

Republika ng Pilipinas
PAMBANSANG PANGASIWAAN NG PATUBIG
(National Irrigation Administration)
Lungsod ng Quezon

MO # 16 . s. 1976

MEMORANDUM CIRCULAR

TO : ALL REGIONAL IRRIGATION DIRECTORS, PROVINCIAL
IRRIGATION ENGINEERS, THE CORPORATE LEGAL
COUNSEL AND ALL OTHERS CONCERNED
National Irrigation Administration

SUBJECT : Procedures in Handling Delinquent Payers of
Pump Amortization and Notifying New Pump
Recipients of Maturing Amortizations.

The attached procedures in handling delinquent payers of pump amortization (Procedure B) and notifying new pump recipients of maturing amortization (Procedure A) shall be implemented effective immediately.

A Committee is hereby created which shall consist of the Chief, Operations Department as Chairman and the Chiefs of the Equipment Management Department and the Construction Department as members. The Committee shall conduct a study and submit its recommendation regarding the warehousing, value appraisal, disposition and other problems related to pulled-out pump units. The recommendation should be submitted to the Administrator not later than June 30, 1976.

Strict compliance by all concerned is hereby enjoined.


ALFREDO L. JUNIO
Administrator

PTV/tcg

April 7, 1976

Republic of the Philippines
National Irrigation Administration

Balance - - - - - \$

[illegible]

Chief of office

ANNEX "B"

Sir/Madam:

Please be reminded that the first amortization of Pump
Project No. _____ which is under your name in the amount of
_____ (P_____) will be due
on _____, 19 ____.

We would appreciate it very much if you could remit the
aforementioned amount on or before the due date. Payment will
be received in our Provincial Irrigation Office at _____
_____ or our Central Office at _____
_____ whichever is convenient for you.

Very truly yours,

Provincial Irrigation Engineer

NOTE:

Payments in the form of checks, bank drafts or postal
money orders should be made payable to the National
Irrigation Administration.

[REDACTED]

The total amount due, including interest and surcharges as of _____ 19 _____ is _____ (£ _____).

Very truly yours,

Note:

- ④

ANNEX "C-1"

Project No. _____
Location _____
Pump Owner RE-PIENT

STATEMENT OF ACCOUNT
AS OF _____, 19____

Principal (covering _____ to _____
amortization) ----- P
Interest at _____% -----
Penalty at _____% -----
TOTAL AMOUNT DUE AND PAYABLE ----- P

Prepared by:

Billing Clerk

ANNEX "D"

Sir/Madam:

This is a follow-up to our letter dated _____, 19 ____
requesting payment of your overdue accounts with us under NIA (ISU)
Pump Project No. _____ in the amount of _____
(₱ _____) as of _____, 19 ____ including interest and
penalties.

In this connection, please be advised that if payment is not
received by us on or before _____, 19 ____ we will refer the
matter to our Legal Staff for the proper legal action or pull-out your
pumpset or both.

Very truly yours,

Provincial Irrigation Engineer

Note:

Please disregard this letter if payment had already been made.

LIST A

[illegible]

NOTE: This list will include the names of delinquent payers of pump amortization to be submitted to the Central Office Legal Staff for immediate legal action in view of the fact that the pumpsets were either lost, ill disposed off, valueless or in such a condition that the government will gain nothing from its repossession.

kept in the record of account of recipient concerned.

LIST B

[illegible]

NOTE: This list will include the names of delinquent payers of pump amortization to be submitted to the Regional Irrigation Director or Chief of Special Project Office concerned for the issuance of cancellation, contract and pull-out orders.

8

Return card or acknowledgment of personal service kept in:

A. Procedure in Notifying New Pump
Recipients of Maturing Amortization

1. The Regional Irrigation Director/Provincial Irrigation Engineer shall provide new pump recipients with a copy of the Schedule of Amortization (Please see Annex "A").
2. Two months before the first amortization falls due, the Provincial Irrigation Engineer shall send a letter to the Pump recipient reminding him of said maturing amortization (Please see Annex "B").
3. If payment is not received one month after the first amortization falls due, the PIE shall apply Procedure B immediately as described below.

B. Procedure in Handling Habitually
Delinquent Payers of Pump Amortization

1. The Provincial Irrigation Engineer shall immediately prepare and send first demand letters to delinquent pump recipients with one or more unpaid amortizations supported by statement of account (Please see Annex "C" and Annex "C-1" respectively). The demand letters shall carry a deadline of three months from the date of preparation and shall be served personally or by registered mail with the corresponding proof of service (return card or acknowledgment of personal service) to be kept in the record of account of recipient concerned.
2. After expiration of the deadline in the first demand letter a second demand (Please see Annex "D") shall be sent to debtors who ignored the first letter giving them another three-month grace period to settle their obligations. This demand letter shall be served in the same manner as that of the first demand letter, with the proof of service also to be kept in the respective records of accounts of the debtors concerned.
3. After expiration of the grace period provided in the second demand letter, the PIE shall prepare a list of debtors who failed to comply with the demand letters, divided into two groups. The first group (List A) shall consist of names whose pumpsets are either (a) Lost, (b) illegally disposed off,

- (c) valueless or (d) in such a condition that the government will gain nothing from its repossession. All the others will constitute the second group (List B) whose pumpsets will be recommended for pull-out. List A shall be submitted by the PIE, thru the Regional Irrigation Director/Chief of Special Project office concerned, to the Central Office Legal Staff for proper legal action attaching all documentary evidences necessary to prosecute the case such as signed contracts, bills, statements of account and demand letters duly acknowledged.
- List B shall be submitted by the PIE to the Regional Irrigation Director or Chief of Special Project office concerned who shall issue the corresponding pull-out orders for repossession of the pumpsets after notifying in writing the pump recipients concerned that NIA is cancelling the corresponding contracts (Pump Purchase Agreement). Such notice of cancellation shall be served personally or by registered mail with return card, with the corresponding proof of service to be kept in the records of accounts of the pump recipients concerned.
4. (a) Upon receipt of List A, the Legal Staff shall send final demand letters giving the pump recipients whose names are included in the list, a definite period to pay (not more than two months) before bringing the case in court. The PIE shall follow-up collection of payment in satisfaction of a final court decision rendered in favor of the NIA. In case the pump recipients against whom the decision is directed still fail or refuse to pay, the PIE shall inform the matter to the Legal Staff which shall initiate the necessary court action for the execution of the judgment.
- (b) Upon receipt of List B, the Regional Irrigation Director or the Chief of Special Project concerned shall immediately prepare notice of cancellation of contracts prior to issuing the corresponding pull-out orders. He shall make it clear to the delinquent payers that aside from the repossession of the pumpsets NIA will

pursue the collection of their back accounts thru legal means. At every month end, the Regional Irrigation Director or Chief of Special Project office concerned shall submit a list of names to the Central Office Legal Staff whose pumps were already pulled-out for the proper legal action to enforce collection of back accounts.