



Republika ng Pilipinas

Samahang Pangasiwaan ng Patubig

(NATIONAL IRRIGATION ADMINISTRATION)

Lungsod ng Quezon

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OUR REFERENCE:
MC # 62, s. 2002

MEMORANDUM CIRCULAR

TO : THE DEPUTY ADMINISTRATOR, ASSISTANT ADMINISTRATORS/DEPARTMENT / REGIONAL / OPERATION / PROJECT MANAGERS, PROVINCIAL IRRIGATION OFFICERS, IRRIGATION SUPERINTENDENTS, AND ALL OTHERS CONCERNED

SUBJECT: SUPPLEMENTAL GUIDELINES FOR THE PAYMENT OF COST OF LIVING ALLOWANCE AND AMELIORATION ALLOWANCE DIFFERENTIALS TO QUALIFIED NIA OFFICIALS AND EMPLOYEES

1. PURPOSE

This Circular is being issued pursuant to NIA Board Resolution No. 7111-A-02, series of 2002 dated August 12, 2002 amending Board Resolution No. 7111-02 dated July 23, 2002 to provide guidelines, rules and regulations for the acceleration of succeeding payments of the Cost of Living Allowance (COLA) and Amelioration Allowance (AA) differentials to qualified NIA Officials and employees.

2. COVERAGE

The succeeding payments shall cover NIA officials and employees, active in service and out of service, whether permanent, temporary, casual/daily, co-terminus, or contractual whose appointments were passed upon by the Civil Service Commission, as defined and covered under Section 2.1 of NIA MC# 35 series of 2002.

3. EXCLUSION


NIA Officials and employees dismissed from the service by reason of a final adverse judgment in an administrative or criminal case.

4. DEFINITION OF TERMS

As used herein, the following terms shall be considered, thus:

- 4.1 Operating Income refers to collections from Irrigation Service Fees, CIS Amortizations, CIP Equity and Equipment Rentals.
- 4.2 Non-operating Income refers to income other than those enumerated as operating income under 4.1.
- 4.3 Cash surplus refers to the excess of total collections on current operating income less current operating expenses (net of non-cash expenses) and payables.
- 4.4 Back/Past Due Accounts refer to accumulated accounts billed and recorded as uncollected as of the end of the previous calendar year.
- 4.5 Net proceeds of Back/Past Due Account collection is the balance of back account collection after deducting the contingent legal services fees and amount to be recouped for current commitments.
- 4.6 Remaining life of the project refers to the unexpired term of the project including the approved extension period.

5. SUCCEEDING PAYMENT POLICY

- 5.1 COLA and AA differentials of COB personnel shall be programmed based on actual cash surplus generated and net proceeds of Back/Past Due Account collections.
 - 5.2 In the case of resigned/retired/separated NIA officials and employees under the COB falling under Section 2.2 of MC # 35, series of 2002, payment of the COLA and AA differentials shall be made starting CY 2003 out of the previous year's savings and upon written request of the concerned parties or their legal heirs.
 - 5.3 For project personnel, COLA and Amelioration Allowance differentials shall be paid within the remaining lifetime of the project or within three (3) years, which ever comes first, starting CY 2002. Provided however, that the regular activities of the project are not hampered and sacrificed. Allocation for COLA and Amelioration Allowance differentials must be included in the approved program of work.
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6. FUNDING SOURCE/REQUIREMENTS

For purposes of funding requirements, NIA Officials and employees shall be categorized into:

1. COB Personnel
 - a) End of the year cash surplus from current operation.
 - b) End of the year net proceeds from the collection of back accounts.
2. Project Personnel,
 - a) Balance of Project funds of terminated projects.
 - b) Available fund from existing project.
 - c) Available COB fund.

6.1 COB PERSONNEL

6.1.1 Application of End of Year Cash Surplus:

6.1.1.1 The end of the year Cash Surplus from current operation available for COLA & Amelioration Allowance differentials shall be equal to cash surplus multiplied by 60% (40% is to be set aside for cash buffer and other NIA operational requirements for the ensuing year).

6.1.1.2 Individual payment shall be computed based on the following formula:
$$(\text{Available fund} / \text{total unpaid claim}) \times \text{individual unpaid claim}$$

6.1.2 Application of Net proceeds from Back Accounts collection:

6.1.2.1 On top of the allocation from cash surplus on current income, net proceeds from back accounts collections shall be automatically appropriated for payment of COLA and Amelioration differentials of COB personnel.

6.1.2.2 The net proceeds from back account collections shall be made available for payment of COLA & AA differentials as follows:

- 60% Collecting office concerned (PIOs/PIMOs, Systems, Districts)
- 20% to be remitted to regional/head office for its COLA & AA differentials as well as for the other PIO/PIMO/Districts which has insufficient back account collection.
- 20% to be remitted to the Central Office to be used for Central Office COLA & AA differentials and for regions that have insufficient back account collections.

