

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

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MC # 32, s. 1977

MEMORANDUM CIRCULAR

T O : REGIONAL IRRIGATION DIRECTORS; PROVINCIAL
ENGINEERS; CHIEF, CORPORATE ACCOUNTANT;
REGIONAL ACCOUNTANTS; ACCOUNTING AND BILLING
CLERKS AND ALL OTHERS CONCERNED
National Irrigation Administration

SUBJECT : Guidelines in the Computation and Billing
of Amounts Due on Pump Amortization and
the Proper Use of the Revised Record of
Amortization, Amending MC # 54, s. 1974
and MC # 42, s. 1975.

Attached are guidelines in the computation of pump amortization, bill preparation and the proper use of the revised record of amortization which shall take effect immediately. Illustrative examples on the subject matter are included for your easy reference.

All previous instructions and memoranda inconsistent herewith are hereby amended or revoked accordingly.

Please be guided accordingly.

(SGD.) ALFREDO L. JUINIO
Administrator

June 21, 1977

GUIDELINES IN THE COMPUTATION AND BILLING OF PUMP AMORTIZATION

I - Basis of Determining Amount Due:

1 - Principal - Constitutes the total cost of the pumpset.
Refer to the Schedule of Amortization.

2 - Interest - Product of Factors PRT, where:

P = Outstanding Principal

R = Rate of Interest

T = Period of Time

Time is reckoned from date of last payment or date when last billing for interest was made whichever is later.

3 - Surcharge - Computed by multiplying the amount due with the rate of surcharge and the time period reckoned from the corresponding due dates as shown in the schedule of amortization.

II - Basis for Billing:

1 - Principal

- a) Release Paper
- b) Final Project Cost

2 - Amortization Interest and Surcharge

- a) Record of Amortization

III - Bill Forms to be Used:

1. Form A - This Form shall be used in billing the Principal Cost of the Pump Set. See Annex A.

2. Form B - This Form shall be used in billing Amortization Interest and Surcharge for pump set subject to 6% surcharge per annum. See Annex B.

3. Form C - This Form shall be used in billing amortization Interest and surcharge for pumpset subject to 12% surcharge per annum. See Annex C.

IV - What and When to Bill:

1 - Principal -

Immediately after pumpset is released. See illustrative example I.

2 - Amortization Interest -

a) Immediately as the amortization falls due (on the due date per schedule). See illustrative examples 2, 4, 5 and 6.

b) Immediately after every payment of amortization is made in between due dates. See illustrative examples 3 and 7.

3 - Surcharge on Overdue Amortization -

a) Immediately on the next amortization due date. See illustrative example 6.

- b) Immediately after payment of surcharge is made in between due dates. See illustrative examples 3 and 7.

V. - Structure of Bill Number:

Bills shall be numbered in one series for each calendar year and for each fund. The structure of the Bill Number shall be as follows:

107	-	116	-	1	-	77	(P)	
								- - That which is being billed:
								(P) for principal (I) for
								interest and (S) for surcharge
								- - - - - Calendar Year
								- - - - - First bill issued under the
								particular fund during the
								calendar year
								- - - - - PIO Code, Pangasinan PIO (per
								MC # 50, s. 1975)
								- - - - - Fund Code

VI - Application of Payment of Pump Amortization:

Payment of pump amortization should be applied in the following order: surcharge, interest and principal. As an example assume that a pump recipient pays today the amount P2,000.00. As of today the record of amortization shows that he has balances for surcharge and interest in the amount of P250.00 and P750.00, respectively. Said payment shall be applied as follows:

Surcharges	-	P 250.00
Interests	-	750.00
Principal	-	<u>1,000.00</u>
Total Amount Paid	- - - - -	<u>-P2,000.00</u>

If the amount paid is P800.00, the application of this payment is as follows:

Surcharge	-	P 250.00
Interest	-	550.00
Principal	-	<u>-</u>
Total Payment	-	<u>P 800.00</u>

VII - Distribution of Copies of Bills:

