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

MC No. 20, s. 1992

T O : The Deputy Administrator; Assistant Administrators; Heads of Departments/Staffs; Heads of Foreign-Assisted Projects; Heads of Provincial Irrigation Offices; Irrigation Superintendents and all other concerned.

National Irrigation Administration

SUBJECT : IMPLEMENTATION OF COMMISSION ON AUDIT CIRCULAR NO. 91-200 C as an amendment to COA Circular No. 83-200.

Quoted hereunder in full is COA Circular No. 91-200-C for your implementation.

"Republic of the Philippines  
COMMISSION ON AUDIT  
Commonwealth Avenue, Quezon City, Philippines

TO : All Heads of Departments, Agencies, Bureaus and Offices of the National Government; Managing Heads of Government Owned and/or Controlled Corporations; Self-Governing Boards or Commissions; Chief Accountants/Corporate Treasurers; Provincial Governors; City/Municipal Mayors, Local Treasurers; COA Directors, Auditors and All Others Concerned.

SUBJECT : Amendment of COA Circular No. 83-200 on recording petroleum, oil and lubricant (POL) products and spare parts as "Inventories" to be charged against object class Supplies and Materials (3-07-000).

1.0 PURPOSE

This circular is issued to prescribe the proper recording of the purchase of petroleum, oil and lubricant (POL) products and spare parts which shall be classified as inventories - Supplies and Materials charged to Appropriations (8-72-700) and to be charged against object class Supplies and Materials (3-07-000). The definition/description of affected accounts; namely 8-72-700, 8-86-700, 3-07-000 and 3-17-000, are hereby also revised.

## 2.0 RATIONALE

In order to effectively control procurement of POL products and spare parts, such purchases shall be recorded as Inventories under the accountability of an authorized official and the issuances thereof shall be deducted from his accountability. This scheme will not only enable the agency to reflect in its books the monthly balance of the inventory account but will also guide officials concerned as to the quantity of the products to be procured in the succeeding month or quarter.

## 3.0 REVISED DEFINITION OF ACCOUNTS

The definitions of Accounts 8-72-700, 8-86-700, 3-07-000 and 3-17-000 are hereby amended to read as follows:

### 3.1 Inventories - Supplies and Materials Charged to Appropriations (8-72-700)

This account is used to record the cost of other appropriate value of supplies and materials acquired for use or stock in the course of government operations and already charged to appropriations or allotments. This has a contra account 8-86-700.

Debit this account:

Purchase of -

Supplies and Materials-

Government Accounting and accountable forms  
Subsistence supplies for certain government  
and non-government personnel, inmates and  
animals

Materials and supplies for use in the repair  
of building structures, equipment and other  
fixed assets, except those charged against  
capital outlays

Spare parts, gasoline, oil and lubricants.

Adjustment - reduction (in parenthesis).

Credit this account for:

Use/consumption/disposition of the above items.

Adjustment - reduction - (in parenthesis).

### 3.2 Miscellaneous Liabilities & Deferred Credits - Supplies and Materials charged to Appropriations (8-86-700).

This account is used as a contra account of 8-72-700, representing supplies and materials for use or stock which had already been charged to appropriations.

Debit this account for:

Use/consumption/disposition of the above items  
Adjustment - reduction (in parenthesis).

Credit this for:

Purchase of -

Supplies and Materials

Government accounting and accountable forms

Subsistence supplies for certain government  
and non-government personnel, inmates and  
animals

Materials and supplies for use in the repair  
of building structures, equipment and other  
fixed assets, except those charged against  
capital outlays

Spare parts, gasoline, oil and lubricants

Adjustment - reduction (in parenthesis).

3.3 Supplies and Materials (3-07-000)

This account includes the cost of all expendable commodities acquired or ordered for immediate use in connection with government operations. It also includes, but is not restricted to items (1) normally consumed within one year after being put into use, or (2) converted in the process of manufacture or construction, having a life expectancy of more than one year but which shall have decreased substantially in value after being put into use for only one year. Examples are: printed forms, pencils, inks, pads, soaps, powder, cartridges, cards, ledgers, journals, brooms, paint, brushes, nails, medical supplies, construction materials for instruction purposes, spare parts, gasoline, oil and lubricants and semi-expendable property having a value of less than P1,500.00 and other expendable property consumed in a function, activity or office.

3.4 Repair and Maintenance of Government Vehicles  
(3-17-000)

This account includes the cost of repair and maintenance of government vehicles. Not included herein are spare parts, gasoline and oil which shall fall under Supplies and Materials.

4.0 REPEALING CLAUSE

All circulars and memoranda inconsistent herewith are hereby repealed, amended or modified accordingly.

5.0 EFFECTIVITY

This circular shall take effect immediately.

(SGD.) EUFEMIO E. DOMINGO  
Chairman

(SGD.) BARTOLOME C. FERNANDEZ, JR.  
Commissioner

(SGD.) ROGELIO F. ESPIRITU  
Commissioner II

Compliance is hereby enjoined.

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

March 6, 1992

