



# Leveraging Partnerships, Accelerating Action for SDGs 2030

2023 ANNUAL REPORT

#### **About PCNC**

The Philippine Council for NGO Certification, Inc. (PCNC), a private, voluntary, nonstock, nonprofit corporation, is a **self-regulatory body** of the NGO sector. As the duly designated "Accrediting Entity", the Council's main function is to accredit NGOs and Foundations that meet the established standards for good governance and management, and that demonstrate compliance with existing regulatory requirements.

Founded on January 29, 1997 by six of the country's largest NGO networks-the Association of Foundations (AF), the Bishops-Businessmen's Conference for Human Development (BBC), the Caucus of Development NGO Networks (CODE-NGO), the League of Corporate Foundations (LCF), the National Council for Social Development (NCSD), and Philippine Business for Social Progress (PBSP)—PCNC was a response to the challenge by the Government of establishing a system that will ensure that resources received by non-stock, non-profit organizations are used for their intended purposes.

Since then, PCNC's accreditation as a seal of good NGO housekeeping has been a pre-requisite for the registration of NGO and Foundations with the Bureau of Internal Revenue (BIR) as qualified donee-institutions.

In partnership with the Government, PCNC has lived up to the expectation of being the NGO sector's self-regulatory mechanism in ensuring the integrity, transparency, accountability, and service of accredited NGO. It is our collective commitment that PCNC will continue pursuing its mission of enabling more NGO that are trusted, respected, and reliable partners in national development.



#### **Vision**

A trusted and self-regulating community of NGOs, participating effectively in development and nation-building.



#### Mission

PCNC is committed to enabling NGOs to amplify their mission through a credible and accessible accreditation system.



#### **Core Values**

- Integrity & Fairness
- Transparency
- Accountability
- Service & Volunteerism

# About the Cover PCNC Leveraging Partnerships, Accelerating Action for SDGs 2030 2023 ANNUAL REPORT

In our 25th General Assembly, the theme, "Leveraging Partnerships, Accelerating Action for SDG 2030" aspires to bring together all stakeholders, government, private and public entities, civil society organizations and other collaborators to enhance and strengthen partnerships and bring us closer to achieving our Sustainable Development Goals.

As our cover vividly depicts the oneness of collaboration and the logo of the SDGs at the center, we leave no one behind. PCNC's call to the NGO community and our partners in government, the private sector and other agencies to work together is a way of levelling up its engagement with its members and various partner organizations in the Philippines to help advance to a more sustainable future for all.

As an organization with over 25 years of total commitment to its Vision of being a trusted and self-regulating community of NGOs participating effectively in development and nation-building, PCNC will forge stronger programs to capacitate its member organizations to do better and do more. Well-equipped organizations are confident to build and maximize effectiveness of all forms of cooperation for development, for the shared benefits of all people, the communities, the nation and the world.

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# **Chairperson's** Report

Twenty-five years ago, on February 5, 1999, PCNC was publicly launched at the Filipinas Heritage Library in Makati City, two years after its incorporation on January 19, 1997. Two years were actually not enough to prepare for the huge responsibility that PCNC was about to take on.

With the full backing of its founding civil society networksthe Association of Foundations, Caucus of Development NGO Networks, Bishops'-Businessmen's Conference for Human Development, League of Corporate Foundations, National Council for Social Development, and Philippine Business for Social Progress-and through the able leadership of its founding chairperson, Victoria P. Garchitorena, PCNC was able to surmount the challenges of setting-up such a pioneering and trailblazing institution.





Signing of the Memorandum of Agreement (MOA) between PCNC Founding Chairperson, Victoria P. Garchitorena and Department of Finance Secretary, Roberto F. De Ocampo in 1998, designating PCNC as the certifying organization of NGOs seeking donee institution status from the BIR.

The generous support of its early donors-the Ford Foundation, United States Agency for International Development (USAID), SASAKAWA Peace Foundation, The World Bank, and Agencia Espanola de Cooperacion International para el Desarrollo (AECID)-allowed PCNC to conduct consultative meetings nationwide, recruit and train volunteer evaluators, undertake studies on nonprofit transparency and accountability mechanisms and regulatory frameworks, and develop the first iteration of the certification standards and tools needed to ensure the credibility and impartiality of the evaluation process.

As more and more NGOs joined the advocacy for good governance and the promotion of transparency and accountability in the social development space, the demand for assistance and mentoring for them to be able to comply with the minimum certification requirements likewise grew. In response, PCNC conducted training sessions and published guidebooks and case studies to help NGOs navigate the process of instituting good governance and sound management policies and practices. We learned that building NGO organizational capacity could be a daunting task, but PCNC persisted.



And despite the hurdles and difficulties that it encountered, PCNC thrived.

The success of the work of PCNC would not have been possible if not for the confidence of its partners in government, particularly the Department of Finance and the Bureau of Internal Revenue. Earning the trust of the government in operationalizing a system of accreditation for the primary purpose of determining the qualification of NGOs for certification as donee institutions was not an easy feat. Coming from a backdrop of cases of abuse and corruption in the NGO sector in the past, PCNC had to prove that the system is credible and reliable, that those that will be given accreditation are truly legitimate and genuine NGOs that serve the public good. Thus, according to the Asian Development Bank (2013), "the PCNC certification process is one of the very few government-recognized NGO certification systems in the world and has been subject of discussion and possible replication by NGOs in different countries".

The most unique feature of PCNC is the engagement of volunteer peer evaluators coming from the pool of exemplary PCNC-accredited organizations and from the Philippine Institute of Certified Public Accountants (PICPA). The memorandum of agreement signed between PCNC and PICPA 25 years ago fueled PCNC's resolve and confidence that it could perform its duty. Without the volunteer peer evaluators, PCNC would not be able to carry-out its mandate.



The 25th General Assembly of PCNC-accredited NGOs and Foundations is an important milestone. It is a strong manifestation of our collective aspiration for a trusted and selfregulating community of NGOs participating effectively in development and nation-building.

We have so much to be thankful for in 2023.

#### PCNC's 2023 operational highlights

In fulfillment of its duty as an accrediting entity, PCNC received 115 applications for accreditation and evaluated 111 organizations in 2023. Upon the recommendation of the evaluation team, the Board deliberated on the results of the evaluation of 117 organizations, including six carry-over applications from 2022. After careful scrutiny, the Board granted accreditation to 113 NGOs and Foundations, 17 of which were first-time applicants, and 96 were for renewal of accreditation. Of these, 104 organizations completed all the documentary requirements and were subsequently endorsed to the BIR for registration as donee-institutions in accordance with Revenue Regulations No. 13-98. For this period, the BIR issued the Certificate of Registration (COR) as donee institution to 99 organizations. In addition, 39 organizations were given regular extension of their donee-institution status. Regular extension is given to those organizations whose COR expired within the validity period of their PCNC accreditation.

As of December 31, 2023, there are 414 NGOs with valid accreditation that are working hard in serving the communities and marginalized sectors of our society by providing them access to education, nutrition and health services, and livelihood opportunities; equipping them with the necessary knowledge and skills for disaster preparedness, climate change adaptation, environmental protection; and giving them the venue to participate effectively in various development programs.

On the financial front, we exceeded our financial targets in 2023. Compared to the prior year, total assets grew by 5% to PhP29.1 million. Moreover, total receipts were slightly higher by 1% to PhP13.24 million, while total expenses were lower by 6% to PhP10.57, resulting to a higher excess of receipts over expenses by 37% to PhP2.67 million.

#### Efforts to make the PCNC accreditation process simpler and more accessible

Perhaps, some would say that going through PCNC accreditation is such an ordeal. Compliance with regulatory requirements and standards of best practices is indeed challenging. PCNC has to do some balancing act here.

While PCNC sees the need to make the certification process simpler and more accessible to as many NGOs as possible, PCNC also has to ensure the validity and credibility of the evaluation results, i.e., that indeed, accredited NGOs are compliant with all the requirements to become donee institutions as spelled out by the law. Thus, the certification process has to adhere to the discipline and rigor of evaluation research. The evaluators meticulously review the documents submitted and validate their completeness and veracity through interviews with the members of the board, the management, beneficiaries and partners, comparison with complementary records, and observations of actual practices. The evaluation reports and the recommendations of the evaluation teams are deliberated on by the PCNC Board in its monthly meeting before decisions are made. The PCNC Board is ultimately accountable for every accreditation issued by PCNC. Through its accreditation system, PCNC does not only determine the qualification of NGOs for donee institution status, but also helps them improve their governance and operations in line with the principles and best practices of integrity, transparency and accountability.





In line with these two goals of making the PCNC accreditation process both NGO-friendly and effective and credible, PCNC revised the accreditation guide and tools more than a year ago. It also developed a tool called the Self-Assessment and Peer-Appraisal Tool (SAPAT) to help NGOs familiarize themselves with the new process, to do their initial selfassessment, and get them more ready when they go through the actual evaluation process.

In addition, the PCNC organized a number of webinars to explain the accreditation process and to entertain gueries and reguests for consultation from individual NGOs that have questions specific to their organizations.

#### Participation in advocacies related to NGO good governance

PCNC had the distinct opportunity to participate in the United Nations Office of Drugs and Crime (UNODC) Regional Conference on Exploitation of NPOs by Violent Extremist Groups in Thailand, Indonesia, Malaysia, and the Philippines held in Phuket, Thailand on February 22-23, 2023. In this conference, PCNC shared its experiences and insights on safeguarding NPOs from terrorism financing and money laundering abuse. To cascade the results of the UNODC study and raise awareness on the risks of NGOs being exploited for terrorism financing and money laundering, two online for were conducted in partnership with AF, CODE-NGO, LCF, PBSP, and the Department of Foreign Affairs (DFA).

#### Efforts to strengthen PCNC's capacity to perform its mandate

In line with PCNC's strategy to strengthen organizational capacity and resilience, a learning workshop for volunteer evaluators on the revised accreditation guidelines and SAPAT was conducted on March 8-10, 2023, in addition to the same five learning workshops conducted last year. We are grateful to our Volunteer Peer Evaluators for their relentless commitment to serve the Council and the NGO sector.

In addition, the first PCNC Governance Manual was approved by the Board on December 6, 2023 to further strengthen the Council's governance mechanism in view of the changing environment and the increasing demand for accountability and managing risks amidst uncertainties.

#### Expanding PCNC's reach through partnership-building

In its effort to reach out to more NGOs, PCNC collaborated with various organizations. PCNC participated and delivered a talk on the accreditation process at the PICPA MMR GAO Summits on January 25 and September 11, 2023, and at the PAMA Foundation 1st Regional Conference held in Iloilo on October 26-28, 2023. PCNC was also invited to participate in the Spring Rain Global Conference in Cebu on July 23-24, 2023.

PCNC also continued to nurture its partnership with the Department of Social Welfare and Development (DSWD). On June 30, 2023, PCNC shared its revised accreditation standards and evaluation tools with the staff members of the DSWD Standards Bureau. In addition, PCNC was invited at the membership meetings of ABSNET NCR (West Cluster, East Cluster, South Cluster, and Central Cluster) on July 25-28, 2023 and at ABSNET Cebu on September 27, 2023.

