



Republika ng Pilipinas
Hambansang Pangasiwaan ng Patubig
(NATIONAL IRRIGATION ADMINISTRATION)
Lungsod ng Quezon

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OUR REFERENCE:

MC # 6 S. 1990

MEMORANDUM CIRCULAR

TO : THE DEPUTY ADMINISTRATOR/ASSISTANT
ADMINISTRATORS/HEADS OF DEPARTMENTS
AND STAFF/REGIONAL IRRIGATION MANAGERS/
OPERATIONS MANAGERS/IRRIGATION
SUPERINTENDENTS AND ALL OTHERS CONCERNED

SUBJECT : SUPPLEMENTARY POLICY FOR THE TYPE II
(ISF COLLECTION CONTRACT) CONTRACTS WITH
IRRIGATORS ASSOCIATIONS IN NATIONAL
IRRIGATION SYSTEMS UNDER MC 41, S. 1990

Contracting operation and maintenance activities to irrigators associations in national irrigation systems is the Agency's policy aimed at enhancing their participation in improving and sustaining improved performance of irrigation systems.

Towards furtherance of this objective, please be informed that pursuant to M.C. 41, S. 1990, it is further advised that:

1. Irrigation Service Fee (ISF) directly paid by farmers to the RIA staff or systems offices for irrigated areas within the area under contract with the IA shall be included in the gross collection from which the IA's share is determined.
2. For new and renewal of Type II contracts with Irrigators Associations (IA's), the following should be provided in the new agreements.

REQUIREMENTS OF THE IA

1. All IA collecting treasurers shall be required to post an appropriate bond to ensure satisfactory performance of financial duties and responsibilities.

b. ISF collections made by the IAs shall be recorded in a Cash Book by the respective IA Collectors and Treasurer which is separate and distinct from the books of account being maintained by the IA for its operations. A Monthly Report of Collections shall be submitted by the IA to NIA for monitoring and recording purposes.

c. Pay a one (1) percent penalty per month of delay of payments of ISF collections, if there are any, reckoned from the ISF payments deadlines or cut-off for the irrigation system.

d. Abide by existing NIA policies on the grant of ISF discounts and penalties for delayed payments of ISF.

e. Provide NIA access to IA Cash Books and other financial records.

Obligations of the NIA

a. Closely monitor ISF collections and remittances undertaken by the IAs. During periods of peak and non-peak ISF collections, monitoring shall be done weekly and monthly, respectively.

b. Grant a ten (10) percent discount to IAs for prompt payments of ISF.

c. Deduct from the IA incentives or shares all ISF collections made by the IAs but not turned over to NIA, if there are any, subject to a one (1) percent penalty per month of delay computed from the date of collection to the time of payment of IA shares/incentives.

d. Conduct periodic comprehensive audit on the IA Cash Books and other financial records.

e. Furthermore, existing policies providing incentives to NIA collectors shall continue to be effective and applied to ISF payments from irrigated areas under contract with the irrigation districts and

