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DMC - *[initials]*
AJL - *[initials]*
LPP - *[initials]*
VAM - *[initials]*
YMR - *[initials]*
LMF - *[initials]*
SBB - *[initials]*
RCM - *[initials]*
FOR -

Republika ng Pilipinas
PAMPAANSANG PANGASIWAAN NG PATUNIG
(National Irrigation Administration)
Lungsod ng Quezon

MC No. 50 s. 1985

MEMORANDUM CIRCULAR

TO : THE ASSISTANT ADMINISTRATORS, HEADS OF FOREIGN-ASSISTED PROJECTS, REGIONAL IRRIGATION DIRECTORS, UPRIIS MANAGER, PROVINCIAL AND PROJECT IRRIGATION ENGINEERS, IRRIGATION SUPERINTENDENTS, CORPORATE AUDITOR, REGIONAL/PROJECT AUDITORS, ALL OTHERS CONCERNED National Irrigation Administration

SUBJECT : Billing and Recording of Penalties and Surcharges On Back Accounts Upon Payment

In order to present fairly the accounts receivable in our financial statement, the recording in the books of accounts of penalties and surcharges on back accounts for irrigation fees, pumps amortization and other receivables shall be made only upon collection of the outstanding account. Such penalties and surcharges shall automatically be credited to appropriate income account. Penalties and surcharges, therefore, which have accumulated in the receivable account shall be adjusted in the books as follows:

Deferred Credits to Income		
(8-86-100)	-	x x
Accounts Receivable		
(8-71-900)	-	x x

Likewise, allowance for doubtful accounts which was provided for penalties and surcharges during the previous years shall be adjusted as follows:

For Central Office Transactions Only

Allowance for doubtful accounts		
(8-80-716)	-	x x
Retained Earnings- Adjustments		x x
(7-92-419)	-	

For Regional Office Transactions Only

Allowance for doubtful accounts		
(8-8-746)	-	x x
Payable - Central Office		
(8-81-399)	-	x x

For purposes of billing, the penalty or surcharge on back accounts shall still be included in the Bill and Statement of Account, However, only the principal on indebtedness shall be recorded in the books of accounts.

Previous circulars inconsistent herewith are hereby repealed/modified accordingly.

This circular shall take effect immediately.

Strict compliance is hereby enjoined.

(SGD.) CESAR L. TECH
Administrator

NOTED:

(SGD.) ELISA P. AFRICA
Auditor-In-Charge

8 October 1985

CZG/10-8-85