#### **Key initiatives in 2024**

- 1. We will strengthen our capacity building program for NGOs by offering learning courses in essentials of nonprofit governance, basic bookkeeping and financial accounting for nonprofits, and financial stewardship. These learning programs seek to address the common areas for improvement observed among NGOs during evaluations. They will be implemented in partnership with the Institute of Corporate Directors (ICD) and and PICPA being the subject matter experts.
- 2. One of the strategic goals of PCNC is to expand its NGO reach. There are many NGOs in the provinces that are doing great work for the communities they serve but have not been able to access PCNC accreditation. As such, we will bring PCNC closer to NGOs in the regions and provinces through the "PCNC Caravan" to better understand their concerns related to application for accreditation, to orient them on the importance of practicing good governance and sound management, and to encourage them to pursue PCNC accreditation. The caravan will be carried out in partnership with local NGO associations and networks.
- 3. We will conduct regular webinars to orient NGOs intending to apply for PCNC accreditation on the requirements, process, and the SAPAT. In addition, we intend to run mini-lecture series on regulatory updates and certain topics on nonprofit governance and management that would be beneficial to NGOs.

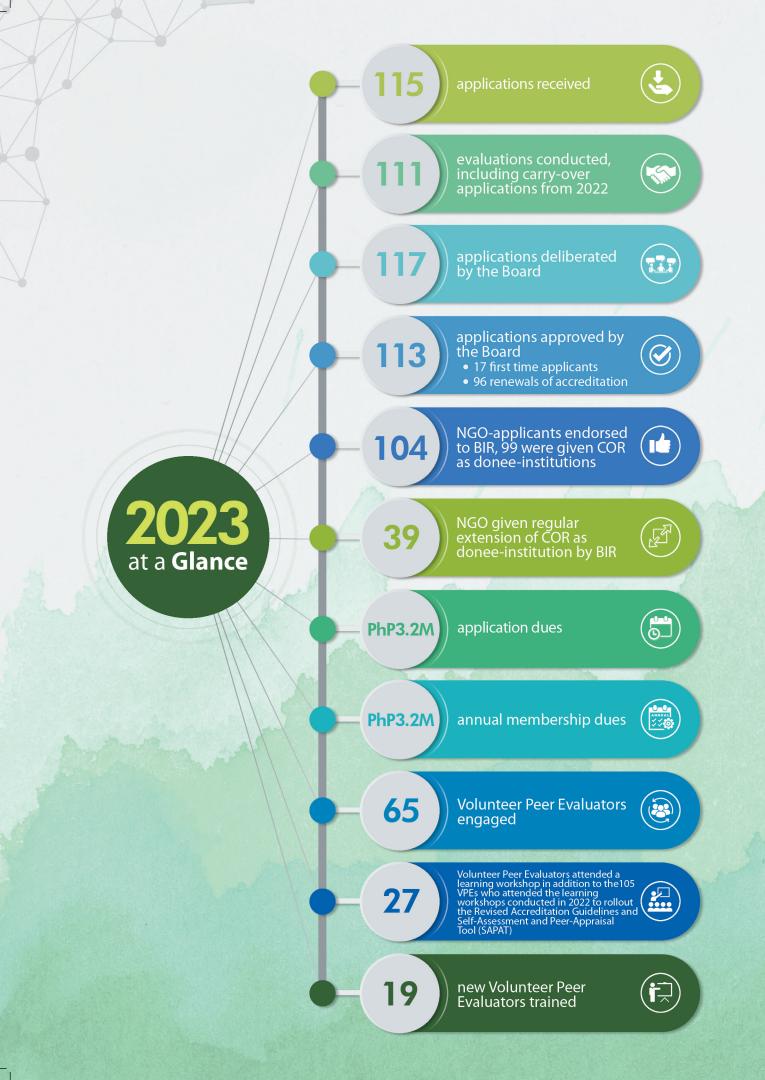
4. Finally, we will work on improving our communications strategies by maximizing available online platforms to better tell the PCNC story not only as a self-regulatory body, but also as an advocate of good governance and organizational transformation.

Over the years, PCNC has built its capacity and resources to perform its mandate. The system of NGO accreditation for donee institutions that has been operationalized by the BIR and PCNC for more than 25 years is regarded as an "innovative control tool in tax administration that mobilizes the nongovernment sector in fostering integrity, transparency and accountability to ensure that only legitimate donations are claimed as deductible expenses".

PCNC is not just an accrediting entity. It embodies the aspiration and achievement of the civil society sector in the Philippines for being able to institutionalize a self-regulatory mechanism for NGOs that is recognized by the government, the donor agencies, the private sector, and the NGO community itself. We are proud and grateful for what our predecessors have accomplished. PCNC remains committed to working closely with the government agencies, NGO networks, private organizations, and international bodies in crafting and implementing policies and standards that would protect legitimate and law-abiding NGOs, and would allow them to do better and to do more.

As PCNC looks back at the past 25 years and moves forward to the next 25, it will continue to find ways to better serve the NGO community and the country. It will continue improving its accreditation system, enhancing its capacity, reaching out to more NGOs, taking part and playing a leadership role in NGO good governance advocacies, and sustaining self-regulatory mechanisms in the spirit of government-private sector partnership and in pursuit of our common objective upholding civil society participation in uplifting the lives of Filipinos and in promoting a just, peaceful, and humane society.

> Mario A. Deriquito Chairperson





"Maintaining standards of good governance in civil society is essential in fostering transparency, accountability, and equitable representation. In its long history, the PCNC has worked closely with the private sector, the government and the communities to ensure that the values of integrity, inclusivity and service to the Filipino people are grounded with strong foundations of effective governance and accountability. This ensures that the collective development and well-being of its members and the communities it serves thrive sustainably and remain focused on the essential task of nation-building.

It is truly an honor to contribute to this community as a volunteer peer evaluator. Not only does this opportunity continue to enrich my own learning and understanding but witnessing the growing potential of our civil society and actively collaborating on programs and projects enhance the true value of this community."

> Natalie Christine V. Jorge Executive Director Bato-Balani Foundation, Inc. Makati City





"As a PCNC Volunteer Peer Evaluator (VPE), I have witnessed and experienced firsthand the vital role of peer-based support in promoting and fostering organizational development among NGOs. Beyond evaluating NGO applicants for the PCNC accreditation and securing their BIR donee institution status, our evaluation and assessment emphasize integrity, quality, accountability, and good governance within the sector. Through a well-structured evaluation process, we not only validate compliance but also empower NGOs to enhance their capacity, effectiveness, and impact. Our collective efforts contribute to building a robust ecosystem where NGOs thrive, collaborate, and collectively accelerate action towards achieving the Sustainable Development Goals by 2030."

> George V. Villaruz, CPA, ACPA Member, PICPA - Eastern Metro Manila Chapter Mandaluyong City





"Being a Volunteer Peer Evaluator provided me valued experiences that may be different from being in the academe. As I review the documents and interview the different stakeholders of the NGO applicants, I was able to verify the veracity of the data that they provide. This allows me to not only give recommendations but also see the best practices that may be a source of inspiration for other NGOs as well. Every evaluation is always a learning and sharing experience. Working as a team, we see to it that we agree and validate the ratings that we give at the end of the evaluation."

> Leonor T. Amacio **Professor** De La Salle University-Dasmariñas Dasmariñas City

"My role as a VPE during PCNC evaluations motivates me to do better. It is a source of inspiration: I discover good practices, learn from their organizational experiences, and challenge myself to pull-out from my own stock of knowledge to provide relevant recommendations in support of NGOs' quest for sustainability. The SAPAT evaluation tool has been improved over the years creating "standards", that are very pragmatic and really helpful in conducting peer evaluations. The SAPAT tool in itself, can be used in conducting due diligence by NGOs to measure its own performance and address the gaps and challenges towards creating more impact."

> Marilou P. Juanito Independent Volunteer Peer Evaluator Quezon City





"As Vivant Foundation celebrates our 10th year anniversary, I am grateful for the guidance provided by PCNC when we were incorporating. I'd heard about PCNC when I was attending seminars and courses on non-profits in the Philippines and wanted our new Foundation to

meet the organizational performance standards from the start. PCNC was forthcoming with all the information we needed. Over the years, we continue to make minor adjustments as we've grown organizationally with PCNC's peer coaching and guidance. Adhering to their good governance and best practices standards remain relevant at any size."

Shem Jose W. Garcia Executive Director Vivant Foundation, Inc. Cebu City

"The Notre Dame Educational Association, Inc (NDEA) is accredited by the Philippine Council for NGO Certification (PCNC). The language itself, "PCNC accredited", connotes a reputation of good governance, transparency, and accountability. NDEA through the years gained this kind of reputation thus NDEA being a donee institution, continuously receives funding from Misereor - Germany, an international funding agency. NDEA in its mission is committed to assisting its member schools to pursue peace and development through educational formation for social transformation. Thus, to maintain quality standards in its operation, NDEA continuously aspires to live up to the standards set by PCNC. Congratulations PCNC! Mabuhay!"

Evelyn V. Dollete, Ed.D.
Executive Director
Notre Dame Educational Association, Inc.
Tacurong City





"PCNC has been a long-time partner of PROCESS Bohol in ensuring that the basics NGO governance and housekeeping are properly applied. True to its commitment, I have shared my knowledge and learnings with other civil society organizations and academic institutions, like the Holy Name University in Bohol on the necessary requirements to prepare them in applying for PCNC accreditation. In a peer-to-peer approach, PROCESS Bohol continuously promotes PCNC's vision and underlying principles to other CSOs during our annual CSO Week Celebration. PCNC accreditation not only encourages donors to donate to accredited organizations but also instills

confidence and integrity on the part of NGOs seeking for donation. More than just the donee status, the PCNC accreditation is a seal of good housekeeping. It ensures that the NGO is compliant with the standards of NGO good governance, transparency and accountability."

Aurelio S. Salgados, Jr. **Executive Director Participatory Research Organization** of Communities and Education towards Struggle for Self-Reliance (PROCESS Bohol, Inc) Tagbilaran City

"With the help of PCNC, we were able to raise the standards of our project operations. We developed guidelines that will improve the operations of our Foundation. We are grateful to PCNC, as their support allows us to continue enhancing our service delivery to be worthy of the trust they have given us."

> Ronald Allan E. Sumague **Deputy Executive Director SMGP Foundation, Inc.** Pasig City



#### Volunteer Peer Evaluator Awardees | January to December 2023

PCNC values and recognizes the services of Volunteer Peer Evaluators (VPE) in conducting accreditation assessments of applicant-NGOs. If not for the VPEs, the Council would not have been able to fulfill its mandate as Accrediting Entity. We wish to acknowledge and thank all Volunteer Peer Evaluators who joined evaluation teams in 2023. We are honoring nine VPEs who have conducted at least 10 evaluations to assess various organizations applying for PCNC Accreditation.

**Evaluations** 



MARIE A. ANGELES

**Executive Director** Ronald McDonald House Charities of the Philippines, Inc.



**NATALIE CHRISTINE V. JORGE** 

**Executive Director** Bato Balani Foundation, Inc. **Evaluations** 



LEONOR T. AMACIO

Faculty & Assessment Coordinator Quality Assurance Office De La Salle University Dasmariñas



REBECCA C. MINODIN, CPA

**CPA Practitioner** PICPA Northern Metro Manila Chapter

**50** 

**Evaluations** 



JUDE C. TRINIDAD

Independent Peer Volunteer Evaluator



CARIDAD M. BASILA, CPA

**Finance Consultant** Concordia Children's Services, Inc.

**75** 

**Evaluations** 



GEORGE V. VILLARUZ, CPA, ACPA

**CPA Practitioner** PICPA Eastern Metro Manila

150 **Evaluations** 



**ELLEN B. DE GUZMAN, CPA** 

**CPA Practitioner** PICPA Northern Metro Manila Chapter

**Evaluations** 



LOLITA P. TANG, CPA, PhD, REB, REA, REC

**Executive Director** PICPA Foundation, Inc.

# 25-Year Service Awardees (1999 - 2024)

It is only fitting to recognize and honor 13 of our esteemed Volunteer Peer Evaluators who have served the Council for 25 years. We are truly grateful to our VPEs for sharing their time, expertise, valued experiences and service to PCNC and the NGO community through the years.