6.1.2.3 Back accounts collected during the year shall be used as buffer fund for field expenditures including salaries and wages. However, this shall be restored at the end-of the year for payment of COLA & AA differentials based on the above guidelines.

6.1.2.4 Computation of Net Proceeds from Back Account Collections and excess Actual Current Account Collection Surplus on Current Year Commitment Surplus for COLA & Amelioration Allowance Differentials by office is illustrated in Annex A.

6.1.3 Non-operating income of CO, RIO/HO may be used as buffer fund or as management may determine.

6.2 PROJECTS:

6.2.1 Personnel of completed projects with available funds


6.2.1.1 All project personnel both in the active and inactive service are qualified to collect up to the extent of available project funds corresponding to the period of actual services rendered in the said project.

6.2.1.2 Any remaining unpaid COLA & AA differential shall be paid out of the project where the employee is presently assigned or his last project served which has available funds or from available COB funds, as the case may be.

6.2.1.3 Funds available for this purpose refer to the balance of the Reserved Fund for Terminal Leave and Retirement Gratuity and Trust Funds of various projects remitted and controlled by the Central Office/Regional Office.

6.2.2 Personnel of projects completed without available funds

6.2.2.1 For those in active service, their COLA & Amelioration Allowance differentials shall be paid out of any available fund of the on-going project where they are employed or from the last project served that has available funds, as the case may be.



6.2.2.2 Those absorbed in the COB, COLA & Amelioration Allowance differentials corresponding to the period of actual services rendered under the COB shall be paid out of COB funds in accordance with Section 2.2 of MC # 35 series of 2002. COLA & Amelioration allowance differentials corresponding to the period of actual services rendered with the project shall be paid out of any available fund under the COB.

6.2.2.3 Those who are no longer in active service shall be paid out of NIA savings in accordance with Section 5.5 of MC# 35 series of 2002.

7. OTHER IMPLEMENTING RULES AND REGULATIONS

- 7.1 Those covered under paragraph 2 who left NIA service without an official Clearance from Property and Monetary Accountabilities shall be required to accomplish and submit the same to the Personnel Division in the case of NIA Central Office or to their respective Administrative Division/Personnel Section/Unit in-charge of administrative matters of Regional/Operation/Project Office concerned before processing/ payment of COLA and AA can be effected and received by the concerned resigned/retired NIA employee.
- 7.2 Those covered by this Circular who were dropped from the rolls after filing their respective claims shall likewise be required to accomplish and submit the same official NIA Clearance from Property and Monetary Accountabilities before they can be paid their respective COLA and AA.
- 7.3 For purposes of paragraphs 7.1 and 7.2 hereof, the Accounting/ Property Division in the case of Central Office or the respective Accounting/Supply Section/Unit of the Administrative/Finance Division in the Regional, Operation, Project Offices shall prepare the following:
- 7.3.1 List of incumbent officials and employees who have overdue financial/property accountabilities and unliquidated cash advances, to be submitted to the concerned unit.
- 7.3.2 List of resigned / retired officials and employee with (a) unsettled financial/property accountabilities; (b) unliquidated cash advance; or (c) outstanding obligations which list shall be submitted to the concerned unit for appropriate deduction.
- 7.4 Release/Payment of COLA/AA differentials shall be made after the year-end surplus has been determined and the annual financial commitment has been duly accounted for. Computation of actual amount due per region shall be submitted for approval of the Administrator.
- 7.5 Payment of the COLA/AA differentials as herein authorized shall be subject to accounting and auditing rules and regulations.

8. RESPONSIBILITY OF IMPLEMENTING OFFICIALS

The Head of the offices concerned shall be held responsible for the implementation of this Circular in their respective areas of jurisdiction and shall be held liable for any deviation/s from the provision hereof, without prejudice, however, to the refund of any excess payments by the employees concerned. Further, officials and employees who received the subject payments but later found not entitled shall be required to restitute the entire amount.

9. SAVING CLAUSE

All questions / problems arising from the implementation of the payment of COLA / AA pursuant to this Circular shall be addressed to the Assistant Administrator for Administrative Services, Attention: The Manager, Personnel and Records Management Department.

For implementation.



