

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

MC # 29, s. 1984

MEMORANDUM CIRCULAR

T C : THE ASSISTANT ADMINISTRATORS, HEADS OF DEPARTMENTS AND STAFFS,
REGIONAL IRRIGATION DIRECTORS, PROJECT/OPERATIONS MANAGERS,
PROVINCIAL IRRIGATION ENGINEERS, IRRIGATION SUPERINTENDENTS,
CHIEF CORPORATE ACCOUNTANT AND REGIONAL/PROJECT ACCOUNTANTS,
CORPORATE AUDITOR AND REGIONAL/PROJECT AUDITORS AND ALL
OTHERS CONCERNED
THIS AGENCY

SUBJECT : GUIDELINES AND PROCEDURES IN THE RECORDING AND CONTROL OF
EQUITY CONTRIBUTIONS OF IRRIGATORS ASSOCIATIONS FOR THE
CONSTRUCTION OF COMMUNAL IRRIGATION PROJECTS

IN ORDER TO ACHIEVE UNIFORMITY IN THE RECORDING AND CONTROL OF EQUITY
CONTRIBUTIONS AND TO PROVIDE IRRIGATORS ASSOCIATIONS WITH RELIABLE RECORD
OF THEIR CONTRIBUTIONS, THE FOLLOWING GUIDELINES AND PROCEDURES ARE HEREBY
PRESCRIBED:

A. EQUITY CONTRIBUTION IN CASH

1. UPON RECEIPT OF THE CASH CONTRIBUTION FROM IRRIGATORS
ASSOCIATIONS, THE CASHIER OF THE PIO SHALL ISSUE AN OFFICIAL
RECEIPT IN FAVOR OF THE FORMER.
2. THE DUPLICATE COPY OF THE OFFICIAL RECEIPT SHALL BE ATTACHED
TO THE REPORT ON COLLECTIONS AND SHALL BE JOURNALIZED BY THE
PIO ACCOUNTING CLERK AS FOLLOWS:

8-70-400 (MARIO CRUZ)	1,000.00	
8-84-900 (BUSPAN 1A)		1,000.00

B. EQUITY CONTRIBUTIONS DEDUCTED FROM THE WAGES OF THE IRRIGATORS
ASSOCIATION'S MEMBERS

1. A COLUMN FOR THE EQUITY CONTRIBUTION SHALL BE PROVIDED
SPECIFICALLY ON THE PAYROLL. THE JOURNAL ENTRY ON THE
PAYROLL SHALL BE AS FOLLOWS:

8-84-100 (MPWH-CIP)	300.00	
8-84-900 (BUSPAN 1A)		60.00
8-70-500		240.00

2. AT THE END OF EACH PAYROLL PERIOD, THE CASHIER SHALL ISSUE
TO THE IRRIGATORS ASSOCIATIONS A NON-CASH EQUITY CONTRIBUTION
ACKNOWLEDGMENT RECEIPT (NCECAR), SEE ATTACHED FORM 1,
EQUIVALENT TO THE SUM OF ALL CONTRIBUTIONS DEDUCTED FROM THE
MEMBER FOR THE PAYROLL PERIOD. A LABOR-EQUITY CONTRIBUTION
SUMMARY (FORM 2) WHICH LISTS IN DETAIL THE MEMBER'S LABOR
CONTRIBUTION SHALL BE PREPARED BY THE CASHIER TO SUPPORT THE
NCECAR.