CARIDAD M. BASILA, CPA

Finance Consultant
Concordia Children's Services, Inc.



JAVIER C. CALIGUIA, JR., CPA

Member
PICPA Southern Metro Manila Chapter



Executive Director
Isla Lipana & Co. Foundation, Inc.



CRISTINA S. HANGOD, RSW

Independent Peer Volunteer Evaluator



Executive Director Mahintana Foundation, Inc.



JOAQUINA S. JAMIAS, CPA

Executive Director
WS Family Foundation, Inc.



Executive Director Emeritus Christian Mission Service Philippines, Inc.



ALMA C. MAPILI, CPA

Member, PICPA



VERONICA ESTER L. MENDOZA
Independent Peer Volunteer Evaluator



Executive Director
The Andres Soriano Foundation, Inc.



SR. MARIA LUISA D. SIMON, SFIC, CPA

Dean, College of Arts and Sciences St. Joseph's College of Quezon City



STENILLIE GRACE S. SOLIS
Independent Volunteer Peer Evaluator



# VPE Learning Workshop on the Revised PCNC Accreditation System

The "Revised Guidelines and Standards in the Accreditation" of Non-Government Organizations and Foundations" which includes the new "Self-Assessment and Peer-Appraisal Tool" or SAPAT was launched in the General Assembly of June 10, 2022. Its implementation started in July 2022. The new tool was designed to promote transparency, participation and objectivity.

In addition to the learning workshops conducted in 2022, the Council conducted another learning workshop on March 8-10, 2023 in Quezon City for our Volunteer Peer Evaluators (VPEs) to orient them on the revised guidelines and how to effectively use SAPAT. Out of the 27 VPEs who participated in the workshop, 21 were from Metro Manila, 1 from Baquio City, 2 from Cavite, 2 from Albay and 1 from Cagayan De Oro City. There were 19 new evaluators, 12 of whom were from the Philippine Institute of Certified Public Accountants or PICPA. A total of 16 PICPA members joined the workshop.

The Council's Executive Director, Felix Tonog discussed two modules, "The Philippine CSO Landscape and The PCNC Accreditation System". Our seasoned and highly skilled Volunteer Peer Evaluators, Ms. Veronica Ester Mendoza, Ms. Renee Dames - Bayangos, Sr. Ma. Luisa D. Simon, SFIC, CPA were our resource persons and facilitators for the learning workshop. Ms. Mendoza shared her ideas and know-how on the module, "Governance & Leadership: Leading with Purpose and Accountability". Ms. Bayangos facilitated and shared her expertise on Program/Operations Management and Administration while Sr. Simon delivered her proficiency in Financial Management & Sustainability. The Council would like to thank the facilitators for sharing their time and expertise to the learning workshop.

There are still areas that need improvement in the new tool, but the Council is glad with the positive feedback from NGO applicants and the VPEs on the improved accreditation guidelines and SAPAT.



# The Philippines' SDG Progress

The Sustainable Development Report 2023: Implementing the SDG Stimulus 1 was prepared by SDG Transformation Center under the auspices of the Sustainable Development Solutions Network (SDSN). The Report finds that "at the midpoint of the 2030 Agenda, all of the SDGs are seriously off track. From 2015 to 2019, the world made some progress on the SDGs, although this was already vastly insufficient to achieve the goals. Since the outbreak of the pandemic in 2020 and other simultaneous crises, SDG progress has stalled globally. In most high income countries (HICs), automatic stabilizers, emergency expenditure, and recovery plans mitigated the impacts of these multiple crises on socioeconomic outcomes. Only limited progress is being made on the environmental and biodiversity goals, including SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action), SDG 14 (Life Below Water), and SDG 15 (Life on Land), even in countries that are largely to blame for the climate and biodiversity crises. The disruptions caused by these multiple crises has aggravated fiscal-space issues in low-income countries (LICs) and in lower-middle income countries (LMICs), leading to a reversal in progress on several goals and indicators. Despite this alarming development, the SDGs are still achievable. None of their objectives are beyond our reach. The world is off track, but that is all the more reason to double down on the SDGs."

The following infographics presents the Philippines' progress on its SDGs' commitments based on the Sustainable Development Report 2023. The full report and country profiles can be viewed and downloaded https://sdgtransformationcenter.org/reports/ sustainable-development-report-2023

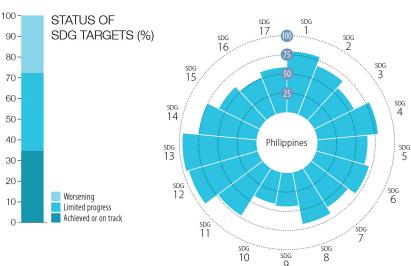
# PHILIPPINES

#### **OVERALL PERFORMANCE**





#### AVERAGE PERFORMANCE BY SDG



#### SDG DASHBOARDS AND TRENDS



























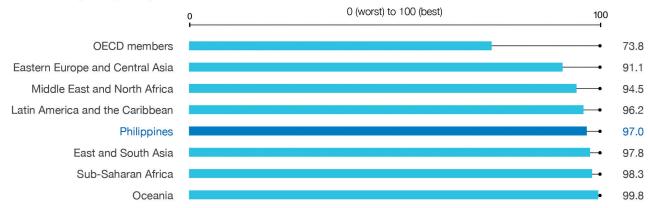






Note: The full title of each SDG is available here: https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals

#### INTERNATIONAL SPILLOVER INDEX



#### **Spillover score**

Each country's actions can have positive or negative effects on other countries' abilities to achieve the SDGs. The Spillover Index assesses such spillovers along three dimensions: environmental & social impacts embodied into trade, economy & finance, and security. A higher score means that a country causes more positive and fewer negative spillover effects.

# **PHILIPPINES**

#### Performance by Indicator

DG1 – No Poverty	Value Year Rating Trend	Age-standardized death rate attributable to household air pollution and	202.0.2010	
overty headcount ratio at \$2.15/day (2017 PPP, %)	4.8 2023 • 🗷	ambient air pollution (per 100,000 population)	202.8 2019	
overty headcount ratio at \$3.65/day (2017 PPP, %)	16.7 2023 • 🗷	Traffic deaths (per 100,000 population)	12.0 2019	-
DG2 – Zero Hunger		Life expectancy at birth (years)	70.4 2019	-
revalence of undernourishment (%)	5.2 2020 • 1	Adolescent fertility rate (births per 1,000 females aged 15 to 19)	35.6 2019	
revalence of stunting in children under 5 years of age (%)	28.8 2022 • →	Births attended by skilled health personnel (%)	84.4 2017	
revalence of wasting in children under 5 years of age (%)	6.8 2015	Surviving infants who received 2 WHO-recommended vaccines (%)	57 2021	•
revalence of obesity, BMI ≥ 30 (% of adult population)	6.4 2016 • →	Universal health coverage (UHC) index of service coverage (worst 0–100 best)	55 2019	
luman Trophic Level (best 2–3 worst) ereal yield (tonnes per hectare of harvested land)	2.2 2017 • ↑ 3.8 2021 • ↑	Subjective well-being (average ladder score, worst 0–10 best)	6.0 2021	•
ustainable Nitrogen Management Index (best 0–1.41 worst)	0.6 2018 • •	SDG4 – Quality Education		
xports of hazardous pesticides (tonnes per million population)	5.5 2020	Participation rate in pre-primary organized learning (% of children aged 4 to 6)	66.4 2021	•
DG3 – Good Health and Well-Being		Net primary enrollment rate (%)	91.2 2021	•
Naternal mortality rate (per 100,000 live births)	78.2 2020 • 🛧	Lower secondary completion rate (%)	89.8 2021	
eonatal mortality rate (per 1,000 live births)	12.3 2021 • 🛧	Literacy rate (% of population aged 15 to 24)	98.4 2019	•
lortality rate, under-5 (per 1,000 live births)	25.7 2021 • 🛧	SDG5 – Gender Equality		
cidence of tuberculosis (per 100,000 population)	650.0 2021 • 🔸	Demand for family planning satisfied by modern methods		
ew HIV infections (per 1,000 uninfected population)	0.2 2021 • 👈	(% of females aged 15 to 49)	56.0 2017	-
ge-standardized death rate due to cardiovascular disease, cancer,	24.5 2019 • →	Ratio of female-to-male mean years of education received (%)	106.1 2021	•
diabetes, or chronic respiratory disease in adults aged 30–70 years (%)		Ratio of female-to-male labor force participation rate (%)	65.1 2022	•
		Seats held by women in national parliament (%)	28.0 2021	•

<sup>1</sup> Sachs, J.D., Lafortune, G., Fuller, G., Drumm, E. (2023). Implementing the SDG Stimulus. SustainableDevelopment Report 2023. Paris: SDSN, Dublin: Dublin University Press, 2023. 10.25546/102924

