

Improvement of the Accounting Procedures Manual of an Agro livestock Cooperative

Perfeccionamiento del Manual de procedimientos contables de una Cooperativa Agropecuaria

Aperfeiçoamento do Manual de procedimentos contábeis de uma Cooperativa Agropecuária

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ABSTRACT

This research is oriented to the improvement of the Accounting Procedures Manual of the Credit and Service Cooperative "Hermanos Saíz Montes de Oca", which allows satisfying a need for timely and reliable information in the cooperative for being updated to the changes that are taking place in accounting, from the harmonization of the International Accounting Standards to the Cuban context. For this purpose, methods from theoretical level were used, which served for the conceptual interpretation of the data found, and from empirical level that allowed the collection of information on the characteristics of the cooperative. In the development of the work, the theoretical and methodological foundations that served as the basis for its development are shown, a diagnosis of the current situation of the cooperative was made, where it was possible to detect the main deficiencies of the entity.

Keywords: accounting; accounting procedures manual; accounting systems

RESUMEN

Esta investigación está orientada al perfeccionamiento del Manual de procedimientos contables de la Cooperativa de Créditos y Servicios "Hermanos Saíz Montes de Oca", lo que permite satisfacer una necesidad de información oportuna y confiable en la cooperativa por estar actualizada a los cambios que se están gestando en la contabilidad, a partir de la armonización de las Normas Internacionales de Contabilidad al contexto cubano. Para ello, se aplicaron métodos teóricos que sirvieron para la interpretación conceptual de los datos encontrados, así como los métodos empíricos que permitieron la recopilación de información sobre las características de la cooperativa. En el desarrollo del trabajo, se muestran los fundamentos teóricos y metodológicos que sirvieron de base para su desarrollo, se realizó un diagnóstico de la situación actual de la cooperativa, donde se logró detectar las principales deficiencias que presenta la entidad.

Palabras clave: contabilidad; manual de procedimientos contables; sistemas contables

RESUMO

Esta pesquisa está orientada para o aperfeiçoamento do Manual de Procedimentos Contábeis da Cooperativa de Crédito e Serviços "Hermanos Saíz Montes de Oca", que permite satisfazer uma necessidade de informação oportuna e confiável na cooperativa por estar atualizada às mudanças que estão ocorrendo na contabilidade, desde a harmonização das Normas Internacionais de Contabilidade até o contexto cubano. Para isso, foram aplicados métodos teóricos, que serviram para a interpretação conceitual dos dados encontrados, bem como métodos empíricos que permitiram a coleta de informações sobre as características da cooperativa. No desenvolvimento do trabalho, são apresentados os fundamentos teóricos-metodológicos que serviram de base para seu desenvolvimento, foi feito um diagnóstico da situação atual da cooperativa, onde foi possível detectar as principais deficiências que a entidade apresenta.

Palavras-chave: contabilidade; manual de procedimentos contábeis; sistemas de contabilidade

INTRODUCTION

The current context, characterized by the opening of the Cuban economy to foreign investment, from the implementation of the new economic model and the harmonization of the accounting system to international standards of financial information, has caused a process of profound socioeconomic transformations that require the improvement of accounting systems.

Since the implementation of Resolution No. 54/2005 of the Ministry of Finance and Prices (MFP in Spanish), dated March 24, 2005, which establishes that state-owned, private and mixed enterprises, enterprise groups, unions of enterprises, state economic organizations, budgeted units and entities of the cooperative and peasant sector, must prepare a document containing the accounting normative basis of each entity as part of

the Internal Control System based on the Cuban Accounting and Governmental Accounting Standards. In addition, the Council of Ministers' Agreement No. 092, dated June 4, 2002, makes it mandatory for entities to have a Manual of Accounting and Financial Standards and Procedures, in accordance with the characteristics of each entity, as a methodological instrument for their operation (MFP, 2005).