C. EQUITY CONTRIBUTIONS DEDUCTED FROM "PACQUIAO" CONTRACT

1. SOME MEMBERS OF THE IRRIGATORS ASSOCIATIONS AWARDED A
"PACQUIAO" CONTRACT BY THE PIO CONTRIBUTE AS EQUITY THE 10%

RETENTION MONEY IN THEIR CONTRACT. THE ACCOUNTING ENTRY FOR THIS TRANSACTION SHALL BE AS FOLLOWS:

8-84-100 (MPWH-CIP)	1,000.00	
8-81-910		100.00 (10% RETENTION MONEY)
8-84-103		30.00 (3% CONTRACTOR'S TAX)
8-70-300		870.00

2. AFTER THE COMPLETION AND ACCEPTANCE OF THE CONTRACT WORK, IF THE CONTRACTOR REQUESTS THE NIA IN WRITING TO APPLY HIS RETENTION MONEY TO THE ASSOCIATION'S EQUITY CONTRIBUTION, THE ACCOUNTING CLERK SHALL ADVISE THE PIO CASHIER TO PREPARE AND ISSUE AN NCECAR IN FAVOR OF THE IRRIGATORS ASSOCIATION. THE DUPLICATE COPY OF THE NCECAR SHALL BE FORWARDED TO THE REGIONAL OFFICE, ACCOUNTING SECTION TO SUPPORT ITS JOURNAL VOUCHER FOR THE TRANSFER OF THE RETENTION MONEY TO THE IRRIGATOR'S ASSOCIATION'S TRUST ACCOUNT 84-900 (IA). THE JOURNAL ENTRY SHALL BE AS FOLLOWS:

	CREDIT
8-81-910	(100.00)
8-84-900 (BUSPAN IA)	100.00

D. MATERIALS AS EQUITY CONTRIBUTION

WHERE THE IRRIGATION ASSOCIATION DESIRES TO CONTRIBUTE MATERIALS SUCH AS LUMBER AND AGGREGATES, THE SAME SHALL BE INSPECTED AND ACKNOWLEDGED BY THE STOREKEEPER/PROPERTY CUSTODIAN. THE COST OF THE MATERIALS CONTRIBUTED SHALL BE DETERMINED BY THE ASSOCIATION'S REPRESENTATIVE AND THE PROVINCIAL IRRIGATION ENGINEER. IN NO INSTANCE SHALL THE AGREED COST OF THE MATERIALS BE MORE THAN THE MARKET PRICE PREVAILING AT THE TIME OF DELIVERY. AFTER THE MATERIALS HAVE BEEN VALUED, A MATERIAL-EQUITY CONTRIBUTION SUMMARY (FORM 3) WHICH LISTS IN DETAIL THE MATERIALS RECEIVED WITH THE CORRESPONDING COST SHALL BE PREPARED BY THE STOREKEEPER/PROPERTY CUSTODIAN. THE LIST SHALL BE FORWARDED TO THE PIO CASHIER TO SUPPORT THE NON-CASH EQUITY CONTRIBUTION ACKNOWLEDGEMENT RECEIPT TO BE ISSUED BY HIM.

THE DUPLICATE COPY OF THE NCECAR SHALL BE FORWARDED TO THE REGIONAL OFFICE WHERE A JOURNAL VOUCHER SHALL BE PREPARED BY THE ACCOUNTING DIVISION MANAGER TO RECORD THE CONTRIBUTION AS FOLLOWS:

8-84-100 (MPWH-CIP)	2,000.00	
8-84-900 (BUSPAN IA)		2,000.00

E. SUBSIDIARY LEDGER FOR TRUST ACCOUNT, 84-900 (IA)

A SUBSIDIARY LEDGER FOR TRUST ACCOUNT 84-900 (IA) SHALL BE KEPT AND MAINTAINED FOR EVERY IRRIGATORS ASSOCIATION. IT IS THE RESPONSIBILITY OF THE PIO ACCOUNTING CLERK TO HAVE THIS AUXILLIARY RECORD UP-DATED AT ALL TIMES IN ORDER TO MONITOR ACCURATELY TO THE MANAGEMENT AND TO THE ASSOCIATION THE TOTAL AMOUNT OF THE LATTER'S CONTRIBUTIONS TO THE PROJECT.

