



**NATIONAL
COOPERATIVE
UNION OF
INDIA**

**NATIONAL
CENTRE FOR
COOPERATIVE
EDUCATION**

Certificate Course on Financial Accounting and Taxation

6 Weeks



WHO ARE WE

About National Cooperative Union of India

The National Cooperative Union of India (NCUI) was established in 1929 as All India Cooperative Institutes Association and transitioned to its current form in 1961. Since inception, the organisation has grown manifold in terms of its activities and programmes and now represents 280 member institutions across the nation. The goal of the NCUI is to promote and develop the cooperative movement in India, to educate, guide and assist the people in their efforts, to build up and expand the cooperative sector and to serve as an exponent of cooperative opinion in accordance with cooperative principles. The organisation response across decades, has recognised the evolving societal context to ensure that it continues to make relevant and meaningful contributions to the Indian cooperative movement and is among the torchbearers of the cooperative movement in the country. One of the key objectives of the NCUI is to organise cooperative education and training programmes and popularise the principles and practices of cooperation. This objective of the NCUI is met through the National Centre for Cooperative Education.

About National Centre for Cooperative Education

The National Centre for Cooperative Education (NCCE) was set up in 1958 to address the need for systemic cooperative education for practitioners in the cooperative movement. The NCCE came into being as the “All India Cooperative Instructors Training Centre” in 1958. It has since expanded its mandate from building capacity of trainers to conduct member education programmes, to an institution that is designing and implementing training interventions to support the gamut of needs of cooperative institutions. NCCE has successfully managed training interventions for cooperatives across levels for district, state and national co-operatives in diversified geographies and for widely varying activities. The organisation offers a range of training solutions to include diploma courses, leadership development programmes, programmes to train faculty of other cooperative education institutions as well as other programmes listed below:

- Diploma Programme in Cooperative Education and Development (3 months) for Indian and overseas participants
- Certificate Course on Cooperative Law and Management (6 weeks)
- Certificate Course on Financial Accounting and Taxation (6 weeks)
- One year and 2-year courses on Cooperative Management for students of central and state universities
- Orientation Course on “Cooperation and Cooperative Management” for faculty members of Kendriya Vidyalaya Sangathan
- Cooperative Management Programme for employees of IFFCO, KRIBHCO and other cooperatives
- Leadership Development Programmes for the chairpersons/directors of different sectors of the cooperative movement (3 – 5 days) for India, Mauritius and SAARC countries
- Refresher Course for the personnel of NCUI education field projects
- Refresher and Research-oriented Course in “Cooperation” for lecturers / readers of college/ university (1 week)
- Refresher Course for the faculty of state cooperative unions/junior cooperative training centres

Certificate Course on Financial Accounting and Taxation

About the Course

The six-week Certificate Course on Financial Accounting and Taxation by NCCE aims to provide participants with a comprehensive exposure to the financial aspects of a cooperative. It builds the capacity of the participants on components such as maintaining books, auditing, preparing financial statements, filing taxes, etc.

The course aims to build the knowledge levels of participants to implement the learning of these financial components at their workplace. The course also serves to provide a platform to participants to interact with each other and share experiences to sustain the continued improvement of work practices in cooperative societies.

Overview of the Course

Duration	6 weeks (30 sessions of 90 minutes each)
Objectives of the course	<ul style="list-style-type: none"> Equip the participants in preparation of books of accounts, financial statements (manual & electronic), balance sheet, audit procedures and compliance Build capacity to ensure compliance with applicable tax laws like registration, payment of taxes, filing statutory and regulatory returns, etc.
Eligibility	<p>The following are eligible to apply -</p> <ul style="list-style-type: none"> Persons between the ages of 18 to 50 years Completed 10+2 Member, employee, elected director of a cooperative, and student Should be sponsored by the concerned cooperative In case of student, the application should be forwarded by the concerned educational institution
Language of instruction	English and Hindi
How to apply	<p>Send nomination to: The Executive Director National Centre for Cooperative Education 3, Siri Institutional Area, August Kranti Marg Hauz Khas, New Delhi – 110016 Phone: +91 11 41811158 Email: nccencui@gmail.com</p>
When to apply	The announcement letter inviting participants for the course will be circulated.
Mode	Classes will be conducted physically at NCCE, New Delhi. In times of COVID-19 restrictions, the classes will be conducted online.
Logistics	<p>Responsibility of NCUI/NCCE:</p> <ul style="list-style-type: none"> Provide cost of travel from participants' hometown to Delhi and return by train in AC 3 tier Provide accommodation in NCCE hostel on twin sharing basis Provide all meals Provide study material, resource persons and arrangements for study visits, if any <p>Responsibility of the sponsoring organisation:</p> <ul style="list-style-type: none"> Forward the application duly signed and stamped by the competent authority
Fee & mode of payment	<p>INR 5000/- to be paid online Account number: 65270943179 Account name: National Cooperative Union of India IFSC code: SBIN0007407 Bank & Branch: State Bank of India, Asian Games Village Complex, Hauz Khas, New Delhi</p>

Course Pedagogy

Classes will be conducted physically at NCCE, New Delhi. This is a residential course, and the participants will stay at the hostel of NCCE located within its premises. In times of COVID-19 restrictions, the classes will be conducted online.