- 1 - Original - To pump recipient
- 2 - Duplicate - attached to the Original Monthly Summary of Bills Rendered - To Regional Accounting Office
- 3 - Triplicate - Office File
- 4 - Quadruplicate - To Cashier/Collecting Officer or Bill Collector of the Provincial Irrigation Office

Bills prepared for amortization interest and surcharges already paid shall be distributed as above except the

original copy which should be retained for file instead of giving it to the pump recipient as in Cases C, D and Bills under these particular cases are prepared only for purposes of posting to the corresponding records of amortization and to be included in the Summary of Bills Rendered for the month to be submitted to the Regional Accounting office. The amounts due previously billed and total amount due should not necessarily be indicated in these bills as amortization interests/surcharges being billed have already been paid as in cases C, D and G of the attached illustrative example.

VIII. - Record of Amortization (See Revised Form attached)

This serves as a subsidiary ledger of accounts receivable for irrigation pumps and at the same time an official record of individual pump recipient. Being a public document, it should be kept and maintained properly and should always be updated. All bills and payments made for the month should be properly posted to the corresponding records of amortization every end of the month.

IX. - Schedule of Amortization (Sample form attached)

This serves as a guide to pump recipients in the payment of the yearly amortization. This schedule is applicable only when amortization payments are made regularly on the scheduled due dates. Where a pump recipient fails to pay his yearly amortization, the succeeding amortization interest shall be based on the outstanding principal balance, as in Case F, since the Schedule of Amortization was temporarily rendered inoperative until such time that the pump recipient shall have updated his payment as per schedule. In such case, the original amortization interest and amount due for that particular amortization shown in the amortization schedule in the record of amortization should be corrected by crushing the original amortization interest and amount due and indicate above them the corrected amounts. This is for the purpose of easily determining the correct amount due which shall be used as basis in the computation of surcharge in case said amortization becomes overdue. Amount due for a particular amortization consists of the amortization interest and principal pertaining to said amortization. See attached record of amortization for the illustration.

X. - Attached are illustrative examples on the computation of amortization due, on bill preparation and on the proper use of the revised record of amortization for irrigation pump amortization.

Illustrative Example

1 - September 18, 1973

a) Bill # 403-909-100-74 (P)

Issued to Mr. Juan Mariano for the release of pumpset with Project No. 403-1-4-65 SW under Fund 403 to be installed at Camiline, Tarlac, broken down as follows (See Case A attached) :

Engine	- ₱13,800.00
Pump (Fund 205)	- 10,000.00
Accessories (Fund 205)	- 2,000.00
Incidental	- <u>1,100.00</u>
Total Cost	- <u>₱26,900.00</u>

b) O.R. #210035 dated 9-18-73

Issued to pump recipient corresponding to the 10% down payment in the amount of ₱2,690.00. Balance is payable in ten (10) equal yearly amortization at 6% interest and 6% surcharge per annum.

2 - September 18, 1974

Bill #403-909-75-75(1) issued for the interest due corresponding to the first amortization in the amount of ₱1,452.60. See Case B for the bill.

3 - March 18, 1975

a) Bill #403-909-95-75(1) (S) issued for surcharge on the 1st amortization due which was delayed for 6 months from 9-18-74 to 3-18-75 in the amount of ₱98.68 ($₱3,289.36 \times .03$) and amortization interests for 6 months pertaining to the 2nd amortization from 9-18-74 to 3-18-75 in the amount of ₱726.30 ($₱24,210.00 \times .03$). Bill is prepared on account of the payment made in Letter (b) below. See Case C for the bill.

b) O.R. #22015 dated 3-18-75

Issued for payment of the first amortization interest and surcharges in the amount of ₱4,114.34 applied as follows:

Surcharge (6 mos.)	- ₱ 98.68
Interest	- 2,178.90 ($1,452.60 \times 726.30$)
Principal	- <u>1,836.76</u>
Total Amount Paid	- <u>₱4,114.34</u>

4 - September 18, 1975

a) Bill No. 403-909-45-76(1)

Issued for the interest due corresponding to the 2nd amortization in the amount of ₱671.20 for 6 months from 3-18-75 to 9-18-75 ($₱22,373.24 \times .03 = ₱671.20$). Bill is prepared on account of the payment made in Letter (b) below. See Case D for the bill.