Procedure Manuals have evolved for many years within a common frame of reference, generating different expectations among enterprise men and professionals, with the purpose of satisfying a control in human resources as well as in economic and financial materials. A Procedures Manual is based on the detail of administrative and operational activities; it fulfills, among others, the objective of providing useful information for departmental heads and all the people who need it for timely and reliable decision making, besides allowing to detect important weaknesses and to take necessary corrective actions by the administrative and operational team.

The Accounting Procedures Manual should comprise the standards, policies and information, in a systematic and coherent manner to the needs within a specific activity to achieve the expected goals of efficiency, effectiveness, productivity and protection in the operations to stimulate the adherence to the requirements mandated by the top management, which allow these corporations to be at the forefront of the industrial world.

Nowadays, enterprises have the need to operate efficiently, establishing the use of manuals of standards, procedures and accounting policies necessary to build a reliable, coherent and consistent financial system in accordance with the purpose required by the enterprise, according to its structure, amount of operations, resources, demand for products and services by customers or users.

It is necessary to keep in mind that an Accounting Procedures Manual is more than just a visual image. The best identity is the one that coincides with the beliefs and objectives of its organization. It is also the one that faithfully adheres to its characteristics and matches what it does with what it says. The success of the Accounting Procedures Manual lies in the fact that every member of the enterprise is aware of its use and application.

This new approach is extended to all sectors of the economy and services, and its implementation is sought in all economic entities of the country.

In the particular case of the Credit and Service Cooperative (CSC in Spanish) "Hermanos Saíz Montes de Oca", which was incorporated on January 21, 2003, according to Resolution No. 2849; its corporate purpose, according to Resolution No. 673 dated November 4, 2013: to produce and commercialize agricultural, livestock, forestry, sugarcane and other productions; to produce and commercialize in a wholesale manner in national currency raw tobacco.

During the development of the research, a preliminary diagnosis was carried out in the cooperative in accordance with the provisions of the Cuban Accounting Standards, where a series of limitations affecting the internal control of the entity were detected, such as:

- Accounts receivable and payable submajors
- No purchase, sale, expenses, other transactions are accounted for
- Payrolls are missing some mandatory information

In view of the above, the objective of this article is to improve the accounting procedures manual of the CCS "Hermanos Saíz Montes de Oca" in the municipality of Consolación del Sur, Pinar del Río province.

MATERIALS AND METHODS

The research is based on the dialectical-materialist method and uses theoretical and empirical methods.

Among the methods of the theoretical level the historical-logical is found, which revealed the essential relations existing in the research object, used in the elaboration of the proposal; besides, the analysis and synthesis, induction-deduction, systemic-structural, allowed to base the Manual of accounting procedures, and subsequently, arrive at the implementation in the Cooperative "Hermanos Saíz Montes de Oca", of Pinar del Río. In addition, empirical methods are used, such as: observation of the accounting system, which permitted to identify the existing deficiencies; review of documents, which made

possible to detect limitations in the internal control and interviews to the Cooperative's managers. The lack of preparation of the managers regarding the laws and norms established by the Ministry of Finance and Price was identified.

RESULTS AND DISCUSSION

The term "Accounting" comes from the Latin *computare*, which means to count, both in the aspect of comparing magnitudes with the unit of measurement, as well as in the sense of relating or telling story. An approach to the historical evolution of accounting reveals that it is as old as the need that people had to have information to quantify the benefits obtained in trade.

Since those early times, the activities of accounting registration have been uninterrupted, although it is only from the 14th and 15th centuries onwards that regular and relatively abundant written testimonies have been preserved. The data contained in accounting documentation, even the oldest and most fragmentary, are quantitative and exact, let alone in the case of modern double-entry bookkeeping, in which the data are presented as a coherent, complete and intimately interrelated whole. Therefore, their study and interpretation can often shed an entirely new and unsuspected light on historical facts that, in the absence of them, had been explained erroneously or insufficiently (González Blanco & Aguilar Hernández, 2016).