The course will be administered through classroom sessions and include lectures, presentations, group exercises, discussions, activities, etc. Moreover, the course is designed to allow participation and encourage active learning through interactions among the participants as well as open discussions with the faculty, a feedback mechanism that allows for transparent sharing of the learning and challenges, etc.

To inculcate practical learning, the course includes individual and group projects through the duration of the course so that learners can understand the practical implications of the theory that they have learnt.

In addition to the classroom sessions and projects, the course also includes study tours or field visits. The study tours include visits to various cooperative institutions and the national cooperative federation located in Delhi. In the field visits, participants are taken to cooperatives in other states to enable learnings from exposure to real work situations.

An end-of-course assessment will be carried out through written examination, assignments and viva voce to highlight the strengths and gaps that can be addressed appropriately by the learner. Successful candidates will be awarded with certificate of participation.



Course Curriculum

The course is divided in two modules and further into sub-modules.

Module 1 - Accounting and Auditing

The role of an accountant has now shifted from that of a mere recorder of transactions to that of a member providing relevant information to the decision-making team. Today's rapidly changing business environment has forced the accountants to reassess their roles and functions both within the organisation and the society. Accounting links decision-makers with economic activities and with results of their decisions. At the end of the module, a learner will be oriented on the complete process of accounting followed in cooperatives right from recording of transactions in the journal, to classifying them in the ledger, summarising them in trial balance and reporting them in financial statements in such a way that will enable them to provide relevant information required for management decision making in addition to ensuring the statutory compliance. Learners will also be oriented on the Accounting Standards issued by the ICAI which are applied by the cooperatives in preparing General Purpose Financial Statements which enables the cooperatives to ensure uniformity and consistency in accounting records.

The module will begin with a session on **introduction to Accounting**. The learner will be oriented on the basic concepts of accounting, need for accounting for cooperatives, accounting process for cooperatives, difference between bookkeeping & accounting, accounting concepts, users of accounting information & their needs, etc. It will form the theoretical base for the subsequent topics that will be covered in the duration of the course.

The second session takes the learners into practical life situation by showcasing to them how the financial transactions are actually recorded in the **Books of Original Entry**. At this stage, learners are introduced to various types of journals (Cash Book, Day Book, Sales Book, Purchase Book, Sales Return Book, Purchase Return Book, etc.), method of preparation of these journals, their utility, etc. This session also covers practical exposure to various vouchers that act as documentary evidence in support of transactions with maker-checker system of authorisation, thus ensuring internal control.

The third session orients the learners in Golden Rules of Accounting which are used in posting the transactions in the **Books of Final Entry (Ledger)**. Here the learners are explained about various types of accounts and their corresponding rules of debit & credit. This session focuses on maximum practice by discussing with participants the various practical life transactions and their corresponding accounting entries.

After posting the transactions in the ledger accounts, closing balance of these accounts as on a particular date are arrived at, which are recorded in the **Trial Balance**. Preparation of Trial Balance helps in ensuring arithmetical accuracy of the accounting records. It also serves as a basis for preparation of **Financial Statements**. This session also covers various errors that an accountant may encounter and the method of their rectification. In case there arises any difference between the bank balance as per the society's accounting records and the balance as per Bank Statement/Pass Book, Bank Reconciliation Statement is prepared.

The communication stage of accounting process is covered in the sessions on **Financial Statements**. Every cooperative society is required to file Audited Financial Statements with its Registrar. These are also required to be presented before the members in the Annual General Meeting on or before 30th September every year. At this stage, the learners will be oriented on various constituents in a complete set of financial statements i.e.,

- Statement of Profit or Loss
- Balance Sheet
- Cash Flow Statement
- Notes to Accounts

The basic accounting principle is that financial statements should show a 'true and fair' view of -

- the performance of the cooperative during the financial year, in case of Profit & Loss account,
- the position of the cooperative as at the end of the financial year, in case of Balance Sheet and
- the cash flows of the cooperative for financial year, in case of Cash Flow Statements.

To ensure that the Financial Statements are 'True & Fair', various **Accounting Standards** issued by the ICAI which are applicable to cooperative organisations are also covered as a part of the course. Considering the importance of uniformity & consistency in the accounting records, learners will undergo **six sessions** on issues related to recording, measurement, presentation and disclosure of various items of financial statements, viz:

- AS 1 Disclosure of Accounting Policies
- AS 2 Valuation of Inventories
- AS 3 Cash Flow Statements
- AS 4 Contingencies and Events Occurring After the Balance Sheet Date
- AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
- AS 6 Depreciation Accounting

- AS 9 Revenue Recognition
- AS 10 Property, Plant and Equipment
- AS 12 Accounting for Government Grants
- AS 13 Accounting for Investments
- AS 15 Employee Benefits
- AS 16 Borrowing Costs
- AS 19 Leases
- AS 22 Accounting for Taxes on Income
- AS 26 Intangible Assets
- AS 29 Provisions, Contingent Liabilities and Contingent Assets

An **audit** is an independent examination of financial information of any entity, whether profit oriented or not, irrespective of its size or legal form when such an examination is conducted with a view to express an opinion thereon. The role of auditing in a cooperative involves examining books, registers and accounts with particular attention to overdue debts and valuation of assets and liabilities.