b) O.R. No. 25126 dated 9-18-75

Issued for payment of the 2nd annual amortization in the amount of ₱2,618.16 applied as follows:

Interest (6 mos. from latest payment)	- P 671.20
Principal	- <u>1,946.96</u>
Total Amount Paid	<u><u>P2,618.16</u></u>

5 - September 18, 1976

Bill No. 403-909-56-76(1) issued for interest due corresponding to the 3rd amortization amounting to P1,225.58. See Case E for the bill.

6 - September 18, 1977

Bill # 403-909-65-77 (1) (S) issued for interest due corresponding to the 4th amortization and one year surcharge on the third amortization as follows: (See Case F)

Surcharge on 3rd amortization	
for one year ($P3,289.36 \times .06$)	- P 197.36
Interest (4th Amortization)	- <u>1,225.58</u>
Total Amount of Bill	- <u><u>P1,422.94</u></u>

7 - December 18, 1977

a) Bill No. 403-909-67-77 (1)(S)

Issued for additional surcharge imposed on the third amortization ($P3,289.36 \times .015 = P49.34$) and 4th amortization ($P3,413.19 \times .015 = 51.20$) for a total of P100.54 ($P49.34 + 51.20$) for 3 months and additional interest for 3 months on outstanding principal from 9-18-77 to 12-18-77 in the amount of P306.39 ($P20,426.28 \times .015$). Bill is prepared on account of the payment made in Letter (b) below. See Case G for the bill.

b) O.R. No. 37218 dated 12-18-77

Issued for payment of third amortization (updated) including additional surcharges in amount of P5,119.23 applied as follows:

Surcharges:	Bill #403-909-65-77(S)	- P 197.36
	403-909-67-77(1) (S)	- 100.54
Interest :	Bill #403-909-56-76(1)	- 1,225.58
	403-909-65-77(1) (S)	- 1,225.58
	403-909-67-77(1) (S)	- 306.39
Principal : (Third Amortization)		- <u>2,063.78</u>
Total Amount Paid		- <u><u>P5,119.23</u></u>

Project No. _____

Bill No. _____

Location _____

Date _____

T O : _____
(Pump Recipient)

(Address)

PARTICULARS	:	A M O U N T
1. Pump - - - - - Fund _____	:	
2. Engine - - - - - Fund _____	:	
3. Accessories- - - Fund _____	:	
4. Incidental Charges -	:	
TOTAL CHARGES THIS BILL (71-9) - - - - -	:	
LESS _____% down payment	:	
<u>O.R. No.</u> <u>Date</u> <u>Amount</u>	:	
	:	
BALANCE ON PRINCIPAL - - - - -	:	
	:	

I hereby certify that the above statement is correct and just
and that payment has not yet been received by this Office.

PREPARED BY: _____

CERTIFIED CORRECT: _____

NOTE: Please remit payment to authorized NIA Collectors. If payment is made
by check or Money Order, it should be drawn in favor of the National
Irrigation Administration.

Annex - B

Form "B"

BILL AND STATEMENT OF ACCOUNTS

Project No. _____

Bill No. _____

Location _____

Date: _____

T O : _____
(Pump Recipient)

_____ (Address)

P A R T I C U L A R S			:	A M O U N T
(x) Interest			:	
() Surcharge			:	
<u>Amortization No.</u>	<u>Period Covered</u>	<u>Amount</u>	:	
			:	
TOTAL CHARGES THIS BILL (71-9)			:	
ADD: Amounts Due Previously Billed - - - -			:	
NOTE: Penalty (surcharge) TOTAL AMOUNT DUE - - - -			:	
will be charged if			:	
paid after the due			:	
date using the			:	
following rate			:	
1. per day - - - - -.000167			:	
2. per month - - - - -.005			:	
3. Per year - - - - -.06			:	

I hereby certify that the above statements is correct and just and that payment has not yet been received by this Office.