Accounting at present has studied many phenomena as is the case of what is raised by López Jara and Cañizares Roig (2019), where they express that the teaching of accounting at the higher level, traditionally has been seen as a technical rather than intellectual activity; all the elements mentioned above gave rise to the accounting method.

The accounting method is conceived (Cañibano Calvo, 1996) as:

A set of postulates and subsidiary premises that make it possible to subject economic reality to "observation", to express in an agreed language the qualitative and quantitative aspects of this observation, in accordance with rules that guarantee a certain degree of "objectivity" and

to process the resulting information, following criteria that make it possible to obtain synthetic statements containing relevant aggregates.

The above definition highlights the importance of the professional being able to observe the economic reality and translate the information obtained, both quantitatively and qualitatively, into a universal accounting language. These are characteristics of the scientific method that identify accounting as a science.

According to Lorenzo Cabezas (2015): "The accounting method is composed, in turn, of a process of induction and a process of deduction. Induction is characterized by an inductive reasoning that culminates in obtaining the balance sheet. Within this process, two essential parts are distinguished: one of a scientific nature in which the capture, symbolization, measurement and valuation of the economic reality is carried out, and another of a formal technical nature, which deals with the representation, coordination and integration of this reality until the formulation of the balance sheet".

The deductive process allows to know the cause-effect relationships that have motivated the present situation, to distinguish those aspects that have been positive and that should be reinforced from those that have negative significance, which should be controlled, annulled or changed.

This aspect is distinguished by the analysis of the economic history derived from the Financial Statements and the prospective analysis or expectations that serve as a basis for making future decisions on the management to be carried out. Between them, there is an intermediate process that deals with the accounting verification or verification in its double technical-accounting and economic aspect and the consolidation or accounting integration of several economic situations into a single situation.

In this line of reasoning, it is assumed the criteria of Castaño de Armas et al. (2019), who defines it as "System of laws and international standards that harmonized to the context of each nation submit the professional problem to a decomposition that is translated into a universal accounting language, it is composed of five variables with their dimensions, global indicators that contain other indicators that allow the control of

material, financial and human resources, in which all accounting information is summarized".

Accounting has traditionally been defined as the "language of business" because it is, within the organization, a service activity responsible for identifying, measuring and communicating economic information that allows different users to make judgments and decisions.

The activities of classification, recording and summarizing are of a routine and repetitive nature and do not constitute final accounting functions. The development and systematization of accounting has freed the accountant from this phase of the process, allowing him to devote more time to more important tasks such as the analysis and interpretation of information.

The primary objective of Accounting is to provide financial information of the organization to natural persons and legal entities interested in its operational results and economic situation. "Enterprise administrators, government shareholders, lending entities, suppliers and employees are individuals and institutions that constantly require financial information of the organization for their respective analyses" (Villarreal & Córdoba Martínez, 2017).

According to Silva Palavecino (2010): "Accounting provides enterprise information to managers, as a contribution to their planning, control and decision making functions; they require reliable, understandable, objective, reasonable and timely financial information".

In this regard, Liang and Yang (2017) states that Accounting is the science of recording and publishing financial information for an economic entity by observing, detecting and investigating concepts and problems.

Furthermore, Stappenbeck and Virgin (2016) assume that Accounting is a systemic approach to the identification and understanding of various economic statements within an entity.

Accounting, according to Elizalde Marín (2017) is a science that is based on the characteristics of the subjects, it also includes the use of formulas and equations that help in the process of preparing financial statements.

The aforementioned aspects are essential elements to be taken into account in the preparation and presentation of the Accounting Manual due to their importance for the optimal and reliable operation of the accounting systems described below.

According to Vivanco Vergara (2017), a Procedures Manual is: the best suitable tool to capture the process of specific activities within an organization in which policies, legal aspects, procedures, controls to perform activities in an effective and efficient manner are specified.

In this regard, Lanza González et al. (2019) posits:

Accounting procedures manuals are essential documents that must be kept by the entities. They constitute the accounting normative basis of the entity, therefore, the design or redesign of these manuals must be in accordance with the characteristics of each institution.

