

APC-1<sup>12</sup>

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

MC No. 11, s. 1992

MEMORANDUM CIRCULAR

TO : THE DEPUTY ADMINISTRATOR, ASSISTANT ADMINISTRATORS,  
DEPARTMENT MANAGERS AND STAFF, REGIONAL IRRIGATION  
DIRECTOR, PROJECT/OPERATIONS MANAGERS, REGIONAL/  
PROJECT ACCOUNTANT/AUDITORS, IRRIGATION SUPERINTENDENTS,  
PROVINCIAL IRRIGATION ENGINEERS AND ALL OTHERS CONCERNED  
National Irrigation Administration

SUBJECT : Extension for Another 3-Years of Incentive Policy for  
Irrigation Service Fee (ISF) Back Accounts

The NIA Board of Directors passed Board Resolution No. 6130-92 on January 27, 1992 granting the re-extension for another 3-years the incentive policy on ISF back accounts to start January 1, 1992 covering back accounts as of December 31, 1991. This is to give another chance to irrigation users who were not able to avail of the incentive policy on ISF back accounts to end this year (MC # 13, s. 1990) due to the effect of the natural calamities that hit our country the past years.

In order to make the incentive more appealing, all irrigation users shall be furnished each a comparative statement of ISF account showing the difference between the recorded account and the adjusted account under this incentive policy. The irrigation superintendent shall negotiate with all irrigation users who are willing to avail of this incentive policy on back accounts under the following terms and conditions.

1. When the irrigation fees become due and payable before July 1, 1975, only the principal shall be payable.
2. When the irrigation fees become due and payable between the period July 1, 1975 and December 31, 1991, the principal and applicable interest shall be paid based on the prevailing NFA support price at the time of billing if paid in cash.

If payment shall be made in kind, the corresponding quantity billed for such back account in kilograms shall be paid.

In the application of Policy Nos. 1 and 2 above, the following prerequisites shall first be complied with:

- a. A landowner, tenant or lessee shall first pay his/her current account in full before payment is applied for the full or partial settlement of his/her back accounts.
- b. Back accounts may be paid in equal installments within four (4) consecutive cropping/harvesting seasons but not beyond three (3) years from January 1, 1992. *Should be 1995*
- c. All unpaid back accounts after the expiration of the 3-year period, shall be subject to 1% of the amount as monthly interest from the time the account were incurred and if payment shall be made in cash, the amount to be paid shall be based at the prevailing government support price at the time of payment.

Payment made on ISF back accounts during the 3-year availment period shall be treated as partial availment of this incentive policy and unpaid accounts thereafter shall still be carried in the books at the current government support price subject to the usual 1% per month penalty from the time incurred.

Irrigators Associations (IAs) may also avail of this incentive policy, however, they are no longer entitled to the present collection incentive for the payment of these back accounts.

This incentive policy shall apply only to principal and interest that will be waived whose totality does not exceed \$10,000.00.

In the implementation of the incentive policy on back accounts the same monitoring and accounting procedures set forth in the MC # 005, s. 1988 should be strictly observed.

This memorandum circular shall take effect immediately.

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

February 10, 1992