PREPARED BY: _____

CERTIFIED BY: _____

NOTE: Please remit payment to authorized NIA Collectors. If payment is made by Check or Money Order, it should be drawn in favor of the National Irrigation Administration.

BILL AND STATEMENT OF ACCOUNTS

Project No. _____

Bill No. _____

Location : _____

Date : _____

T O : _____
(Pump Recipient)

(Address)

P A R T I C U L A R S: A M O U N T

() Interest

:

() Surcharge

:

Amortization No.Period CoveredAmount

:

:

TOTAL CHARGES THIS BILL (71-9)

)

ADD: Amounts Due Previously Billed -

:

TOTAL AMOUNT DUE

:

NOTE:

Penalty (surcharge) will be
charged if paid after the due
date using the following rate:

1. per day - - - - .000334

2. per month - - - - .010

3. per year - - - - .12

:

:

I hereby certify that the above statement is correct and just and
that payment has not yet been received by this Office.

PREPARED BY:

CERTIFIED BY:

NOTE: Please remit payment to authorized NIA Collectors. If payment is made
by Check, or money Order, it should be drawn in favor of the National
Irrigation Administration.

Project No. - 403-1-4-65-SW
 Location - Camiling, Tarlac
 Pump Recipient - Mr. Juan Mariano

Cost of Pump Set - - P26,900.00
 Less: Downpayment
 OR #210035 9/19/73 2,690.00
 Balance P24,210.00
~~XXXXXXXXXX~~

SCHEDULE OF AMORTIZATION

DUE DATE	:	AMOUNT	:	APPLIED TO INTEREST	:	APPLIED TO PRINCIPAL	:	PRINCIPAL BALANCE
9-18-74	:	P3,289.36	:	P1,452.60	:	P1,836.76	:	P22,373.24
9-18-75	:	3,289.36	:	1,342.40	:	1,946.96	:	20,426.28
9-18-76	:	3,289.36	:	1,225.58	:	2,063.78	:	18,362.50
9-18-77	:	3,289.36	:	1,101.75	:	2,187.61	:	16,174.89
9-18-78	:	3,289.36	:	970.50	:	2,318.86	:	13,856.03
9-18-79	:	3,289.36	:	831.36	:	2,458.00	:	11,398.03
9-18-80	:	3,289.36	:	683.88	:	2,605.48	:	8,792.55
9-18-81	:	3,289.36	:	521.55	:	2,767.81	:	6,024.74
9-18-82	:	3,289.36	:	361.48	:	2,897.88	:	3,126.86
9-18-83	:	3,314.47	:	187.61	:	3,126.86	:	-d-

Case A

Project No. 403-1-4-65- SWBill No. 403-909-100-74 (P)Location : Camiling, TarlacDate : September 18, 1973T O : JUAN MARIANO
(Pump Recipient)U-M Salamat, Proj. 4. Q.C.
(Address)

P A R T I C U L A R S			:	A M O U N T
1.	Pump - - - - -	C.F. 205 - - -	:	<u>P10,000.00</u>
2.	Engine - - - - -	D L 403 - - -	:	<u>13,800.00</u>
3.	Accessories - - - - -	C.F. 205 - - -	:	<u>2,000.00</u>
4.	Incidental Charges - - -	- - -	:	<u>1,100.00</u>
	TOTAL CHARGES THIS BILL (71-9) - - -			P26,900.00
	LESS	<u>10</u> % down payment	:	
	<u>O.R. No.</u>	<u>Date</u>	:	<u>Amount</u>
	210035	9/18/73	:	<u>P2,690.00</u>
	BALANCE ON PRINCIPAL - - - -			<u>P24,210.00</u>

I hereby certify that the above statement is correct and just and that payment has not yet been received by this Office.

PREPARED BY:

CERTIFIED BY:

NOTE: Please remit payment to authorized NIA Collectors. If payment is made by check or Money Order, it should be drawn in favor of the National Irrigation Administration.