In this regard, Maldonado (2006) states that "the procedures manual is the analytical expression of the administrative procedures, through which the enterprise's operational activities are channeled as the statement of basic operating rules to which the members of the enterprise must conform".

In short, a manual is an instrument for transmitting and communicating management decisions related to the organization, rules and procedures, in order to facilitate the work of management and the enterprise.

Advantages and disadvantages of Procedure Manuals

A Manual has the following advantages:

1. Achieve and maintain a solid organizational plan

2. Ensures that all stakeholders have an adequate understanding of the overall plan and of their own relevant roles and relationships
3. Facilitates the study of organizational problems
4. Systematizes the initiation, approval and publication of necessary changes in the organization
5. Serves as an effective guide for the preparation, classification and compensation of key personnel

The usefulness of a manual is multiple, by virtue of being an instrument that allows the internal functioning with respect to the description of tasks or functions, location, requirements and the positions responsible for their execution. Thus, it can be stated that the need to prepare a manual is an important point within an organization in order to achieve adequate control within it.

Manuals are one of the tools that organizations have to facilitate the development of their administrative and operational functions; they are fundamentally a communication tool.

They are used to describe the activities to be carried out by the members of an organization and the procedures through which these activities are fulfilled.

On the other hand, this manual has disadvantages, which are:

1. They usually have a very high and labor-intensive preparation and review cost
2. They must be used constantly, since an erroneous wording may change their objectives
3. It requires time and specific personnel for its development

Characterization of Credit and Services Cooperative "Hermanos Saíz Montes de Oca"

Based on the importance of the topic and the elements described above, the authors of the research developed a characterization of the current situation of the Credit and Service Cooperative "Hermanos Saíz Montes de Oca".

Location of the cooperative

The "Hermanos Saíz Montes de Oca" Credit and Service Cooperative is located at Río Hondo, kilometer 101 of the Pinar del Río highway, in the municipality of Consolación del Sur, Pinar del Río province.

Mission

The mission is closely linked to its social object and is also based on the production and wholesale commercialization, in local currency, of raw tobacco destined for the enterprise that serves it (Empresa de Acopio y Beneficio del Tabaco), as well as tobacco postures, cujes to other cooperatives, to other Ministry of Agriculture (Minag in Spanish) entities and in retail form to individual producers.

Organizational structure

It has a total of 136 associates, 110 men and 26 women. It has a complete and embellished infrastructure; in addition, all its associates are involved in the defense and systematically participate in the preparation and other mobilizations that are carried out. They achieve an active participation of peasants and family members in volunteer work, accumulating more than 2556 hours. Its associates actively participate in the political events that take place in the municipality and deliver agro livestock products to the maternity home, children's homes and hospitals.

Characterization of the accounting and financial situation of the Credit and Service Cooperative "Hermanos Saíz Montes de Oca"

The characterization was carried out in accordance with Cuban Standards, the objectives set were met, although there are limitations in relation to documentation, since they do not have the submajors of the accounts, they do not make vouchers of operations, the documentation presented was clear, legible and contained the mandatory data, with the exception of the payrolls of workers that lack some of them.

Aspects contained in the programs for the review of the Personal Income Tax (Small Farmers), Land Transportation Tax, Social Security Contribution and Territorial

Contribution for Local Development were applied, in addition, Law No. 113 of 2012, of the Tax System, Decree No. 308 of 2012, Regulation of the General Norms and Tax Procedures of the Council of Ministers and Resolution No. 60 of 2011 of the Comptroller General of the Republic of Cuba were used.

Based on a preliminary diagnosis of the cooperative, a series of shortcomings were detected, which are described below:

1. In relation to Internal Control, essential aspects related to the subsystem of records, submajors and other models were reviewed, which evidenced the non-use of the submajors of the accounts that reflect the accounting operations of the period under study
2. Failure to account for the tax in a timely manner, failure to create the payment obligation correctly, failure to make the contribution of the amount owed
3. Payrolls lack the number of the check with which the withdrawal was made and the worker's identity card number

Due to the deficiencies detected in the study carried out, it was concluded that the "Hermanos Saíz Montes de Oca" cooperative needs to improve its accounting procedures manual.