special with the second				
SDG6 – Clean Water and Sanitation				
Population using at least basic drinking water services (%)	94.1	2020	•	1
Population using at least basic sanitation services (%)	82.3	2020	•	1
Freshwater withdrawal (% of available freshwater resources)		2019		•
Anthropogenic wastewater that receives treatment (%)		2020		•
Scarce water consumption embodied in imports (m <sup>3</sup> H <sub>2</sub> O eq/capita)	421.7	2018	•	•
SDG7 – Affordable and Clean Energy				
Population with access to electricity (%)	96.8	2020	•	1
Population with access to clean fuels and technology for cooking (%)	48.0	2020	•	7
CO $_2$ emissions from fuel combustion per total electricity output (MtCO $_2$ /TWh)	1.3	2019	•	7
Renewable energy share in total final energy consumption (%)	10.4	2019	•	1
SDG8 – Decent Work and Economic Growth				
Adjusted GDP growth (%)	-4.2	2021	•	•
Victims of modern slavery (per 1,000 population)	7.7	2018	•	•
Adults with an account at a bank or other financial institution or with a mobile-money-service provider (% of population aged 15 or over)	51.4	2021	•	7
Unemployment rate (% of total labor force, ages 15+)	2.2	2023	•	1
Fundamental labor rights are effectively guaranteed (worst 0–1 best)	0.5	2021	•	4
Fatal work-related accidents embodied in imports (per 100,000 population)	0.0	2018	•	7
Victims of modern slavery embodied in imports (per 100,000 population)	10.8	2018	•	•
SDG9 – Industry, Innovation and Infrastructure	Value	Year Ra	atina	Trei
Rural population with access to all-season roads (%)		2022	•	•
Population using the internet (%)	52.7	2021	•	7
Mobile broadband subscriptions (per 100 population)	62.3	2021	•	1
Logistics Performance Index: Quality of trade and transport-related infrastructure (worst 1–5 best)	2.7	2018	•	1
The Times Higher Education Universities Ranking: Average score of top 3 universities (worst 0–100 best)	25.7	2022	•	•
				4
Articles published in academic journals (per 1,000 population)	0.1	2021	_	
		2021	•	•
Expenditure on research and development (% of GDP)			•	•
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities	0.3	2018	•	0
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient	0.3	2018	•	2
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient  Palma ratio	0.3	2018	•	2
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient  Palma ratio  SDG11 – Sustainable Cities and Communities	0.3 42.3 2.1	2018 2018 2018	•	7
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient  Palma ratio  SDG11 – Sustainable Cities and Communities  Proportion of urban population living in slums (%)  Annual mean concentration of particulate matter of less than	0.3 42.3 2.1 36.6	2018 2018 2018	•	7 0 7
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient  Palma ratio  SDG11 – Sustainable Cities and Communities  Proportion of urban population living in slums (%)  Annual mean concentration of particulate matter of less than  2.5 microns in diameter (PM2.5) (µg/m³)	0.3 42.3 2.1 36.6 16.9	2018 2018 2018 2020 2019	•	7 0 1 1 7
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient  Palma ratio  SDG11 – Sustainable Cities and Communities  Proportion of urban population living in slums (%)  Annual mean concentration of particulate matter of less than  2.5 microns in diameter (PM2.5) (µg/m³)  Access to improved water source, piped (% of urban population)	0.3 42.3 2.1 36.6 16.9 82.3	2018 2018 2018 2020 2019 2020	•	2 0 1 1 7 J
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient  Palma ratio  SDG11 – Sustainable Cities and Communities  Proportion of urban population living in slums (%)  Annual mean concentration of particulate matter of less than  2.5 microns in diameter (PM2.5) (µg/m³)  Access to improved water source, piped (% of urban population)  Satisfaction with public transport (%)	0.3 42.3 2.1 36.6 16.9	2018 2018 2018 2020 2019 2020	•	7 0 7 7
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient  Palma ratio  SDG11 – Sustainable Cities and Communities  Proportion of urban population living in slums (%)  Annual mean concentration of particulate matter of less than 2.5 microns in diameter (PM2.5) (µg/m³)  Access to improved water source, piped (% of urban population)  Satisfaction with public transport (%)  SDG12 – Responsible Consumption and Production	0.3 42.3 2.1 36.6 16.9 82.3 62.0	2018 2018 2018 2020 2019 2020 2021	•	7 1 7 1
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient  Palma ratio  SDG11 – Sustainable Cities and Communities  Proportion of urban population living in slums (%)  Annual mean concentration of particulate matter of less than  2.5 microns in diameter (PM2.5) (µg/m³)  Access to improved water source, piped (% of urban population)  Satisfaction with public transport (%)  SDG12 – Responsible Consumption and Production  Municipal solid waste (kg/capita/day)	0.3 42.3 2.1 36.6 16.9 82.3 62.0	2018 2018 2018 2020 2019 2020 2021 2016	•	7 1 7 1
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient  Palma ratio  SDG11 – Sustainable Cities and Communities  Proportion of urban population living in slums (%)  Annual mean concentration of particulate matter of less than 2.5 microns in diameter (PM2.5) (µg/m³)  Access to improved water source, piped (% of urban population)  Satisfaction with public transport (%)  SDG12 – Responsible Consumption and Production  Municipal solid waste (kg/capita/day)  Electronic waste (kg/capita)	0.3 42.3 2.1 36.6 16.9 82.3 62.0 0.4 3.9	2018 2018 2018 2020 2019 2020 2021 2016 2019	•	7 1 7 1
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient  Palma ratio  SDG11 – Sustainable Cities and Communities  Proportion of urban population living in slums (%)  Annual mean concentration of particulate matter of less than 2.5 microns in diameter (PM2.5) (µg/m³)  Access to improved water source, piped (% of urban population)  Satisfaction with public transport (%)  SDG12 – Responsible Consumption and Production  Municipal solid waste (kg/capita/day)  Electronic waste (kg/capita)  Production-based SO <sub>2</sub> emissions (kg/capita)	0.3 42.3 2.1 36.6 16.9 82.3 62.0 0.4 3.9 5.0	2018 2018 2018 2020 2020 2020 2021 2016 2019 2018	•	7 1 7 1
Expenditure on research and development (% of GDP)  SDG10 – Reduced Inequalities  Gini coefficient  Palma ratio  SDG11 – Sustainable Cities and Communities  Proportion of urban population living in slums (%)  Annual mean concentration of particulate matter of less than  2.5 microns in diameter (PM2.5) (µg/m³)  Access to improved water source, piped (% of urban population)  Satisfaction with public transport (%)  SDG12 – Responsible Consumption and Production  Municipal solid waste (kg/capita/day)  Electronic waste (kg/capita)  Production-based SO <sub>2</sub> emissions (kg/capita)  SO <sub>2</sub> emissions embodied in imports (kg/capita)	0.3 42.3 2.1 36.6 16.9 82.3 62.0 0.4 3.9 5.0 0.9	2018 2018 2018 2020 2020 2020 2021 2016 2019 2018 2018	•	7 1 7 1
Articles published in academic journals (per 1,000 population)  Expenditure on research and development (% of GDP)  SDG10 — Reduced Inequalities  Gini coefficient  Palma ratio  SDG11 — Sustainable Cities and Communities  Proportion of urban population living in slums (%)  Annual mean concentration of particulate matter of less than 2.5 microns in diameter (PM2.5) (µg/m³)  Access to improved water source, piped (% of urban population)  Satisfaction with public transport (%)  SDG12 — Responsible Consumption and Production  Municipal solid waste (kg/capita/day)  Electronic waste (kg/capita)  Production-based SO <sub>2</sub> emissions (kg/capita)  Production-based nitrogen emissions (kg/capita)  Nitrogen emissions embodied in imports (kg/capita)	0.3 42.3 2.1 36.6 16.9 82.3 62.0 0.4 3.9 5.0 0.9 13.5	2018 2018 2018 2020 2020 2020 2021 2016 2019 2018	•	

#### \* Imputed data point

#### SDG13 - Climate Action

SDG13 – Climate Action				
CO <sub>2</sub> emissions from fossil fuel combustion and cement production (tCO <sub>2</sub> /capita)	1.3	2021	•	<b>→</b>
CO <sub>2</sub> emissions embodied in imports (tCO <sub>2</sub> /capita)	0.3	2018	•	<b>→</b>
CO <sub>2</sub> emissions embodied in fossil fuel exports (kg/capita)	145.4	2021	•	•
SDG14 – Life Below Water				
Mean area that is protected in marine sites important to biodiversity (%)	46.6	2022	•	7
Ocean Health Index: Clean Waters score (worst 0–100 best)	48.8	2022	•	4
Fish caught from overexploited or collapsed stocks (% of total catch)	12.5	2018	•	1
Fish caught by trawling or dredging (%)	7.1	2019	•	1
Fish caught that are then discarded (%)	0.8	2019	•	1
Marine biodiversity threats embodied in imports (per million population)	0.0	2018	•	•
SDG15 – Life on Land				
Mean area that is protected in terrestrial sites important to biodiversity (%)	42.8	2022	•	7
Mean area that is protected in freshwater sites important to biodiversity (%)	56.1	2022	•	A
Red List Index of species survival (worst 0–1 best)	0.66	2023	•	4
Permanent deforestation (% of forest area, 3-year average)	0.3	2021		7
Terrestrial and freshwater biodiversity threats embodied in imports (per million population)	0.1	2018	•	•
SDG16 – Peace, Justice and Strong Institutions				
Homicides (per 100,000 population)	4.3	2019	•	1
Unsentenced detainees (% of prison population)	59.2	2019	•	7
Population who feel safe walking alone at night in the city/area where they live (%)	68	2021	•	1
Birth registrations with civil authority (% of children under age 5)	91.8	2017		
Corruption Perceptions Index (worst 0–100 best)	33	2022	•	4
Children involved in child labor (% of population aged 5 to 14)	NA	NA		
Exports of major conventional weapons (TIV constant million USD per 100,000 population)	0.0	2021	•	•
Press Freedom Index (worst 0–100 best)	46.2	2023	•	4
Access to and affordability of justice (worst 0–1 best)	0.5	2021	•	7
Timeliness of administrative proceedings (worst 0–1 best)	0.4	2021	•	4
Expropriations are lawful and adequately compensated (worst 0–1 best)	0.5	2021	•	4
SDG17 – Partnerships for the Goals				
Government spending on health and education (% of GDP)	6.0	2020	•	7
For high-income and all OECD DAC countries: International concessional public finance, including official development assistance (% of GNI)	NA	NA	•	•
Other countries: Government revenue excluding grants (% of GDP)	15.9	2020	•	<b>→</b>
Corporate Tax Haven Score (best 0–100 worst) *	0	2021	•	•
Statistical Performance Index (worst 0–100 best)	83.4	2022	•	1

# 2023 Highlights



PCNC 24th General Assembly, June 1, 2023





PICPA MMR-GAO NGO Development Summit, September 11, 2023



PAMA Foundation 1st Regional Conference, October 26 - 28, 2023



PCNC MOU Signing with the Institute of Corporate Directors (ICD) on November 20, 2023. In partnership with ICD, PCNC will offer a training program on the Essentials of Nonprofit Governance.



# Treasurer's Report

On behalf of the Board of Trustees, I am pleased to present the audited financial condition and results of PCNC's operations for the year ended December 31, 2023.

PCNC exceeded its financial targets in 2023 and ended the year in a more secure financial position.

Our total assets grew modestly by 5% to PhP29.1 million from last year's PhP27.7 million. The increase is mainly attributable to the gains in investment assets by 17% to PhP24.7 million from PhP21.1 million the prior year. The decrease in cash was due to reallocation of PhP2.9 million to short-term investment in treasury bills which will mature in August 2024.

On the other hand, liabilities declined by 36% to PhP2.1 million. The amortization of retirement obligation and the recognition of a portion of deferred support as revenue account for such decrease.

Consequently, the total fund balance at year-end grew by 11% to PhP27.0 million from PhP24.3 million last year. Of the fund balance, PhP21.0 million is restricted which constitutes the principal of our endowment fund. In the coming years, we intend to allocate the proceeds of our investments to fund our capacity building programs for NGOs and volunteer evaluators.

Moreover, the financial results of our core activities demonstrate our ability to remain prudent in our expenditures while enhancing service delivery and expanding program outreach.

Total receipts slightly rose by 1% to PhP13.2 million from PhP13.1 in 2022. However, application dues declined by 9% to PhP3.2 million because of fewer applications received, 115 in 2023 as against 158 in 2022, while the collection of annual dues escalated by 11% to PhP3.1 million from prior year's PhP2.9 million.

Expenditures were closely managed corresponding to the planned activities for the year. Total expenses were down by 6% to PhP10.6 million from last year's PhP11.2 million. Program disbursement accounts for 84% of total expenses, which includes the conduct of evaluations that resulted in the accreditation of 113 NGOs and Foundations, training of volunteer peer evaluators on the revised PCNC accreditation guidelines, and support to institutional capacity building program. In addition, about PhP1.6 million in grants were disbursed for the capacity building activities for CSO-grantees of the USAID-funded INSPIRE Project implemented by the Gerry Roxas Foundation, in which PCNC is a consortium member. The general and administrative expenses declined by 11% to PhP1.7 million year-on-year, while its proportion to total expenses is at an all-time low of 16%.

