnings

Four years ago, in June 2011, the initiative to put up a cooperative in HP began. Although we had the support of management, some questions were raised to ensure alignment with our HP Values particularly with respect to Uncompromising Integrity. Questions around conflict of interest, governance structure, and operational infrastructures, among others, were raised.

With cooperatives being professional organizations and regulated by the government through RA 9520 or the Philippine Cooperative Code of 2008, we were able to address most of these early concerns. The biggest challenge was around salary deductions. Unlike most employers in the Philippines that allow employee cooperatives to link to their payroll system for coop deductions, HP does not. This is due to the fact the HP's payroll system is global and we cannot pollute it with non-Company information.

We virtually ran into a blank wall. But knowing the benefits the cooperative will bring to the employees, the proponents did not let go. Search for solutions continued including surveys with other employee cooperatives nationwide as well as within HP globally. Unfortunately, the result was negative. There was nothing we can leverage from. All cooperatives surveyed employ linkage to the company's payroll system.

One opportunity came in November of 2012 when management suggested to explore a partnership with Bank of the Philippine Islands. Several meetings with BPI were done to try to find a solution. Finally in March 2013, with representatives with BPI, a possible solution called BPI Elink was presented to management. Elink is a BPI product that will allow the cooperative to initiate deductions via auto-debit arrangement directly from members' BPI accounts and outside of HP's payroll system. And at that point, although several issues still remain, all stakeholders agreed that no more showstoppers exist and the proponents were given the go-signal to formally start the cooperative registration process.

And so, on August 27, 2014, with 20 founding members and an initial capitalization of Php64,000.00, the HPP Employees Credit Cooperative was born.

Early Operations

The remaining months of 2014 were mostly dedicated to complying with all government requirements like BIR, Barangay Clearance, Mayor's Permit, etc. Setting up of the coop's BPI account as well as Elink enrollment for the initial members were also completed. The very first coop deduction using Elink was done on December 10, 2014 payroll for 25 pilot members.

Annual Report 2014

GOVERNANCE STRUCTURE

Board of Directors

Chairman	Val Hilario	ITO
Vice-Chairman	Simon Villalon	ABS
Members	Led Mangubat	ABS
	Eugene Teves	ITO
	Mike Nicolas	ITO
	Aloha Cruz	HR
	Em Serrano	HR
Coop Secretary	Sherry Rodulfo	ITO
Coop Treasurer	Aissa Largo	ITO

Credit Committee

Head	Anna Mae Angeles	ABS
Members	Roji Nulud	ITO
	Jay Calma	ABS
	Liza de Dios	ITO

Audit Committee

Head	Ogie Cortezano	ITO
Members	Bonna Suerte	ITO
	Sarah Espiritu	ITO

Election Committee

Head	Jonathan Cantos	ITO
Members	Nicolo Baligod	ITO
	Michris Salazar	HPPC

Membership Committee

Head	Dune Akiate	HPSW
Members	Kookie dela Cruz	ITO
	Joyce Ramos	ITO
	Myra Mancilla	ABS

Education and Training Committee

Head	Jody Salas	ABS
Members	Lori Lopez	ITO

Ethics Committee

Head	Johann Molo	L&D
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2014 Audited Financial Statements

ASSET	2014
CURRENT ASSETS	
Cash and Cash Equivalents	94,050.00
Loans Receivable	57,578.40
TOTAL ASSETS	151,808.40

LIABILITIES AND EQUITY	2014
CURRENT LIABILITIES	
Savings Deposit	59,758.77
Accounts Payable	16,297.50
Unearned Income	5,258.40
TOTAL LIABILITIES	81,314.67
EQUITY	
Share Capital	101,200.00
Retention Fund	2,500.00
Statutory Funds	(33,206.27)
TOTAL EQUITY	70,493.73
TOTAL LIABILITIES AND EQUITY	151,808.40

NOTES TO FINANCIAL STATEMENTS

In my opinion the financial statements present fairly, in all material respects, the financial position of HPP Employees Credit Cooperative for the two months ended December 31, 2014 and of its financial performance for the period then ended in accordance with Philippine Financial Reporting Standards applicable to Cooperatives in the Philippines, taking into consideration Cooperative laws, principles and practices.

Mellicent Montoya
 Certified Public Accountant
 CDA Certificate No. 0084

Loan Type	Loan Entitlement	Loan Ceiling	Diminishing Interest Rate	Effective Monthly Rate	Service Fee	Retention Fund	Term in months	Coop Tenure in months
Petty Cash	P5,000	P5,000	N/A	2%	P100	None	1	3
Emergency	P10,000	P10,000	16%	0.79%	P200	None	6	3
Birthday Loan	P10,000	P10,000	16%	0.79%	P200	None	6	3
Educational	5 x equity	P50,000	18%	0.83%	P200	10%	12	6
Hospitalization	5 x equity	P50,000	18%	0.83%	P200	10%	12	6
Appliance	5 x equity	P50,000	24%	1.12%	P200	10%	12	6
EPP Loan	5 x equity	P50,000	18%	0.83%	P200	10%	12	6
Wedding	5 x equity	P50,000	24%	1.12%	P200	10%	12	6
Travel	5 x equity	P50,000	24%	1.12%	P200	10%	12	6
Multipurpose	5 x equity	P100,000	36%	1.74%	P200	10%	24	12
Housing	5 x equity	P100,000	18%	0.83%	P200	10%	24	12
Car Equity	5 x equity	P100,000	18%	0.83%	P200	10%	24	12

CO-MAKER POLICY

- A co-maker must be a Coop member.
- Co-makers act as additional collection tools and can assist in locating the principal borrower, if needed.
- Co-makers have the same accountability as the principal borrower. They are jointly and severally liable to pay the Coop.

Q1 2015 Results