The methodology used consists of the following elements, which made it possible to improve the accounting procedures manual of the Credit and Service Cooperative "Hermanos Saíz Montes de Oca"

The following are the elements that must be included in the Procedures Manual, as established by the Ministry of Agriculture:

Identification; Index; Introduction; Objective(s) of the manual; Presentation of the procedures; Name of the procedure; Objective of the procedure; Operating standards and policies; Description of the procedures; Formats and instructions for completion; Flowcharts.

Identification

This refers to the first page or cover page of the manual; the following data should appear and/or be noted therein:

- Unit logo
- Name of the unit
- Name or acronym of the administrative unit responsible for its preparation or updating
- Title of the procedures manual
- Date of preparation or, as the case may be, of updating

Index

This document presents, in a synthesized and ordered way, the main *items* that make up the manual. In order to standardize the presentation of these documents, it is important to follow the order described.

- a. Introduction
- b. Objective of the manual
- c. Presentation of procedures

Introduction

This refers to the explanation provided to the reader about the general overview of the manual's contents, its usefulness and the aims and purposes it is intended to fulfill. It includes information on how it will be used, by whom, how and when it will be revised and updated, as well as the authorization of the head of the agency.

Objective(s) of the manual

The objective should contain an explanation of the purpose for which the procedures manual is intended.

Presentation of procedures

This section lists or relates all the procedures to be described in the Manual, and it is recommended that they be written in a simple, synthesized form, in such a way that they express the essence of the service. Once they are listed for each area (directorate, sub-directorate, department) according to the order in which they appear in the organizational chart of the organizational manual of the respective administrative unit, each one should be analyzed, considering the inclusion of the following points:

- Name of procedure
- Objective of the procedure
- Operating standards and policies
- Description of procedures
- Forms and filling instructions
- Flow Diagrams

Name of procedure

At the beginning of the description, it is important to determine its name, which should coincide with that specified in the "presentation of procedures" section and be in accordance with the contents of the description. Preferably, it is suggested to write it down on a separate sheet of paper, together with the objective, operating rules and policies.

Objective of the procedure

It is the purpose to be achieved with the elaboration of the procedure, which must be clear, concise and direct.

Operating standards and policies

These are the legal and administrative bases that support the nature and purpose of an activity, based on the established regulations and by high levels of decision making, in order to provide guidance in the performance of a service to the public or internal

support. For this purpose, the responsible areas interacting in the implementation of the same must be mentioned.

Description of the procedure

It is the written narration in chronological and sequential order of each of the activities that are executed to achieve a specific result, in response to the fulfillment of the objective of the procedure and in accordance with its own rules or operating policies.

This definition will be supported by a methodology and a set of techniques and tools to make it as explicit as possible, understandable, assimilable and, where appropriate, transmissible for the purposes of training, qualification or updating of personnel and clients or users.

Specific bases or considerations for description include the following:

- Use Arial font size 12 point in upper and lower case when filling out the form
- Use the formats that are included in the methodology and that are in accordance with the needs of the elaboration of each procedure, in addition to the heading (Unit or Entity, Administrative Unit, Name of the Procedure, as well as the number of sheets), 5 columns containing the following concepts: Responsible, Activity Number, Activity, Format/Document and others
- In the "Responsible" column, identify by name the agency or body or post responsible. In the case of posts, these will only be mentioned when the nature of the activities of the corresponding instance so warrants
- During the description of the operation or activity, it should be kept in mind that these can be improved and eliminated (when they exist) duplications, efforts and unnecessary tasks; reduce signatures, decisions, times, copies, formats and waiting lines; balance workloads; employ new technology; and review standards or policies, etc.

At the end of a procedure, the phrase "End of Procedure" shall be noted.