We closed 2023 with better-than-expected excess of receipts over expenses of PhP2.7 million, 37% higher from prior year's PhP1.9 million.

As we sustain the financial stability of PCNC, rest assured of our steadfast commitment to improving our services to make accreditation more accessible to as many NGOs. In partnership with reputable organizations, PCNC will implement learning programs in governance, accounting, and financial management to help NGOs strengthen their respective organizational capacities. PCNC is not simply an accrediting body. It is an advocate and partner of the NGO sector in advancing leading practices in organizational governance and management. We will strive to generate the needed resources to pursue these objectives.

On behalf of the Board of Trustees and the management, allow me to thank each and every one of you-our member-NGOs, donors, partners, and volunteer evaluators for your unwavering support and faith in PCNC.

May God bless us all!

Fr. Manuel V. Francisco, SJ Treasurer



SyCip Gorres Velayo & Co. 6760 Ayala Avenue 1226 Makati City Philippines

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#### INDEPENDENT AUDITOR'S REPORT

The Board of Trustees Philippine Council for NGO Certification, Inc.

#### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Philippine Council for NGO Certification, Inc. (the Council), which comprise the statements of financial position as at December 31, 2023 and 2022, statements of activities, statements of changes in fund balance and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs).

#### **Basis for Opinion**

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance is responsible for overseeing the Council's financial reporting process.



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#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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#### Report on the Supplementary Information Required Under Revenue Regulations 34-2020 and 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations (RR) 34-2020 and 15-2010 in Notes 16 and 17 to the financial statements, respectively, are presented for purposes of filing with the Bureau of Internal Revenue and are not required parts of the basic financial statements. Such information is the responsibility of the management of Philippine Council for NGO Certification, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

ennifer D. Ticlar

Jennifer D. Ticlao

Partner

CPA Certificate No. 109616

Tax Identification No. 245-571-753

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-110-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10082023, January 6, 2024, Makati City

April 3, 2024

(A Nonstock, Nonprofit Corporation)

#### STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash (Note 3)	₽3,497,332	₽4,542,355
Short-term investments (Note 3)	2,975,480	_
Receivables (Note 4)	409,777	1,321,638
Total Current Assets	6,882,589	5,863,993
Noncurrent Assets		
Investments (Note 5)	21,744,315	21,095,685
Property and equipment (Note 6)	482,103	696,395
Rental deposits (Note 14)	39,295	39,295
Total Noncurrent Assets	22,265,713	21,831,375
LIABILITIES AND FUND BALANCE	₽29,148,302	₽27,695,368
LIABILITIES AND FUND BALANCE  Current Liabilities Accounts and other payables (Note 7) Deferred support (Note 8)	₽29,148,302 ₽176,052 1,228,167	₱27,695,368 ₱1,025,346 1,254,367
Current Liabilities Accounts and other payables (Note 7)	₽176,052	₽1,025,346
Current Liabilities Accounts and other payables (Note 7) Deferred support (Note 8) Total Current Liabilities	₽176,052 1,228,167	₱1,025,346 1,254,367
Current Liabilities Accounts and other payables (Note 7) Deferred support (Note 8) Total Current Liabilities  Noncurrent Liability	₽176,052 1,228,167 1,404,219	₱1,025,346 1,254,367 2,279,713
Current Liabilities Accounts and other payables (Note 7) Deferred support (Note 8) Total Current Liabilities  Noncurrent Liability	₽176,052 1,228,167	₱1,025,346 1,254,367 2,279,713
Current Liabilities Accounts and other payables (Note 7) Deferred support (Note 8) Total Current Liabilities  Noncurrent Liability Net retirement liability (Note 13) Total Liabilities	₽176,052 1,228,167 1,404,219	₱1,025,346 1,254,367
Current Liabilities Accounts and other payables (Note 7) Deferred support (Note 8) Total Current Liabilities  Noncurrent Liability Net retirement liability (Note 13) Total Liabilities  Fund Balance	P176,052 1,228,167 1,404,219  721,320 2,125,539	₱1,025,346 1,254,367 2,279,713 1,065,647 3,345,360
Current Liabilities Accounts and other payables (Note 7) Deferred support (Note 8) Total Current Liabilities  Noncurrent Liability Net retirement liability (Note 13) Total Liabilities  Fund Balance Restricted funds (Note 15)	\$\frac{\P176,052}{1,228,167}\$ \$1,404,219\$  \$\frac{721,320}{2,125,539}\$  \$21,000,000\$	₽1,025,346 1,254,367 2,279,713 1,065,647 3,345,360 21,000,000
Current Liabilities Accounts and other payables (Note 7) Deferred support (Note 8) Total Current Liabilities  Noncurrent Liability Net retirement liability (Note 13) Total Liabilities  Fund Balance	P176,052 1,228,167 1,404,219  721,320 2,125,539	₱1,025,346 1,254,367 2,279,713 1,065,647 3,345,360

See accompanying Notes to Financial Statements.

(A Nonstock, Nonprofit Corporation)

#### STATEMENTS OF ACTIVITIES

	Years Ended December 31	
	2023	2022
RECEIPTS		
Dues (Note 9)	<b>₽</b> 6,409,920	₽6,421,400
Grants and donations (Note 10)	5,304,847	6,325,445
General assembly contributions	689,920	117,700
Change in fair value of investments (Note 5)	648,630	95,685
Interest income (Notes 3 and 5)	185,571	187,315
	13,238,888	13,147,545
EXPENSES		
Program disbursements (Note 11)	8,822,967	9,228,329
General and administrative expenses (Note 12)	1,743,166	1,964,995
	10,566,133	11,193,324
EXCESS OF RECEIPTS OVER EXPENSES	₽2,672,755	₽1,954,221

See accompanying Notes to Financial Statements.

# PHILIPPINE COUNCIL FOR NGO CERTIFICATION, INC.

(A Nonstock, Nonprofit Corporation)

#### STATEMENTS OF CHANGES IN FUND BALANCE

	Years Ended December 31		
	2023	2022	
Unrestricted Funds			
Balance at beginning of year	₽3,350,008	₽22,395,787	
Excess of receipts over expenses	2,672,755	1,954,221	
Reclassification to restricted funds (Note 15)	_	(21,000,000)	
Balance at end of year	6,022,763	3,350,008	
Restricted Funds			
Balance at beginning of year	21,000,000	_	
Reclassification to restricted funds (Note 15)	_	21,000,000	
Balance at end of year	21,000,000	21,000,000	
Balance at end of year	₽27,022,763	₽24,350,008	

See accompanying Notes to Financial Statements.

(A Nonstock, Nonprofit Corporation)

#### STATEMENTS OF CASH FLOWS

	Years Ended December 3	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of receipts over expenses	₽2,672,755	₽1,954,221
Adjustments for:	1 =,0 : =, : 00	1 1,50 1,=11
Depreciation (Notes 6 and 12)	214,292	191,765
Retirement expense, net of contribution (Notes 11, 12 and 13)	(344,327)	404,785
Interest income (Notes 3 and 5)	(185,571)	(187,315)
Loss on full redemption of investments in mutual fund	( )- )	( )-
(Notes 5 and 12)	_	20,700
Change in fair value of investments in mutual fund (Note 5)	(648,630)	(95,685)
Changes in working capital:	, , ,	, , ,
Decrease (increase) in receivables	911,861	(892,028)
Increase (decrease) in:	,	, , ,
Deferred support	(26,200)	(1,391,198)
Accounts and other payables	(849,294)	547,187
Net cash generated from operations	1,744,886	552,432
Interest received	185,571	187,315
Net cash provided by operating activities	1,930,457	739,747
CACH ELOWIC EDOM INVESTING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		11 200 500
Proceeds from matured investments (Note 5) Acquisitions of:	_	11,209,500
Short-term investments (Note 3)	(2.075.490)	
Investments in mutual fund (Note 5)	(2,975,480)	(14,500,000)
Property and equipment (Note 6)	_	(167,158)
Net cash used in investing activities	(2,975,480)	(3,457,658)
Net cash used in investing activities	(2,975,460)	(3,437,038)
NET DECREASE IN CASH	(1,045,023)	(2,717,911)
CASH AT BEGINNING OF YEAR	4,542,355	7,260,266
CASH AT END OF YEAR (Note 3)	₽3,497,332	₽4,542,355

See accompanying Notes to Financial Statements.

(A Nonstock, Nonprofit Corporation)

#### NOTES TO FINANCIAL STATEMENTS

#### **Council Information**

Philippine Council for NGO Certification, Inc. (PCNC or the Council) was registered with the Securities and Exchange Commission (SEC) on January 29, 1997 as a private, voluntary, nonstock, nonprofit corporation. The Council was duly designated by the Department of Finance through the Bureau of Internal Revenue (BIR) as "accrediting entity" to establish and operate a certification system that aims to determine the qualifications of nonstock, nonprofit corporations, foundations, and non-government organizations (NGOs) to become donee institutions in accordance with Revenue Regulations No. 13-98.

The Bureau of Internal Revenue (BIR) issued the renewal of the Council's Certificate of Tax Exemption on September 4, 2023. The certificate indicates that as a nonstock, nonprofit corporation, the Council falls under Section 30 (E) of the Republic Act (RA) No. 8424 entitled, "An Act Amending the National Internal Revenue Code, as Amended, and for Other Purposes." The receipts from activities conducted in pursuit of the objectives for which the Council was established are exempt from income tax. However, any income arising from its real or personal properties, or from activities conducted for profit, regardless of the disposition made of such income, shall be subject to tax imposed under the Tax Code. The Council's registration as a qualified donee-institution is valid until December 17, 2024.

On April 11, 2008, Executive Order (EO) 720 was issued and became effective June 29, 2008. EO 720 modified EO 671 with the objective of strengthening the accreditation system for nonstock, nonprofit corporations. The following are the significant provisions of EO 720:

- PCNC shall be the government's partner in a system of accreditation to determine qualification of organizations as donee institutions.
- The PCNC Board of Trustees (BOT) shall include the representative of choice by the Department of Social Welfare and Development (DSWD).
- Organizations whose mandate clearly fall under government agencies (as indicated in their purpose) that already have registration procedures in place (e.g., DSWD, Department of Science and Technology, National Commission for Culture and the Arts, Commission on Higher Education) are required to submit proof of their registration/accreditation/permit with the concerned government agency before PCNC processes their application.

The Council's registered office and principal place of business is at 6/F SCC Bldg., CFA-MA Compound, 4427 Interior Old Sta. Mesa Road, Sta. Mesa, Manila.

The accompanying financial statements of the Council were approved and authorized for issue by the Board of Trustees on April 3, 2024.

#### 2. Summary of Significant Accounting Policies

#### Basis of Preparation

The financial statements of the Council have been prepared under the historical cost basis, except for investments in mutual funds, which are measured at fair value. The financial statements are presented in Philippine Peso (P), which is also the Council's functional currency. All amounts are rounded-off to the nearest peso unless, otherwise indicated.

#### Statement of Compliance

The accompanying financial statements of the Council have been prepared in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs), as approved by the Philippine Financial Reporting Standards Council, Board of Accountancy and SEC.

#### Significant Accounting Policies

The significant accounting policies that have been used in the preparation of these financial statements are summarized below.

#### Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when the entity becomes a party to its contractual provisions. The Council classifies its financial instruments into the following categories: (a) basic financial instruments; (b) complex financial instruments.

