

Republika ng Pilipinas  
PAMBANSANG PANGASIWAAN NG PATUBIG  
(National Irrigation Administration)  
Gusaling Ablaza, 117 E. Rodriguez Sr.  
Lungsod ng Quezon

MC # 59, s. 1968

MEMORANDUM CIRCULAR

TO : ALL REGIONAL & PROVINCIAL IRRIGATION  
ENGINEERS, IRRIGATION SUPERINTENDENTS/  
OFFICERS-IN-CHARGE OF IRRIGATION SYS-  
TEMS, PROJECT ENGINEERS, CASHIERS AND  
DISBURSING OFFICERS  
National Irrigation Administration

SUBJECT : Prohibiting the Use of "Vales", IOUs  
Chits or other forms of Promissory Notes  
in Government Disbursements

Quoted hereunder for your information and guidance is Memo-  
randum Circular 570 of the Office of the Auditor General dated  
June 24, 1968:

"Republic of the Philippines  
GENERAL AUDITING OFFICE  
Quezon City

June 24, 1968

MEMORANDUM CIRCULAR 570

SUBJECT: Prohibiting the use of "vales", IOUs, chits  
or other forms of promissory notes in govern-  
ment disbursements.

TO : All heads of executive departments, agencies,  
local governments, and government-owned or  
controlled corporations; cashiers and dis-  
bursing officers; and auditors concerned.

In a recent cash examination of the cash and ac-  
counts of a disbursing officer in one agency, an audit  
team found among the cash items presented by the ac-  
countable officer to his credit cash advance payments  
to officials and employees including auditing personnel.  
These cash advances, given through the use of yellow  
reimbursement receipts (General Form No. 3-A), aside  
from the fact that they were exceptionally large, did  
not specify the official needs for which the money was  
advanced.

It was fairly obvious that the form drawn was  
essentially a "vale", an IOU, a chit or promissory note,  
which, under repeated office memoranda and even in for-  
mal rulings of this Office, is never accepted as a va-  
lid payment of any disbursing officer. The conclusion  
that the transaction was really a loan becomes the more  
positive by the lack of justification for the grant of  
the cash advance.

To put an end to the unauthorized practice dis-  
closed above, the following rules are laid down for  
the observance of all concerned:

1. A vale, IOU, chit or other form of promissory note, is not acceptable credit to the cash account of any accountable officer, and is at once excluded during the cash examination from among the cash items.

2. The yellow reimbursement receipt properly used only as receipt or proof of petty expenses in the field, should not be used to replace the general voucher for drawing amounts which need the approval of several officials before payment, and require adequate description of the goods or services being paid for.

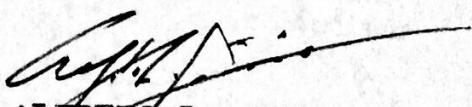
3. Cash advance asked by any auditing personnel requires the prior approval of the Auditor General, Deputy Auditor General, or the proper department manager.

Under no circumstance shall deviation from the foregoing rules be accepted. Any violation of these rules shall be sufficient cause for the filing of administrative or criminal charges, against the erring official or employee.

This Memorandum Circular supplements Memorandum Circulars Nos. 7 and 302, dated August 31, 1948 and October 26, 1956, respectively.

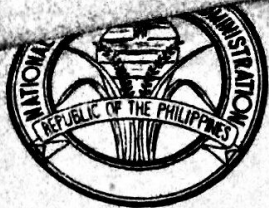
(SGD.) ISMAEL MATHAY, SR.  
Auditor General"

Strict compliance is hereby enjoined.

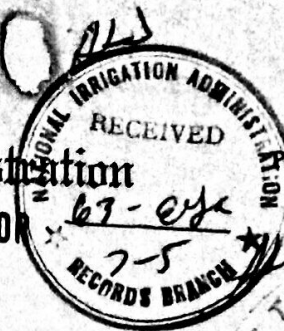
  
ALFREDO L. JUINIO  
Acting Administrator

July 15, 1968



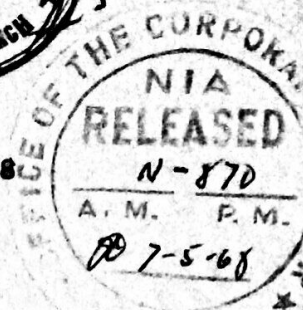


Republic of the Philippines  
**National Irrigation Administration**  
**OFFICE OF THE CORPORATE AUDITOR**  
Quezon City



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GTS 44-20-88

July 3, 1968



The Acting Administrator  
National Irrigation Administration  
Quezon City

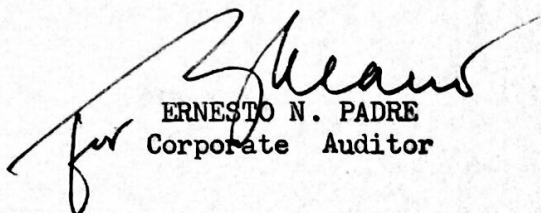
S i r :

There are enclosed copies of Memorandum Circular No. 570, dated June 24, 1968, of the Auditor General, prohibiting the use of "vales", IOUs, chits and other forms of promissory notes in government disbursements.

It is suggested that the contents of the said Memorandum Circular be disseminated to all management personnel, particularly the cashiers and disbursing officers, for their information and compliance therewith.

Advice of the action taken hereon is requested.

Very truly yours,

  
ERNESTO N. PADRE  
Corporate Auditor

Encls.: As stated.