Forms and filling instructions

The forms used in the execution of the procedures included in the manual should be attached at the end of the description of each procedure, accompanied by their respective instructions for completion, which will contain the corresponding indications.

In this section, it is necessary to consider the following: Only those forms that originate within the administrative unit in question should be filled out with instructions.

Flowchart

A final section of the procedure will allow to analyze its operability, from which it can be derived actions to simplify them, leading to the improvement of the public task. This graphic representation of the procedures should be included after each procedure or format, when they are created.

The preparation of these diagrams is recommended, especially in procedures related to the direct provision of services to the public, since it will allow information to be obtained for subsequent analysis on the effectiveness with which they are carried out.

The layout requires observing the following recommendations:

- A flow diagram always begins and ends with the symbol "TERMINAL"
- The lines between the symbols indicate the direction of flow
- The diagramming of the procedures should start at the top center of the first column, from top to bottom and from left to right
- Symbols must maintain uniformity in size

Proposal for the Accounting Procedures Manual for the Credit and Service Cooperative "Hermanos Saíz Montes de Oca", in the municipality of Consolación del Sur, Pinar del Río

Within the systematization process, the theoretical and methodological foundations and the characterization are sought, which offers the necessary information about the cooperative, since its characteristics will provide the basic idea to begin the process of

preparing the manual. Once this information is obtained, the methodology established by the Ministry of Agriculture, which proposes the sector's own techniques and procedures, is analyzed, since it will have to be easy to understand for the people who require information about the existing procedures within the entity. Once the presentation of the manual has been designed, the elements it will contain are created (Table 1).

Table 1 - Page header design

CREDIT AND SERVICE COOPERATIVE	ACCOUNTING POLICIES AND PROCEDURES MANUAL	Number:	
		Edition: 1	Date: 17/06/2018
		Signature:	
		Page: 1/265	
		Responsible area: Accounting Area	

Source: Own elaboration

Introduction

The accounting department has the mission to:

To direct and control compliance with the state policy, ensuring the methodological basis for the correct recording of economic facts, the formation and proposals of prices of new products and modification of those in force, the economic and financial analysis of the cooperative.

Considering that Accounting is a science that aims to support and optimize the processes of management and economy in a enterprise organization, its teaching requires clearly defined and practical objectives, feasible to apply with exact precision. And one of them is the account classifier, which is governed by Resolution 360/2013 of the Ministry of Finance and Prices (MFP) for the enterprise activity, Special Treatment Budgeted Units and the Agro livestock and Non-Agro livestock Cooperative Sector.

Objective of the Manual

The purpose of this manual is to guarantee a better orientation and organization of the accounting system of the cooperative, taking into consideration what is established in the Cuban Accounting Standards, in accordance with Resolution 235/05 of the Ministry of Finance and Prices.

Scope of the Manual

The regulations apply to all credit and service cooperatives, which share the same corporate purpose and complement each other in the same activities.

Legal framework

The procedures that are developed within the entity must be guided by the rules and laws mentioned below, depending on the changes that arise in the Cuban Accounting Standards. Therefore, for the preparation of the manual, each of the norms that govern accounting procedures, as well as Cuban laws, will be taken into account. In this way, it will be possible to provide an efficient document that complies with the internal regulations of the cooperative and its external standards.

Regulations

During the process of improving the Accounting Procedures Manual, a series of regulations established by the Ministry of Finance and Prices were taken into account, as shown below:

- Specific Standard No. 3 Recording of Losses, Shortages and Surpluses of Property, Plant and Equipment and Monetary Resources
- Resolution No. 54/2005, MFP of March 24, 2005. Establishes that state-owned, private and mixed enterprises, business groups, unions of enterprises, state economic organizations, budgeted units and entities of the cooperative and peasant sector, hereinafter entities, must prepare an Accounting Manual, taking into account the Cuban Financial Reporting Standards