The Council's basic financial instruments consist of cash, receivables (except advances to officers and employees and other receivables), investment in bonds and mutual funds, and accounts and other payables (except payable to government agencies).

#### Basic Financial Instrument

#### Initial Measurement

On initial recognition, a debt financial instrument is measured at transaction price (including transaction cost), unless the arrangement is in effect a financing transaction. In this case, it is measured at present value of future payment discounted using a market rate of interest for similar debt instrument.

#### Subsequent Measurement

Debt instruments are subsequently measured at amortized cost using the effective interest rate (EIR).

#### Impairment of Financial Instruments at Amortized Cost

At each reporting date, the Council assesses whether there is objective evidence of impairment on any financial assets that are measured at amortized cost. Where there is any objective evidence of impairment, an impairment loss is recognized immediately in profit or loss.

The impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

#### Derecognition of Financial Assets

An entity only derecognizes a financial asset when the contractual rights to the cash flows from the assets have expired or are settled, or the entity has transferred to another party substantially all the risks and rewards of ownership relating to the asset.

#### Derecognition of Financial Liabilities

Financial liabilities are derecognized only when these are extinguished – that is, when the obligation is discharged, cancelled or has expired.

#### Cash

Cash includes cash on hand and in banks. Cash in banks earns interest at the respective bank deposit rates. Interest earned is recorded under interest income.

#### Receivables

Receivables, which are based on normal credit terms and do not bear interest, are recognized initially at the transaction price. These are subsequently measured at amortized costs using the EIR method. A provision for impairment of receivables are established when there is objective evidence that the amounts due according to the original terms are not recoverable.

#### Investment in Bonds

Investment in bonds are financial assets with fixed or determinable payments and fixed maturity that the Council has the positive intention and ability to hold to maturity.

#### Investment in Mutual Fund

Investment in mutual fund is recognized initially at its fair value, which is normally the transaction price. This is held indefinitely and may be sold in response to liquidity requirements or changes in market conditions. This is subsequently measured at fair value and recognize changes in fair value in profit or loss.

Investment in mutual fund is classified as noncurrent assets, unless the intention is to dispose of such assets within twelve (12) months from reporting date.

#### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged against income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of the property and equipment beyond its originally assessed standard of performance and the cost of the items can be measured reliably, the expenditures are capitalized as an additional cost.

Depreciation is computed on a straight-line basis over the estimated useful lives (EUL) of the assets as follows:

	Years
Furniture and fixtures	3 - 5
Computers	2 - 5

The EUL and depreciation method are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Fully depreciated assets are still carried in the accounts until they are no longer in use and no further depreciation is charged against current operations.

When property and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and accumulated provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

#### Impairment of Nonfinancial Assets

Assets such as such the Council's property and equipment are assessed at each reporting date whether there is an indication that the assets are impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Council estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

If an impairment indicator no longer exists or the recoverable amount has increased subsequently, the Council will determine the amount of impairment loss that can be reversed to the extent that the reversal should not result in a carrying amount of the asset that is higher had no impairment loss was recognized in the prior years.

#### Accounts and Other Payables

Accounts and other payable are recognized only when the following conditions are met: (a) there exists a present obligation (legal or constructive) as a result of past event; (b) it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation.

#### Revenue Recognition

Revenue is measured as the fair value of the consideration received or receivable. The Council recognizes revenue to the extent that it is probable that the future economic benefits will flow to the Council and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

#### Dues

Dues include annual dues and application dues. These are recognized when the related services have been rendered and the right to receive payment is established. Annual and application dues collected during the year from NGOs that are yet to be evaluated and/or accredited are presented under "Deferred support" account in the liabilities section of the statement of financial position.

#### Grants and donations

Revenue from unrestricted grants and donations are recognized upon receipt of the grants and donations. Revenue from restricted grants and donations are recognized upon fulfillment of the donor-imposed conditions attached to the grants and donations and/or to the extent that expenses are incurred. Restricted support for which restrictions and conditions have not yet been met, are classified as "Deferred support". At project completion date, any excess funds in deferred support are to be returned to the donors unless otherwise agreed by both parties that such excess funds are to be retained by the Council and therefore credited to unrestricted grants and donations.

#### Interest income

Interest income are recognized as they accrue, taking into account the effective yield on the asset.

#### **Expense Recognition**

Expense is recognized when a decrease in future economic benefits related to a decrease in asset or an increase in liability has arisen that can be measured reliably. Expenses and other charges are recognized when incurred and measured at the amount paid or payable.

#### **Retirement Costs**

The Council's retirement plan is a non-contributory and of the defined benefit type, administered by a trustee, covering their regular and permanent employees, which provides retirement benefit equal to one (1) month salary for every year of credited service but not less than the Philippine Retirement Pay Law (Republic Act No. 7641) provision. Accrual approach is applied by calculating the expected liability as at reporting date using the current salary of the entitled employees and the employees' years of service, without consideration of future changes in salary rates and service periods.

Retirement liabilities or assets is the net of the following amounts;

- The accrued amount of the retirement benefits at the reporting date; less
- The fair value of plan assets at the reporting date out of which the obligations are to be settled directly.

#### Fund Accounting

The accounts of the Council are maintained in accordance with the principle of fund accounting to ensure observance of limitations and restrictions placed on the use of resources available to the Council. This is the procedure by which resources for various purposes are classified for accounting and financial reporting purposes into funds that are in accordance with specified activities and objectives. Separate accounts are maintained for each fund. However, in the Council's financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group, if applicable.

#### Leases

Lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time. Some arrangements do not take the legal form of a lease but convey rights to use assets in return for payments. Such arrangements are in substance leases of assets, and they should be accounted for as a lease.

A lessee shall recognize all lease payments as expense in profit or loss in the period in which they are incurred.

#### **Provisions**

Provisions are recognized only when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Council expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each financial reporting date and adjusted to reflect the current best estimate.

#### Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

#### Events after the Reporting Period

Events after the reporting period that provide additional information about the Council's position at the reporting date (adjusting events) are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

#### **Cash and Short-term Investments**

	2023	2022
Cash on hand	₽25,000	₽21,437
Cash in banks	3,472,332	4,520,918
	₽3,497,332	₽4,542,355

#### Cash

Cash in banks earn interest at the prevailing bank deposit rate. Interest income earned from cash in banks amounted to ₱3,057 and ₱4,800 in 2023 and 2022, respectively.

#### Short-term investments

On August 30, 2023, the Council invested in treasury bills through Chinabank. The security was acquired for \$\text{P2.98}\$ million. This will mature on August 28, 2024. This has a fixed interest rate of 6.270% per annum.

#### Receivables

	2023	2022
Advances to other companies	₽103,019	₽1,019,601
Dues receivables	_	62,000
Advances to officers and employees	_	10,277
Other receivables	306,758	229,760
	₽409,777	₽1,321,638

Advances to other companies pertains to INSPIRE Project expenses advanced by PCNC to be reimbursed by Gerry Roxas Foundation.

Dues receivables pertains to unpaid annual and application dues from members or applicants that are expected to be collected within one year.

Advances to officers and employees pertain to the cash advances for the estimated expenses that will be incurred by all Council employees during training, workshop and seminar, evaluation visit, and business permit renewal, that are settled through expense liquidation.

Other receivables pertain to non-interest-bearing salary and emergency loans to employees. An emergency loan can also be availed by employees for medical treatment of that employee or any of its immediate family members and in cases of calamity. These loans are collected through payroll deductions and normally have terms of one year. In case of employee separation, outstanding balance of loans are settled against the employee last salary or retirement benefit.

#### 5. Investments

	2023	2022
Investments in mutual fund	₽15,244,315	₽14,595,685
Investments in bonds	6,500,000	6,500,000
	<b>₽</b> 21,744,315	₽21,095,685

In 2022, the Council acquired investments in BDO Trust and Investments Group (BDO-TIG) amounting to ₱14.50 million invested in different portfolio mix by BDO-TIG.

The roll forward analysis of investments in mutual funds carried at fair value follows:

	2023	2022
Balance at beginning of year	₽14,595,685	₽11,230,200
Additions	_	14,500,000
Market valuation gain	648,630	95,685
Disposal	_	(11,230,200)
Balance at end of year	₽15,244,315	₽14,595,685

Investments in bonds pertain to the investments acquired by the Council on March 9, 2021 from China Banking Corporation (Chinabank) with a term of five (5) years. Interest rate earned in this investment ranges from 3.48% to 4.08% per annum.

Total interest income earned from these investments amounted to ₱0.18 million in 2023 and 2022.

#### 6. Property and Equipment

The roll forward analysis of this account follows:

		2023	
	Furniture and		
	<b>Fixtures</b>	Computers	Total
Cost		<u>-</u>	
Balance at beginning and end of year	₽741,726	₽1,980,642	₽2,722,368
Accumulated depreciation			
Balance at beginning of year	385,851	1,640,122	2,025,973
Depreciation (Note 12)	98,056	116,236	214,292
Balance at end of year	483,907	1,756,358	2,240,265
Net book value	₽257,819	₽224,284	₽482,103
		2022	
	Furniture and		
	Fixtures	Computers	Total
Cost			
Balance at beginning of year	₽656,253	₽1,898,957	₱2,555,210
Additions	85,473	81,685	167,158
Balance at end of year	741,726	1,980,642	2,722,368
Accumulated depreciation			
Balance at beginning of year	298,427	1,535,781	1,834,208
Depreciation (Note 12)	87,424	104,341	191,765
Balance at end of year	385,851	1,640,122	2,025,973
Net book value	₽355,875	₽340,520	₽696,395
	•		

No property and equipment were pledged as security to the Council's obligation in 2023 and 2022.

2022

#### 7. Accounts and Other Payables

	2023	2022
Accounts payable	₽90,925	₽657,785
Accrued expenses	13,128	270,482
Payable to government agencies	71,999	97,079
	₽176,052	₽1,025,346

Accounts payable pertains mainly to unpaid purchases and billings for contracted services. These are noninterest-bearing and are normally settled within 30 to 60 days.

Accrued expense pertains mainly to the accruals of professional fees and utilities. These are noninterest-bearing and are normally settled within one year.

Payable to government agencies includes contribution dues to Social Security Services (SSS), PhilHealth, Pag-IBIG and withholding taxes which are to be paid within 30 days from the end of financial reporting date.

#### 8. Deferred Support

	2023	2022
Restricted donations	₽768,167	₽768,167
Deferred revenue	460,000	486,200
	₽1,228,167	₽1,254,367

#### Restricted Donations

In 2021, the Council received restricted donations/grants amounting to ₱2.01 million which is intended to fund the Council's development and implementation of the Accreditation Management System (AMS) to automate the accreditation processes and enable the evaluation team to conduct online evaluations of applicant organizations. Remaining unutilized portion of the donation is ₱0.77 million as of December 31, 2023 and 2022.

In 2022, the Council received restricted donations/grants amounting ₱2.41 million from member organizations during assembly that are restricted for General Assembly expenses and endowment funds, and \$\text{P0.50}\$ million from Philam Foundation which is restricted for evaluator's training. All donations/grants in 2022 are all utilized in the same year.

Utilized portion of these restricted grants amounted nil and ₱4.28 million as of December 31, 2023 and 2022, respectively, are recognized as part of "Grants and donations" in the statements of activities (see Note 10).

#### Deferred Revenue

Deferred revenue includes advance payments of annual dues received from member-organizations, application dues received from NGOs that are yet to be evaluated and/or accredited as of year-end, and other unidentified deposits.