Form "B"

Case B

BILL AND STATEMENT OF ACCOUNTS

Project No. 403-1-4-65 SW

Bill No. 403-909-75-75 (1)

Location : Camiling, Tarlac

Date: September 18, 1974

T O : Juan Mariano
(Pump Recipient)

14 M. Salamat, Project 4, Q.C.
(Address)

PARTICULARS

(X) Interest

() Surcharge

Amortization No. Period Covered Amount

I 9-18-73 to 9-18-74 P1,452.60(1) : P1,452.60

TOTAL CHARGES THIS BILL (71-9) : 1,452.60

ADD: Amounts Due Previously Billed - - : 1,836.76

NOTE: Penalty (surcharge) TOTAL AMOUNT DUE - - : 3,289.36

will be charged if
paid after the due
date using the
following rate:

1. per day - - - - - .000167
2. per month - - - - - .005
3. per year - - - - - .06

I hereby certify that the above statement is correct and just and
that payment has not yet been received by this Office.

PREPARED BY:

CERTIFIED BY:

NOTE: Please remit payment to authorized NIA Collectors. If payment is made by
check or Money Order, it should be drawn in favor of the National
Irrigation Administration

Annex B

Form "B"

Case C

BILL AND STATEMENT OF ACCOUNTS

Project No. 403-1-4-65 SW
 Location : Camiling, Tarlac
 T O : Juan Mariano
 (Pump Recipient)

Bill No. 403-909-95-75(1) (s)
 Date : March 18, 1975
M. M. Salamat, Proj. 4, Q.C.
 (A d d r e s s)

P A R T I C U L A R S			:	A M O U N T
(x) Interest			:	
(x) Surcharge			:	
<u>Amortization No.</u>	<u>Period Covered</u>	<u>Amount</u>	:	
1	9-18-74 to 3-18-75	P 98.68 (s)	:	
2	9-18-74 to 3-18-75	726.30 (1)	:	P 824.98
TOTAL CHARGES THIS BILL (71-9)			:	624.98
ADD: Amounts Due Previously Billed - - -			:	-
NOTE: Penalty (surcharge) TOTAL AMOUNT DUE-			:	
will be charge if			:	
paid after the due			:	
date using the			:	
following rate:			:	
1. per day - - - - - .000167			:	
2. per month - - - - - .005			:	
3. per year - - - - - .06			:	

I hereby certify that the above statements is correct and just and that payment has not yet been received by this Office.

PREPARED BY:

CERTIFIED BY:

NOTE: Please remit payment to authorized NIA Collectors. If payment is made by check or Money Order, it should be drawn in favor of the National Irrigation Administration.

Annex B

Form "B"

Case B

BILL AND STATEMENT OF ACCOUNTSProject No. 403-1-4-45 SWBill No. 403-909-45-70(1)Location : Camiling, TarlacDate: September 18, 1975TO : Juan Mariano
(Pump Recipient)14 M. Salamat, Proj. 4, Q. 04
(Address)

P A R T I C U L A R S			:	A M O U N T
(x) Interest			:	
() Surcharge			:	
<u>Amortization No.</u>	<u>Period Covered</u>	<u>Amount</u>	:	
2	3-18-75 to 9-18-75	P 71.20(1)	:	<u>P 671.20</u>
TOTAL CHARGES THIS BILL (71-9)			:	<u>671.20</u>
ADD: Amounts due Previously Billed - - - -			:	<u>-</u>
NOTE: Penalty (surcharge) TOTAL AMOUNT DUE - - -			:	<u>-</u>
will be charged if			:	
paid after the due			:	
date using the			:	
following rate:			:	
1. per day - - - - .000167			:	
2. per month - - - - .005			:	
3. per year - - - - .06			:	

I hereby certify that the above statements is correct and just and that payment has not yet been received by this Office.

PREPARED BY: _____

CERTIFIED BY: _____

NOTE: Please remit payment to authorized NIA Collectors. If payment is made by Check or Money Order, it should be drawn in favor of the National Irrigation Administration.