In the first session of audit module, a learner will understand:

- meaning and nature of audit
- special features of cooperative audit
- responsibilities of the auditor
- reporting requirements

In the next session, the learners are exposed to **step-by-step approach for cooperative audit** covering therein detailed procedures related to appointment of auditor, fixation of their remuneration, management representation, audit plan, audit working papers, etc.



Module 2 - Taxation

This module will provide an understanding on the implications of Income Tax and Goods and Services Tax (GST) for a cooperative organisation. It will enable a learner to carry out and duly follow the compliance requirements related to taxation laid out for cooperatives.

The session will begin with **introduction to GST** as a concept of taxation and its application in India with a focus on cooperatives. It will help a learner understand the fundamentals of GST as a taxation process. The first session will build the theoretical base for the upcoming sessions.

Under GST, supply is considered an event for charging tax and the liability to pay tax arises at the time of supply of goods and services. Supply refers to sale, transfer, exchange, barter license, rental, lease and disposal. Taxation at the time of supply is a new concept and did not exist before GST was implemented. Hence, it is important to understand the meaning of **supply under GST** for a learner who is involved in the taxation process in a cooperative. **Charge of GST** refers to two concepts namely forward charge and reverse charge mechanism. When GST is paid directly by the consumer to the supplier/seller and the seller pays GST to the government, it is called forward charge. In scenarios where the consumer pays GST directly to the government instead of the seller/supplier, it is called reverse charge mechanism. This session will provide detailed understanding about the concepts of supply under GST and charge of GST to the learner.

Any organisation registered under GST can claim input tax credit. It means that when a manufacturer/supplier/aggregator has to pay tax on their output, they can reduce the tax if they already paid it at the time of the input. To claim **input tax credit**, the payer needs to have the tax invoice of purchase or debit note by a registered

dealer and you should have received the goods and services. Other such clauses and protocols also apply that make a registered organisation eligible for input tax credit. This session will help a learner understand the system of input tax credit and how to utilise it in a cooperative.

Various goods and services are **exempted from GST**. This session will share the exemptions under GST and their impact on the taxation process of different types of cooperatives.

An organisation meeting set criteria by the government is mandated to **register under GST**. It is an online process and registration takes 6-7 days. The process involves providing a pre-defined list of organisational/individual documents, paying the registration fee and applying for a GST number. This session will introduce a learner to the detailed process of registering for GST.

Record keeping in GST refers to maintaining documentation such as GST invoice, e-way bill, accounting records, among others. These records enable the payer to pay GST and submit GST returns that is a mandatory part of taxation in a cooperative. A set of three sessions will orient the learner on **preparing the documentation, paying GST** and **filing GST returns** for a cooperative.

Credit cooperative societies and cooperative banks fall under the purview of financial services. A session will be held on the provisions of **GST on financial services** to enable a learner to implement these provisions in their cooperative bank/credit society. The session will also shed light on the provisions of **GST on educational services**, as well as its implications for Central Group Housing Society.

The Income Tax Act, 1961 has defined a co-operative society as; "A society registered under the Co-operative Societies Act, 1912, or under any other law for the time being in force in any state for the registration of Co-operative

societies.” The Act further defines process of filing return and tax auditing for cooperatives. This session will introduce a learner to the concept of income tax in the context of a cooperative.

Under the Income Tax Act, various types of **incomes are exempt**, that is, the income is non-taxable such as house rent allowance, leave travel allowance, leave encashment amount, pension amount, gratuity amount, etc. In this session, a learner will be oriented on the exempt incomes specific to a cooperative.

Income tax includes different “heads” of income such as “salaries”, “profits and gains from business/profession”. These fields have to be accurately filled while filing income tax returns at the end of the financial year. This session will orient the learner on these headings of income and how to accurately fill them.

Tax deductions in income tax allow for rebate from tax based on some provisions. That means a tax payer can deduct these incomes from their total income and pay tax on the remaining

income. These are called deductions. While computing the income of the payer, deductions mentioned in Section 80C to Section 80U can be deducted from the gross total income. This session will provide a detailed analysis of **Section 80P – Deduction for Cooperative Societies**. In some cases, tax is also deducted at source, that is, the payer receives income from which tax is already deducted. This has to be mentioned while filing the income tax. Over two sessions, a learner will be oriented on deductions from gross total income and tax deducted at source, and their application in income tax filing in a cooperative.

Filing **income tax returns** at the end of a financial year is a mandatory process of financial accounting and management of an organisation. It is an online process and has to be completed within a stipulated timeline. This session will orient a learner on filing the income tax return for a cooperative.

The module will be concluded with a session on other **miscellaneous provisions** related to taxation of a cooperative.



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