#### Dues

	2023	2022
Application dues	₽3,221,400	₽3,685,400
Annual dues	3,188,520	2,736,000
	₽6,409,920	₽6,421,400

Application dues pertain to fees earned by the Council for the application of NGOs for accreditation and BIR registration as donee institution.

Annual dues pertain to yearly fees from member-organizations that have been accredited by the Council.

#### 10. Grants and Donations

	2023	2022
Unrestricted donations	₽3,406,213	₽512,200
Grants - INSPIRE Project (Note 11)	1,898,634	1,528,646
Restricted donations (Note 8)	_	4,284,599
	₽5,304,847	₽6,325,445

### Grants - INSPIRE Project

On October 11, 2021, the Council, as a member of the consortium that will implement the USAIDfunded project Inclusive Growth and Regenerative Ecosystems (INSPIRE Project), entered into a subaward agreement with Gerry Roxas Foundation Inc. (GRF). GRF is the prime recipient of the grant from USAID. The total value of the agreement amounted to ₱8.81 million which was composed of the sub-award value of \$\mathbb{P}8.39\$ million from GRF to the Council and the Council's cost share amounting to \$\mathbb{P}0.42\$ million. The purpose of the grant is to provide support exclusively for expenditures incurred for the implementation of the program on Natural Resources Security and Governance (NRSG 2) Objective 1: Enhanced Capacity of CSOs and Local Communities to Demand for and Participate in Good Natural Resource Governance under the USAID Project INSPIRE for the period October 11, 2021 to June 30, 2026.

Within the general project scope, the Council will lead the conduct of the Non-US NGO Pre-Award Survey (NUPAS) for selected CSO grantees, submit recommendations to the INSPIRE Project Team on possible conditions of awards or if a proponent is eligible or not, recommend possible best grant instruments based on the NUPAS findings, lead the crafting of Corrective Action Plans and Capacitybuilding plans leading to possible PCNC certification, conduct direct capacity-building interventions relative to internal organizational capacity building needs and provide tailored fit assistance to individual partner CSOs to develop sustainability plans. The Council program team will partake in the project mobilization, strategic planning and yearly implementation planning.

Total grants for INSPIRE Project received related to program expenses amounted to ₱1.90 million and ₱1.53 million for the years ended December 31, 2023 and 2022, respectively (see Note 11).

### **Unrestricted Donations**

Unrestricted donation pertains to donations received by the Council from member organizations during general assembly and other donors.

#### 11. Program Disbursements

	2023	2022
Evaluation costs (Notes 13 and 14)	₽5,576,215	₽6,304,328
INSPIRE Project (Note 10)	1,602,871	1,528,646
General assembly	1,325,494	881,275
Program development (Note 8)	318,387	514,080
	₽8,822,967	₽9,228,329

Evaluation costs pertain to expenses incurred in the processing of applications and in the conduct of evaluation of NGO-applicants for PCNC accreditation and BIR registration as donee institutions.

General assembly costs pertain to expenses incurred directly attributable to the conduct of the Council's annual general assembly.

Program development expenses pertain to costs incurred for proposal preparation, systems development, and systems maintenance.

# 12. General and Administrative Expenses

	2023	2022
Salaries, wages, and other short-term employee		_
benefits	<b>₽1,144,858</b>	₽1,089,330
Depreciation (Note 6)	214,292	191,765
Rent expense (Note 14)	94,143	94,143
Light and water	57,167	58,763
Retirement benefit costs (Note 13)	50,880	104,304
Transportation	40,461	32,835
Repairs and maintenance	15,770	60,400
Taxes and licenses	12,497	14,294
Professional fees	5,600	207,550
Loss on full redemption of investment (Note 5)	_	20,700
Miscellaneous expense	107,498	90,911
	₽1,743,166	₽1,964,995

# 13. Retirement Benefit Obligations

The Council has a funded, non-contributory, defined benefit retirement plan covering all of its regular employees.

The Council measures its retirement benefit obligation using the accrual approach based on its retirement benefit plan which provides retirement benefit equal to one (1) month salary for every year of credited service but not less than the Philippine Retirement Pay Law (Republic Act No. 7641).

Components of retirement benefit costs recognized in the statements of activities are as follows:

	2023	2022
Program disbursements - evaluation costs (Note 11)	₽137,616	₽300,481
General and administrative expenses (Note 12)	50,880	104,304
	₽188,496	₽404,785

The net retirement liability recognized in the statements of financial position as of December 31 are as follows:

	2023	2022
Fair value of plan assets	₽2,695,980	₽2,064,353
Accrued retirement benefit obligation	(3,417,300)	(3,130,000)
Net retirement liability	(₽721,320)	(₱1,065,647)

The Council's plan assets represent investment in common trust fund with BDO Unibank, Inc.

The Council paid a total contribution for retirement benefit amounting to \$\mathbb{P}0.53\$ million and nil as of December 31, 2023 and 2022, respectively.

Compensation of Key Management Personnel

The compensation of key management personnel of the Council by benefit type follows:

	2023	2022
Short-term employee benefits	<b>₽</b> 1,204,200	₽1,171,700
Post-employment benefits	87,200	91,400
	₽1,291,400	₽1,263,100

The Council has outstanding receivables from its key management personnel amounting to nil and ₱0.03 million as of December 31, 2023 and 2022, respectively. There are no additional loans in 2023 and 2022. These are collected through payroll deductions and in case of employee separation, outstanding balance of loans are settled against the employee last salary and/or retirement benefit (see Note 4).

# 14. Lease Agreement

The Council entered into a one-year lease agreement with Communication Foundation for Asia-Media Apostolate (CFA-MA), renewable at the option of both parties pertaining to the office space the Council occupies since July 1, 2007. Deposits and advance rent related to the leased property are presented under "Rental deposits" account in the statements of financial position amounting to ₱0.04 million as of December 31, 2023 and 2022.

Rent expense in 2023 and 2022 amounted to ₱0.31 million, of which ₱0.22 million have been reported in "evaluation costs" account in program disbursements and ₱0.09 million in general and administrative expenses in the statements of activities (see Notes 11 and 12).

#### 15. Restricted Funds

On December 1, 2021, the Council established an endowment fund which shall be administered as a trust with the PCNC Board of Trustees as trustee with the objective to preserve and grow the Council's capital fund. Investment to be made is in accordance with the Council's Investment Policy Statement and earnings may be used for specific purposes as recommended by the Finance Investment Committee and approved by the Board. As of December 31, 2023, total restricted funds amounted to ₱21.00 million with BDO Unibank, Inc. - Trust and Investment Group (BDO-TIG) and China Banking Corporation (Chinabank) as the appointed fund manager, which was approved by the Board of Trustees on January 26, 2022.

# 16. Supplementary Information Required under Revenue Regulations 34-2020

The Council does not meet the criteria of Section 2 of Revenue Regulation 34-2020 to file and submit the new related party form (RPT Form) together with the annual income tax returns. Thus, the Council is not covered by the requirements and procedures for related party transactions provided under the RR 34-2020. The criteria are as follows:

- a. Large taxpayer;
- b. Taxpayers enjoying tax incentives, i.e., Board of Investments (BOI)-registered and economic zone enterprises, those enjoying Income Tax Holiday (ITH) or subject to preferential income tax
- c. Taxpayer reporting net operating losses for the current taxable year and the immediately preceding two (2) consecutive taxable years;
- d. A related party, as defined under Section 3 of RR 19-2020, which has transactions with (a), (b) or (c). For this purpose, key management personnel (KMP), as defined under Section 3(7) of RR 19-2020, shall no longer be required to file and submit the RPT Form, nor shall there be any requirement to report any transactions between KMP and the reporting entity/parent company of the latter in the RPT Form.

## 17. Supplementary Information Required under Revenue Regulations 15-2010

In compliance with the requirements set forth by Revenue Regulations (RR) 15-2010, the following is the information on the Council's taxes accrued and/or paid in 2023:

The Council is a non-VAT registered entity and has no output and input tax declaration during the period.

### Taxes and Licenses

The Council reported and paid license and permit fees amounting ₱12,497 in 2023 under the caption taxes and licenses, under the general and administrative expenses section in the statements of activities.

# Withholding Taxes

Details of withholding taxes during the year follow:

Withholding taxes on compensation and benefits	<b>₽</b> 274,740
Expanded withholding taxes	128,724
	₽403,464

The outstanding balances of withholding taxes are included as part of payable to government agencies under "Accounts and other payables" in the Council's statement of financial position.

# Tax Contingencies

The Council neither received any final tax assessments in 2023, nor has tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the administration of the Bureau of Internal Revenue.

# Board of Trustees | (2023 - 2024)



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Chairperson

President **BDO** Foundation



**EMELINAS. ALMARIO** 

Vice-Chairperson

President Adarna Group Foundation, Inc.



FR. MANUEL SIMPLICIO V. FRANCISCO, SJ

**Treasurer** 

Chairman Tanging Yaman Foundation, Inc.



**MARIA REMEDIOS DOMINIQUE MAPA-SUPLIDO** 

**Corporate Secretary** Served June 28, 2023 -November 7, 2023

Chief Executive Officer Habitat for Humanity Philippines Foundation, Inc.



**ROBERTA LOPEZ FELICIANO** 

**Corporate Secretary** December 6, 2023 -Present

Managing Director ABS-CBN Lingkod Kapamilya Foundation, Inc.



DR. JAIME Z. **GALVEZ TAN** 

Member

Chairman Health Futures Foundation, Inc.



FR. JOSE DINDO S. VITUG, SDB

Member

Corporate Secretary/ **TVET** Director Don Bosco Technical Institute of Makati, Inc.



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Member

**Executive Director** Philippine Business for Social Progress, Inc.



FR. TEODULO P. **GONZALES, SJ** 

Member

President Ruben M. Tanseco, S.J. Center for Family Ministries Foundation, Inc.