- Resolution No. 012/2007, MFP of January 18, 2007. It puts into effect the mandatory data to be taken into account when designing the Cash and Bank subsystem models
- Resolution No. 013/2007, MFP of January 18, 2007. Enforces the mandatory data to be taken into account when designing the Payroll subsystem models
- Resolution No. 935/2018 of the MFP dated December 28, 2018, became effective on January 1, 2019. Approve Specific Accounting Standard No. 12 "Management Accounting"
- Cuban Accounting Standards (NCC is Spanish) and characteristics:
 - No. 1 Presentation of Financial Statements (NCC 1)
 - No. 2 Statement of Cash Flows (NCC 2)
 - No. 3 Interim Financial Information (NCC 3) and errors (NCC 4)

NCC No. 1 Presentation of financial statements

Objective:

The objective of this Standard is to establish the basis for the presentation of financial statements for general information purposes, in order to ensure that they are comparable, both with the financial statements published by the entity in previous years and with those of other entities.

Scope:

This Standard has been applied to all types of State designed and presented later in this manual.

Regarding the notes to the financial statements: The enterprise's financial statements must be accompanied by Notes or Annexes that complete the information contained therein. The notes must clearly express the facts or situations that need to be explained for the information to be transparent, i.e., they must contemplate or expand on the information to avoid misinterpretation or distortion.

The notes should include, at a minimum, the following:

- Conditions existing on accounts receivable that modify their availability
- Detail of the main items that compose the Inventory, when they are not expressed in the body of the Statement of Financial Position.
- Inventory valuation bases and methods for cost determination
- Conditions that exist on accounts payable that require itemizing

NCC No. 2 Statement of Cash Flows

Objective:

The objective of this Standard is to require all entities in the country to provide information related to the historical movements in cash and cash equivalents through the presentation of a cash flow statement broken down according to its origin in operating, investing and financing activities.

Scope:

1. A cash flow statement must be prepared in accordance with the requirements of this Standard and presented as an integral part of the financial statements for each period
2. The cash flow statement may be used as part of the financial cash management process at any time

NCC No. 3 Intermediate Financial Information

Objective:

The objective of this Standard is to establish the minimum content of intermediate financial information, as well as to establish the recognition and valuation criteria to be followed in the preparation of interim financial statements, whether presented in full or condensed form.

Scope:

This Standard is applicable to the presentation of all types of financial statements presented in intermediate periods of the annual accounting period, following the Cuban Financial Reporting Standards. The Cuban Accounting Standards Committee advises entities that provide intermediate financial statements to comply with the recognition, valuation and presentation criteria established in this Standard.

It is established to the entities that:

- a. present, at least, Interim Financial Statements referring to the closing of each quarter of each of their annual accounting periods and, in addition, that;
- b. make their Intermediate Financial Statements available to users within seven (7) business days after the end of the intermediate accounting period.

Definitions:

The following terms are used in this Standard with the meanings specified below:

An intermediate accounting period is any accounting period shorter than an annual accounting period. Intermediate financial information is any financial information that contains either a set of complete financial statements (such as those described in NCC Presentation of Financial Statements) or a set of condensed financial statements (such as those described in this Standard) for an interim period.

The content of the intermediate financial information is as established in the Intermediate Financial Statements standard, which are presented below:

- Statement of Position
- Statement of Financial Performance
- Statement of Expenses by Elements
- Statement of Investments
- Gross Value Added Statement
- Accounting policies used and other explanatory notes

NCC No. 4 Accounting policies, changes in accounting estimates and errors

Objective:

The objective of this Standard is to define the criteria for selecting and modifying accounting policies, as well as the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and correction of errors.

Scope:

This Standard shall be applied in the selection and application of accounting policies, as well as in the accounting for changes in accounting policies and accounting estimates and in the correction of prior period errors. The tax effect of correcting prior period errors, as well as retrospective adjustments made when changes are made to the Accounting Policies, shall be accounted for in accordance with the NCC dealing with Income Taxes and the information required by this Standard shall be disclosed.