JESUS EMMANUEL M. PARAS
Administrator

18 October, 2002

ILLUSTRATIVE EXAMPLE
AMOUNTS IN THOUSAND PESOS (P'000)

1. CURRENT YEAR COMMITMENT (CYC) FOR CY 2002 ON CURRENT ACCOUNT COLLECTION (CAC)

PARTICULAR	RIO	PIO 1	PIO 2	NISO 1	NISO 2	NISO 3	NISO 4	TOTAL
OPERATING INCOME FROM CAC	1,500	2,200	3,800	2,570	1,770	970	6,600	19,410
OPERATING EXPENSES	14,400	3,500	3,400	1,950	3,200	810	4,100	31,360
SURPLUS (DEFICIT)	(12,900)	(1,300)	400	620	(1,430)	160	2,500	(11,950)

2. ACTUAL CASH COLLECTIONS & EXPENSES END OF CY 2002

PARTICULAR	RIO	PIO 1	PIO 2	NISO 1	NISO 2	NISO 3	NISO 4	TOTAL
OPERATING INCOME:								
ISF								
CURRENT ACCOUNT				1,500	810	510	3,885	6,705
BACK ACCOUNT				280	370	420	1,783	2,853
CISA								
CURRENT ACCOUNT		185	120					305
BACK ACCOUNT		275						275
CIPE		895	3,160					4,055
ER								
CURRENT ACCOUNT	850	700	1,050	850	800	470	2,160	6,880
BACK ACCOUNT	250	120		130	380	25	632	1,537
TOTAL OPERATING INCOME								
CURRENT ACCOUNT (CA)	850	1,780	4,330	2,350	1,610	980	6,045	17,945
BACK ACCOUNT (BA)	250	395		410	750	445	2,415	4,665
TOTAL	1,100	2,175	4,330	2,760	2,360	1,425	8,460	22,610
NON-OPERATING INCOME	8,110	1,240	935	290	1,180	35	648	12,438
TOTAL COLLECTIONS	9,210	3,415	5,265	3,050	3,540	1,460	9,108	35,048
TOTAL CURRENT OPTNG EXP.	14,050	3,190	3,380	1,840	2,830	630	4,251	30,171
CASH SURPLUS (DEFICIT)	(4,840)	225	1,885	1,210	710	830	4,857	4,877

3. SURPLUS (DEFICIT) ON ACTUAL CURRENT ACCOUNT COLLECTION (CAC)

	RIO	PIO 1	PIO 2	NISO 1	NISO 2	NISO 3	NISO 4	TOTAL
CURRENT ACCOUNT COLLECTION	850	1,780	4,330	2,350	1,610	980	6,045	17,945
CURRENT OPERATING EXPENSES	14,050	3,190	3,380	1,840	2,830	630	4,251	30,171
CASH SURPLUS (DEFICIT) ON CAC	(13,200)	(1,410)	950	510	(1,220)	350	1,794	(12,226)

4. ACTUAL SURPLUS (DEFICIT) ON CURRENT YEAR COMMITMENT (CYC)

PARTICULAR	RIO	PIO 1	PIO 2	NISO 1	NISO 2	NISO 3	NISO 4	TOTAL
ACTUAL	(13,200)	(1,410)	950	510	(1,220)	350	1,794	(12,226)
COMMITMENT	(12,900)	(1,300)	400	620	(1,430)	160	2,500	(11,950)
SURPLUS (DEFICIT)	(300)	(110)	550	(110)	210	190	(706)	(276)

5. BACK ACCOUNT COLLECTION (NET PROCEEDS) AVAILABLE FOR COLA/AA FOR FIELD OFFICES

PARTICULAR	RIO	PIO 1	PIO 2	NISO 1	NISO 2	NISO 3	NISO 4	TOTAL
BACK ACCOUNT COLLECTION (BAC)	250	395		410	750	445	2,415	4,665
CONTINGENT LEGAL SERVICES FEES	-	55	-	56	74	84	357	626
BALANCE	250	340	-	354	676	361	2,058	4,039
DEFICIT ON CYC	300	110	-	110	-	-	706	1,226
NET PROCEEDS BAC FOR COLA/AA	(50)	230	-	244	676	361	1,352	2,813

6. DISTRIBUTION OF BAC AVAILABLE FOR COLA/AA

	CO	RIO	PIO 1	PIO 2	NISO 1	NISO 2	NISO 3	NISO 4	TOTAL
BAC AVAILABLE FOR COLA/AA		-	230	-	244	676	361	1,352	2,863
60% FOR COLA/AA OF F.O. STAFF		-	138	-	146	406	217	811	1,718
20% TO RIO		573*	(46)	-	(49)	(135)	(72)	(270)	(573)
20% TO C.O.	573*	-	(46)	-	(49)	(135)	(72)	(270)	(573)
TOTAL AVAILABLE	573	573	138	-	146	406	217	811	1,718

Note: *Central Office and RIO COLA/AA Fund is subject to redistribution based on guidelines under Par 6.1.2.2.