ATTY. GRACE A. **SUMALPONG** 

**Legal Adviser** 

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# The PCNC Team

Sitting: L- R

Felix A. Tonog Executive Director

May Codia - Bayta Certification Officer

Luis P. Morales Capacity Building Specialist

Standing: L-R

Anne Eloida G. Gabasan Certification Associate

Kathrin Joy M. Tayao Certification Associate

Rowena S. Dizon Certification Assistant

Jovy C. Cera Accountant

Jhon Marvin D. Ausan Office Assistant

Michelle P. Tuazon Finance & Administrative Officer

# **Volunteer Peer Evaluators**

# who conducted evaluation from January to December 2023

- 1. **Marvin P. Adolfo, PhD**, Dualtech Training Center Foundation, Inc.
- Leonor T. Amacio, De La Salle University -Dasmariñas
- 3. **Marie A. Angeles**, Ronald McDonald House Charities of the Philippines, Inc.
- 4. **Ma. Lourdes G. Arroyo, CPA**, Peace and Equity Foundation, Inc.
- Edwin T. Aspra, PhD, De La Salle University -Dasmariñas
- 6. Faye Elsa S. Avanzado, CPA, PICPA Cebu Chapter
- 7. **Rosemarie C. Baco**, Independent Volunteer Peer Evaluator
- 8. **Caridad M. Basila, CPA**, Concordia Children's Services, Inc.
- 9. **Tita Evasco-Branzuela**, PhD, San Beda University
- 10. **Fe C. Canta**, Philippine Educational Theater Association (PETA), Inc.
- 11. Allan M. Cao, CPA, Isla Lipana Foundation, Inc.
- 12. Danilo M. Cerence, Aboitiz Foundation, Inc.
- 13. **Atty. Rosita C. Cham, CPA**, PICPA Northern Metro Manila Chapter
- 14. **Ma. Humildad F. Claro**, University of Asia and the Pacific Foundation, Inc.
- Ellen B. De Guzman, CPA, PICPA Northern Metro Manila Chapter
- 16. **Augusto SC De Leon IV, CPA**, PICPA Southern Metro Manila
- 17 Michelle A. Dela Cerna, CPA, PICPA Cebu Chapter
- 18. **Clara Francesca D. Diamzon, CPA**, Pilipinas Shell Foundation, Inc.
- 19. Josefina M. Dimalaluan, RSW, Cribs Foundation, Inc.
- 20. Elizabeth V. Eduave, Shining Light Foundation, Inc.
- 21. **Carmelo H. Enriquez**, Notre Dame Business Resource Center Foundation, Inc.
- 22. **Maria Victoria C. Españo, CPA**, Institute of Corporate Directors
- 23. Aquino I. Garcia, De La Salle University Dasmariñas
- 24. + Carlo P. Garcia, PhD, Miriam College Foundation, Inc.
- 25. **Rina G. Gloriani, CPA**, PICPA Southern Metro Manila Chapter
- Chrisler A. Go, RSW, MSSW, Concordia Children's Services, Inc.
- 27. **Florencia S. Gorospe, CPA**, PICPA Northern Metro Manila Chapter
- 28. **Cristina S. Hangod, RSW**, Independent Volunteer Peer Evaluator
- 29. **Nelson Conrad Ho, CPA, PhD**, PICPA Eastern Metro Manila Chapter
- 30. **Mary Jane R. Homena, MM**, Iloilo Caucus of Development NGOs, Inc.
- 31. **Jean P. Hubo, CPA**, PICPA Davao Chapter
- 32. **Thelma S. Hugo, CPA**, PICPA Northern Metro Manila Chapter
- 33. Natalie Christine V. Jorge, Bato Balani Foundation, Inc.
- 34. **Marilou P. Juanito**, Independent Volunteer Peer Evaluator

- 35. **Epifania R. Lim, RSW**, United Neon Foundation, Inc.
- 36. **Marcos T. Lim, CPA**, PICPA Northern Metro Manila Chapter
- Nenita A. Luna, CPA, San Beda College Benedictine Educational Foundation, Inc.
- 38. **Dinah U. Macaranas**, Christian Mission Service Philippines, Inc.
- 39. Riza C. Madrid, CPA, Aboitiz Foundation, Inc.
- 40. **Mary Margarette M. Marcelino**, Cityland Foundation, Inc.
- 41. **Felipe B. Martinez, LPT, MAT**, De La Salle University Dasmariñas
- 42. **Veronica Ester L. Mendoza**, Independent Volunteer Peer Evaluator
- 43. **Roanne Joy P. Mendoza, CPA**, Everest International Academy, Inc.
- 44. **Rebecca C. Minodin, CPA**, PICPA Northern Metro Manila Chapter
- 45. **Arnolfo S. Morfe CE, MSc, MDM**, Dualtech Training Center Foundation, Inc.
- Dr. Marylin B. Muncada, Independent Volunteer Peer Evaluator
- 47. **Anita V. Ogena, CPA**, PICPA Northern Metro Manila Chapter
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- 51. Alberto B. Roxas, MD, UP Medical Foundation, Inc.
- 52. **Auburn Patrick V. Samson**, Coastal Conservation and Education Foundation, Inc.
- 53. **Amalia Celeste A. Santillan**, League of Corporate Foundations, Inc.
- 54. **Sr. Maria Luisa D. Simon, SFIC, CPA**, St. Joseph's College of Quezon City
- Maria Victoria U. Sy, Ph.D. MM-BM, Independent Volunteer Peer Evaluator
- 56. Maricel M. Tan, Tany Foundation, Inc.
- 57. **Lolita P. Tang, CPA, Ph.D**, PICPA Northern Metro Manila Chapter; PICPA Foundation, Inc.
- 58. **Mari Luz Q. Tiongson**, Independent Volunteer Peer Evaluator
- 59. **Jude C. Trinidad**, Independent Volunteer Peer Evaluator
- 60. **Pamela E. Uy**, Bidlisiw Foundation, Inc.
- 61. **George V. Villaruz, CPA, ACPA**, PICPA Eastern Metro Manila Chapter
- 62. **Normita L. Villaruz, CPA, ACPA**, PICPA Eastern Metro Manila Chapter
- 63. **Belinda Villegas, CPA**, Ateneo de Davao University, Inc.
- 64. **Bernadette N. Yap**, Multinational Foundation, Inc.
- 65. **Tanya Faye A. Zaldarriaga**, Dr. Pablo O. Torre Foundation, Inc.

# **List of PCNC Accredited Organizations**

(Approved new applications and renewals from January to December 2023)

- 1. 1Filipino Foundation, Inc.
- 2. Aboitiz Foundation, Inc.
- 3. Adarna Group Foundation, Inc.
- 4. Alpa Foundation, Inc.
- 5. Alvarez Foundation Philippines, Inc.
- 6. AMY Foundation, Inc.
- 7. Andres P. Tamayo Sr. Foundation, Inc.
- 8. Angat Pinas, Inc.
- 9. Angelo King Foundation, Inc.
- 10. Asia Society for Social Improvement and Sustainable Transformation, Inc.
- 11. Asiapro Foundation, Inc.
- 12. Assisi Development Foundation, Inc.
- 13. Astro Charitable Foundation, Inc.
- 14. Asyao Richphil Foundation, Inc.
- 15. Awana Organization Philippines, Inc.
- 16. Bakhita Canossa Foundation, Inc.
- 17. Bayan Academy for Social Entrepreneurship and Human Resource Development, Inc.
- 18. Binhi English Literacy Foundation, Inc.
- 19. Bounty Cares Foundation, Inc.
- 20. Camalig Bank Foundation, Inc.
- 21. Cameleon Association, Inc.
- 22. Cancer Treatment and Support Foundation, Inc.
- 23. Caritas Manila, Inc.
- 24. Caucus of Development NGO Networks, Inc. (CODE-NGO)
- 25. Cerecare Philippines Foundation, Inc.
- 26. CFC Ancop Global Foundation, Inc.
- 27. Chiang Kai Shek College, Inc.
- 28. CI-Philippines, Inc.
- 29. Cleft Foundation, Inc.
- 30. Club in Unity for Restoration thru Empowerment Foundation, Inc.
- 31. Coca-Cola Foundation Philippines, Inc.
- 32. Community and Family Services International, Inc.
- 33. Crocodylus Porosus Philippines, Inc.
- 34. De La Salle College of St. Benilde, Inc.
- 35. De La Salle Lipa, Inc.
- 36. De La Salle Santiago Zobel School, Inc.
- 37. De La Salle University Science Foundation, Inc.
- 38. Don Bosco Boys' Home, Inc.
- 39. El Nido Foundation, Inc.
- 40. Eliahu Cedars Foundation, Inc.
- 41. Familia Community Foundation, Inc.
- 42. Far East Broadcasting Company (Philippines), Inc.
- 43. Febias College of Bible, Inc.

- 44. Food for Hungry Minds School, Inc.
- 45. Foundation for Information Technology Education and Development, Inc.
- 46. Foundation for Liberty and Prosperity, Inc.
- 47. Friends of Hope, Inc.
- 48. Gawad Kalinga Community Development Foundation, Inc.
- 49. Hands On Manila Foundation, Inc.
- 50. Hermano (San) Miguel Febres Cordero Medical Education Foundation (De La Salle Medical and Health Sciences Institute), Inc.
- 51. Holy Name University, Inc.
- 52. Hope for Change Philippines Foundation Inc.
- 53. Hope Worldwide Philippines, Inc.
- 54. Hospice of St. Margaret of Cortona, Inc.
- 55. ICA Alumnae Association, Inc.
- 56. Institute of Corporate Directors, Inc.
- 57. Insular Foundation, Inc.
- 58. Isla Lipana & Co. Foundation, Inc.
- 59. Jubilee Christian Academy, Inc.
- 60. Kaisa Heritage Foundation, Inc.
- 61. Kalinangan Youth Foundation, Inc.,
- 62. Kasilak Development Foundation, Inc.
- 63. La Proteccion De La Infancia, Inc.
- 64. Lamdag Foundation for Women's Project, Inc.
- 65. Let's Save the Brain Foundation, Inc.
- 66. Manuel S. Enverga University Foundation, Inc.
- 67. Marie Eugenie Institute, Inc.
- 68. Meralco Power Foundation, Inc.
- 69. Metrobank Foundation, Inc.
- 70. Miriam College Foundation, Inc.
- 71. Motortrade Life and Livelihood Assistance Foundation, Inc.
- 72. Notre Dame Business Resource Center Foundation, Inc.
- 73. Onesimo Foundation, Inc.
- 74. Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc.
- 75. Oxfam Pilipinas, Inc.
- 76. PAREF Southridge Night School Development Foundation, Inc.
- 77. Participatory Research, Organization of Communities and Education Towards Struggle 113. Waves for Water Organization, Inc. for Self Reliance - Bohol, Inc. (PROCESS-Bohol)
- 78. People Engaged in People Projects Foundation, Inc.

- 79. People's Recovery, **Empowerment and** Development Assistance (PREDA) Foundation, Inc.
- 80. PGH Medical Foundation, Inc.
- 81. Philippine Augustinians Development Office, Inc.
- 82. Philippine Center for Population and Development, Inc.
- 83. Philippine Disaster Resilience Foundation, Inc.
- 84. Philippine Foundation for Health and Development, Inc.
- 85. Philippine S & T Development Foundation - Manila, Inc.
- 86. PHILSAGA High School Foundation, Inc.
- 87. PHINMA Foundation, Inc.
- 88. Pilipinas Una Sa Lahat (Cebu) Foundation, Inc.
- 89. Pioneer Foundation, Inc.
- 90. Regina Rica Foundation, Inc.
- 91. Regnum Cristi Program Philippines Foundation, Inc.
- 92, Repertory Philippines Foundation, Inc.
- 93. Rise Against Hunger Philippines Foundation, Inc.
- 94. Rotary Club of Makati, Inc.
- 95. San Miguel Foundation, Inc.
- 96. San Roque Power Foundation, Inc. 97. Sanctuario Nature Farms Corp.
- 98. SCTan Foundation, Inc.
- 99. SMCGP Philippines Power Foundation. Inc.
- 100. Sorok Uni Foundation, Inc.
- 101. St. Francis Square Foundation, Inc.
- 102. St. Stephen's High School, Inc.
- 103. Synergeia Foundation, Inc.
- 104. T3 Foundation, Inc.
- 105. Tanggol Kalikasan, Inc.
- 106. The Andres Soriano Foundation, Inc.
- 107. The Philippine Foundation for Cultural and Educational Development, Inc.
- 108. TORM Philippines Education Foundation, Inc.
- 109. Tropical Disease Foundation, Inc.
- 110. Tuloy Foundation, Inc.
- 111. University of Asia and The Pacific Foundation, Inc.
- 112. University of San Carlos Water Resources Center Foundation, Inc.

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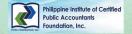






















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