F. INVESTMENT OF EQUITY CONTRIBUTIONS

AT THE END OF EACH YEAR, THE BALANCE OF THE TRUST ACCOUNT 8-84-900 (IA) FOR EQUITY CONTRIBUTION SHALL BE TRANSFERRED BY THE REGIONAL OFFICE TO THE CENTRAL OFFICE FOR INVESTMENT BY DRAWING A JOURNAL VOUCHER WITH THE FOLLOWING ACCOUNTING ENTRY:

	DEBIT	CREDIT
8-84-900 (BUSPAN IA)		(3,160.00)
8-70-300		2,160.00 (Non-Cash)
8-81-399	2,160.00	3,160.00

ALL PREVIOUS CIRCULARS AND ISSUANCES THAT ARE INCONSISTENT HERE-
WITH ARE HEREBY SUPERSEDED. THIS MEMO CIRCULAR TAKES EFFECT IMMEDIATELY.
STRICT COMPLIANCE IS HEREBY ENJOINED.

(SGD.) CESAR L. TECH
ADMINISTRATOR

NOTED:

(SGD.) FLORENTINO R. ARCEGA
CORPORATE AUDITOR

REPUBLIKA NG PILIPINAS
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PROVINCIAL IRRIGATION OFFICE

NOTED:
PROV. IRRIG. ENGINEER

PREPARED BY:

CONTRIBUTION SUMMARY
FOR THE PAYROLL PERIOD
DATE 19
CASHIER

NON-CASH EQUITY CONTRIBUTION
ACKNOWLEDGEMENT RECEIPT

RECEIVED FROM _____ OF _____
(NAME OF ASSOCIATION) (ADDRESS)
THEIR EQUITY CONTRIBUTION/S FOR THE CONSTRUCTION OF _____
(NAME OF PROJECT)
THE ATTACHED SHEET/S AND ITEMIZED AS FOLLOWS:

1. LABOR
2. TEN PERCENT (10%)
RETENTION MONEY
ON CONTRACT
3. MATERIALS
4. OTHERS (SPECIFY)

TOTAL

CASHIER

1. THIS FORM SHALL BE PRINTED AND PRENUMBERED FOR AUTHENTICITY AND PREVENTION FROM BEING TAMPERED.
2. THE CASHIER SHALL BE THE OFFICIAL CUSTODIAN OF THIS FORM AND SHALL BE ACCOUNTABLE FOR ITS LOSS.
3. THIS FORM SHALL BE FILLED UP IN TRIPLICATE AND TO BE DISTRIBUTED AS FOLLOWS:

ORIGINAL - IRRIGATORS ASSOCIATION
DUPLICATE - REGIONAL ACCOUNTANT
TRIPLICATE - CASHIER

Form 2

REPUBLIKA NG PILIPINAS
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(NATIONAL IRRIGATION ADMINISTRATION)
PROVINCIAL IRRIGATION OFFICE

LABOR EQUITY CONTRIBUTION SUMMARY
FOR THE PAYROLL PERIOD _____ 19____

(NAME OF IRRIGATORS ASSOC.) _____

ADDRESS _____

NAME	TOTAL AMOUNT EARNED	EQUITY CONTRIBUTION	NET AMOUNT PAID
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P

P

P

TOTAL

PREPARED BY: _____

NOTED: _____

CASHIER

PROV. IRRIG. ENGINEER

REFERENCE: _____

PAYROLL NO. _____
CASHIER _____

THIS FORM SHALL BE ATTACHED TO THE NON-CASH EQUITY
CONTRIBUTION ACKNOWLEDGEMENT RECEIPT.

PROV. IRRIG. ENGINEER

THIS FORM SHALL BE PREPARED IN QUADRUPPLICATE WITH THE LAST COPY TO BE RETAINED BY THE PROPERTY CUSTODIAN FOR HIS FILE AND THE REST OF THE COPIES TO BE FORWARDED TO THE CASHIER TO SUPPORT THE NON-CASH EQUITY CONTRIBUTION ACKNOWLEDGEMENT RECEIPT.