

CORPLAN

REPUBLICA NG PILIPINAS
PAMBANSANG PANGASIWAAN NG PATUBIG
(NATIONAL IRRIGATION ADMINISTRATION)
LUNGSOD NG QUEZON

OMC-
NGC-
LPF-
AVL-
SBB-

MC No. 23 s. 1983

MEMORANDUM CIRCULAR

TO : THE ASSISTANT ADMINISTRATORS, HEADS OF DEPARTMENTS AND STAFFS, REGIONAL IRRIGATION DIRECTORS, PROJECT MANAGERS, PROVINCIAL IRRIGATION ENGINEERS, IRRIGATION SUPERINTENDENTS, PROJECT ENGINEERS, CHIEF CORPORATE ACCOUNTANT AND REGIONAL/PROJECT ACCOUNTANTS, CORPORATE AUDITOR AND REGIONAL/PROJECT AUDITORS, DISBURSING OFFICERS AND ALL OTHERS CONCERNED
NATIONAL IRRIGATION ADMINISTRATION

SUBJECT : REITERATION OF MC No. 59, s. 1968 PROHIBITING THE USE OF "VALES", IOUs, CHITS OR OTHER FORMS OF PROMISSORY NOTES IN GOVERNMENT DISBURSEMENTS

FOR THE INFORMATION, GUIDANCE AND COMPLIANCE OF ALL CONCERNED, ATTACHED IS MC No. 59, s. 1968 QUOTING IN FULL THE TEXT OF GAO MEMORANDUM CIRCULAR No. 570 DATED JUNE 24, 1968, WHICH IS HEREBY REITERATED TO PREVENT THE USE OF VARIOUS FORMS OF PROMISSORY NOTES WHICH ARE STILL BEING FOUND AMONG THE CASH ITEMS OF THE ACCOUNTABLE OFFICERS.

IN CONSONANCE WITH THE RULES LAID DOWN UNDER THE AFORECIDED GAO CIRCULAR, IT IS HEREBY DIRECTED THAT CASH ITEMS IN THE FORM OF VALE, IOU, CHIT OR OTHER FORM OF PROMISSORY NOTES, INCLUDING THE YELLOW REIMBURSEMENT RECEIPT (RER) WHICH IS USED TO EVIDENCE PAYMENT OF AN EXPENSE AND WHICH IS OFTENTIMES CONVENIENTLY USED TO COVER UP MISAPPROPRIATION OF FUNDS, SHALL AUTOMATICALLY BE CONSIDERED AS CASH SHORTAGES OF THE ACCOUNTABLE OFFICERS CONCERNED FOR WHICH THEY SHALL BE PRIMARILY LIABLE. ALL CASH ADVANCES SHALL BE COVERED BY DULY APPROVED DISBURSEMENT VOUCHERS AND SHALL BE LIQUIDATED AFTER THE PURPOSE FOR WHICH THEY WERE GIVEN HAS BEEN SERVED.

STRICT COMPLIANCE IS HEREBY ENJOINED.

(SGC) CESAR L. TECH
ADMINISTRATOR

SEPTEMBER 6, 1983

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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 SYSTEMS, 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 MEMORANDUM 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 GOVERNMENT DISBURSEMENTS.

TO : ALL HEADS OF EXECUTIVE DEPARTMENTS, AGENCIES, LOCAL GOVERNMENTS, AND GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS; CASHIERS AND DISBURSING OFFICERS; AND AUDITORS CONCERNED.

IN A RECENT CASH EXAMINATION OF THE CASH AND ACCOUNTS OF A DISBURSING OFFICER IN ONE AGENCY, AN AUDIT TEAM FOUND AMONG THE CASH ITEMS PRESENTED BY THE ACCOUNTABLE 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 FORMAL RULINGS OF THIS OFFICE, IS NEVER ACCEPTED AS A VALID 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 DISCLOSED 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.

(SGD.) ALFREDO L. JUINIO
ACTING ADMINISTRATOR

JULY 15, 1968