

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

MC # 30, s. 1991

MEMORANDUM CIRCULAR

TO : DEPUTY ADMINISTRATOR, ASST. ADMINISTRATORS,
HEADS OF DEPARTMENTS AND STAFFS, REGIONAL
IRRIGATION MANAGERS, OPERATION/PROJECT MANAGERS,
IRRIGATION SUPERINTENDENTS, PROVINCIAL IRRIGATION
ENGINEERS, PROJECT ENGINEERS AND ALL OTHERS
CONCERNED
National Irrigation Administration

SUBJECT : Prescribed Policies on the Purchase and Issuance
of Regularly Used Office Supplies and Materials

DEFINITION

Regularly used office supplies and materials refer to items which are continuously used or consumed in the course of performance of office duties such as pencils, ballpens, paper clips, bond papers, erasers, carbon papers, continuous forms for computer and the like.

PURCHASING RULE

Procurement of the abovementioned items shall conform to the three-months requirement rule as enunciated under COA Circular No. 85-55-4. Under this rule the quantity of any single purchase for any item shall be such that the resulting stock shall not exceed the requirement of an office for three months.

The Manager of the Property Division in the Central Office and the Managers of the Administrative Divisions in the Regional Offices should therefore establish the three-months requirement for each item of regularly used supplies in their respective offices (Central Office, and Regional Offices to include PIO's and Irrigation Systems whose offices are located within the compound of the Regional Office).

21 Mar 91

ISSUANCE

Issuance of supplies and materials from stock shall be based on a duly accomplished form (Request for Issuance of Supplies from Stock or RISS for short) sample of which is attached. Using the RIV forms for this purpose shall be discontinued.

The request shall be approved by the Department/Staff Heads in the Central Office, by the Division Managers in the Regional Offices and by the PIE and IS whose offices are located within the compound of the Regional Office. Requests for any item of supply shall not exceed the requirement of the requesting office for fifteen (15) days.

METHOD OF ACCOUNTING

The inventory method of accounting shall be adopted for regularly used office supplies and materials in all NIA Accounting Offices. In offices presently employing the expense method, adjusting entries have to be made to convert the system from Expense to Inventory Method.

An inventory (physical count) of all regularly used office supplies shall be undertaken in all NIA offices to determine the balances as of April 15, 1991 (cut-off-date). The prescribed format for the inventory taking is shown below.

INVENTORY REPORT REGULARLY USED OFFICE SUPPLIES & MATERIALS AS OF APRIL 15, 1991

Item No.	Description of Articles	Qty.	Unit	Unit Cost	Total Cost	Remarks
1	:	:	:	:	:	:
2	:	:	:	:	:	:
3	:	:	:	:	:	:
etc.	:	:	:	:	:	:
:	:	:	:	:	:	:
:	:	:	:	:	:	:
GRAND TOTAL					P	

Prepared by: _____ Checked by: _____
Property/Administrative
Officer

Noted : _____
Chief of Office

NOTE: In the Central Office, the Inventory Report shall be noted by the Treasury Department Manager.

The respective Property/Administrative Officers shall complete the inventory taking and submit the report to the Corresponding Accounting Offices not later than April 24, 1991. Based on the Inventory Report, the Concerned Accounting Office shall make the following adjusting entries:

1. When the balance of the Expense Account set-up is equal to or more than the value of the Inventory (assume as P10,000 worth).

72-100	P10,000
Expense Account	(P10,000)

2. When the balance of the Expense Account set-up is less than the value of the Inventory (assume Expense Account balance is P7,000).

72-100	P10,000	
Expense Account	(P 7,000)	
92-419		P3,000

REPLENISHMENT OF STOCK AND CORRESPONDING ACCOUNTING ENTRIES

Immediately after the inventory taking the Manager of the Property Division in the C.O. and the Administrative Division Managers in the Regional Offices shall prepare and sign the RIVs as requisitioners (good for three-months requirement) for (1) Supplies with zero balance and (2). Those whose balance correspond to one and one-half months requirement or less. Thereafter, RIVs (good for three-months requirement and supported by individual RISS's and its summary "Summary of Issuances of Supplies" sample attached) shall be prepared as soon as the balance of any item is reduced to one and one-half months requirement.

The Manager of the Property Division in the C.O. and the Administrative Division Managers in the Regional Offices shall see to it that the items requisitioned are delivered and ready for issuance within 45 days from preparation of the RIV. To carry out this responsibility, said Managers are authorized to make follow-up on a table to table basis when necessary.

Accounting entries involved are as follows:

1. Purchases Immediately After the Inventory Taking

72-100	XXXXXX	
70-300		XXXXXX

The accounting entry shall be made at the time the disbursement voucher reaches the Accounting Office for processing since said document (the disbursement voucher) shall be the supporting document for the entry to be made.

2-A. Subsequent Purchases

Same as item No. 1 above.

2-B. Issuances from Stock

The disbursement voucher for subsequent purchases shall be supported by, among others, the RIV, and one copy each of the corresponding RISS. The RISS's attached to the disbursement voucher shall be the basis for taking up issuances of supplies from stock with the following entries depending on the source of fund:

a)	Current Operating Budget:	Expense(07)	xxx	
		72-100		xxx
b)	Project Fund	:	77-900	xxx
			72-100	xxx
c)	Trust Fund	:	84-100-	xxx
			72-100	xxx
	with a Corollary Entry	:	77-960	xxx
			94-084	xxx

YEAR-END ADJUSTING ENTRIES

The usual adjustments at year-end should be made to update the inventory account. The inventory report format prescribed under the caption "METHOD OF ACCOUNTING" may be used.

Property/Administrative Officers shall submit the result of the inventory taking to their respective Accounting Offices not later than January 10 of the following year. Upon receipt

of the inventory report the Accounting Office concerned shall make the following entries:

1. Adjusting Entry

The difference between the account balance and the year-end inventory (assume the difference to be P25,000) shall be taken up as expense by debiting the proper account.

Expense Account	P25,000
72-100	(P25,000)

2. Reversing Entry

Reverse the entry to be taken up in the books in January of the following year.

Expense Account	(P25,000)
72-100	P25,000

EFFECTIVITY

This circular takes effect as indicated in the text and supersedes/modifies in whole or in part other memorandum circulars or issuances if any inconsistent herewith.

(SGD.) JOSE B. DEL ROSARIO, JR.
Administrator

15 March 1991
Date Signed

NOTE: Columns 1, 2 & 3 to be filled up by Requisitioning Officer; and Columns 4, 5, 6 & 7 by Issuing Officer.