Annex B

Form "B"

Case E

BILL AND STATEMENT OF ACCOUNTS

Project No. 403-1-4-65 SW
 Location : Camiling, Tarlac
 T O : Juan Mariano
 (Pump Recipient)

Bill No. 403-909-56-76(1)
 Date : September 13, 1976
14 Salamat St., Project 4, Q. 14
 (A d d r e s s)

P A R T I C U L A R S			:	A M O U N T
(x)	Interest		:	
()	Surcharge		:	
<u>Amortization No.</u>	<u>Period Covered</u>	<u>Amount</u>	:	
3	9-18-75 to 9-18-76	P1,225.58(1)	:	
TOTAL CHARGES THIS BILL (71-9)			:	<u>P1,225.58</u>
ADD: Amounts Due Previously Billed - - - -			:	<u>2,063.78</u>
NOTE: Penalty (surcharge) TOTAL AMOUNT DUE - - - -			:	<u>P3,289.36</u>
will be charged if			:	
paid after the due			:	
date using the			:	
following rate:			:	
1.	per day - - - - -	.000167	:	
2.	per month - - - - -	.005	:	
3.	per year - - - - -	.06	:	

I hereby certify that the above statements is correct and just and that payment has not yet been received by this Office.

PREPARED BY:

CERTIFIED BY:

NOTE: Please remit payment to authorized NIA Collectors. If payment is made by check or Money Order, it should be drawn in favor of the National Irrigation Administration.

BILL AND STATEMENT OF ACCOUNTS

Case F

Project No: 403-1-4-65-SWBill No. 403-909-65-77(1)(s)Location : Camiling, TarlacDate: September 18, 1977T O : Juan Mariano
(Pump Recipient)14 M. Salamat, Proj. 4. Q.C.
(Address)

P A R T I C U L A R S			:	A M O U N T
(x)	Interest		:	
()	Surcharge		:	
<u>Amortization No.</u>	<u>Period Covered</u>	<u>Amount</u>	:	
3	9-18-76 to 9-18-77	P 197.36(s)	:	
4	9-18-76 to 9-18-77	1,225.58(1)	:	<u>P1,422.94</u>
TOTAL CHARGES THIS BILL (71-9)			:	<u>P1,422.94</u>
ADD: Amounts Due Previously Billed - -			:	<u>5,476.97</u>
TOTAL AMOUNT DUE - - - - -			:	<u>P6,899.91</u>

NOTE:

Penalty (surcharge)
will be charged if
paid after the due
date using the
following rate:

1. per day - - - - .000167
2. per month - - - - .005
3. per year - - - - .06

I hereby certify that the above statements is correct and just and that
payment has not yet been received by this Office.

PREPARED BY:

CERTIFIED BY:

NOTE: Please remit payment to authorized NIA Collectors. If payment is made by
check or Money Order, it should be drawn in favor of the National Irrigation
Administration.

Annex B

Form "B"

Case G

BILL AND STATEMENT OF ACCOUNTS

Project No. 403-1-4-35-SW

Bill No. 403-909-67-77(1)(s)

Location : Camiling, Tarlac

Date: December 18, 1977

T O : Juan Mariano
(Pump Recipient)

14 Salamat St., Project 4, Q.O.
(Address)

P A R T I C U L A R S			:	A M O U N T
(x) Interest			:	
(x) Surcharge			:	
<u>Amortization No.</u>	<u>Period Covered</u>	<u>Amount</u>	:	
3 & 4	9-18-77 to 12-18-77	P100.54(s)	:	<u>P406.93</u>
5	9-18-77 to 12-18-77	306.39(1)	:	
TOTAL CHARGES THIS BILL (71-9)			:	<u>P406.93</u>
ADD: Amounts Due Previously Billed --			:	<u>-</u>
NOTE: Penalty (surcharge) will be charged if paid after the due date using the following rate:			:	
TOTAL AMOUNT DUE --			:	<u>-</u>
1. per day - - - - -	.000167		:	
2. per month - - - - -	.005		:	
3. per year - - - - -	.06		:	

I hereby certify that the above statements is correct and just and that payment has not yet been received by this Office.

PREPARED BY:

CERTIFIED BY:

NOTE: Please remit payment to authorized NIA Collectors. If payment is made by check or Money Order, it should be drawn in favor of the National Irrigation Administration.