Definitions:

The following terms are used in this Standard with the meanings specified below: The prospective application of a change in accounting policy and the recognition of the effect of a change in an accounting estimate consist of, respectively:

- a) the application of the new accounting policy to transactions, other events and conditions occurring after the date on which the policy was changed.

Impracticable:

The application of a requirement is impracticable when the entity is unable to apply the requirement after making all reasonable efforts to do so. For a particular prior period, it is impracticable to apply a change in an accounting policy to correct an error if:

- a) the retrospective application or restatement require estimates of significant amounts and that it is impossible to objectively distinguish information from such estimates that:

- Provide evidence of the circumstances that existed on the date or dates on which such amounts were recognized, measured or disclosed; and
- Would have been available when the financial statements for prior years were prepared.

Qualities of accounting information to ensure its effectiveness in management decision making to be used by the different users interested in it and to meet their objectives

Utility: The information prepared must be effective and efficient based on accounting principles.

Identification: Financial Statements should always be well identified, referring to the given period and to the specific economic and financial transactions thereof.

Timeliness: Accounting information must be provided in a timely manner.

Credibility: The information derived from accounting must be reliable, incorporating in the accounting records only those transactions that have actually occurred, expressed in their correct dimension, and valued in precise, understandable and unambiguous terminology.

Reliability: Accounting information must be credible and valid, based on the collection of primary data: correctly classified, evaluated and recorded.

Verifiability: The accounting system established must generate accounting information that can be controlled and verified by third parties outside its processing.

Accounts nomenclator

Accounting is not an end in itself, but represents the means to obtain the information required for the management of the cooperative, by systematically recording the operations and transactions that occur in the different economic processes; these records cannot be made anarchically, but require a set of elements that systematize

their execution, being primordial among these elements, the Nomenclature of Accounts, also known as the Classifier or Catalog of Accounts.

This Nomenclature of Accounts will be used in the Credit and Service Cooperative "Hermanos Saíz Montes de Oca" of Consolación del Sur, Pinar del Río.

The Nomenclature of Accounts for the enterprise activity, which will be in effect as from the specific indications issued to that effect, has the following fundamental characteristics:

- The names of the accounts and their economic content reflect the true nature of the economic events to be recorded in them.
- Entities are authorized to use opening information (subaccounts, analysis, etc.) in accounts that do not have defined mandatory subaccounts.
- Entities and groups are obliged to respect the mandatory subaccounts and no other subaccounts may be opened without the express authorization of the Ministry of Finance and Prices.

Accounting procedures of Service and Credit Cooperative

This is the main contribution to the proposed manual, since the accounting procedures that complement it were prepared by the authors, based on resolutions 235, 294, 497, 498, approved by the Ministry of Finance and Prices in the absence of any reference or pronouncement on the subjects by the Board of Directors, which were modified or enriched by their experience and the conditions and particularities of the Cooperative.

The studies of historical-theoretical trends served to learn about various concepts of manuals, their advantages and disadvantages.

The diagnosis made allowed detecting several deficiencies that exist in the cooperative, which are as follows: The workers of the entity do not have knowledge about the usefulness and importance of the Accounting Procedures Manuals. There is no updated Accounting Procedures Manual, as established by the Cuban Accounting Standards.

Based on a theoretical-methodological analysis of Resolution 235/05 and Rule 12/19 issued by the Ministry of Finance and Prices, it was possible to identify the procedures to be used in the improvement of the Accounting Procedures Manual.

An Accounting Procedures Manual was improved, which contributed to improving the management of the Accounting Information System and the cooperative's decision-making process.

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Conflict of interest:

Authors declare not to have any conflict of interest.

Authors' contribution:

Brian Rodríguez Navarro y Reinaldo Castaño de Armas designed the study, analyzed the data and prepared the draft.

Juan Carlos Díaz Pando y Dainel Falcón Corrales were involved in the collection, analysis and interpretation of the data.

All authors reviewed the writing of the manuscript and approve the version finally submitted.



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