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

MC No. 8-A s. 1986

MEMORANDUM CIRCULAR

TO : THE ASSISTANT ADMINISTRATORS, HEADS OF DEPARTMENTS AND STAFFS, HEADS OF FOREIGN-ASSISTED PROJECTS, REGIONAL IRRIGATION DIRECTORS, UPRIIS MANAGER, PROVINCIAL AND PROJECT IRRIGATION ENGINEERS, IRRIGATION SUPERINTENDENTS, CORPORATE AUDITOR , REGIONAL/PROJECT AUDITORS, REGIONAL/PROJECT ACCOUNTANTS, CASHIERS, PROPERTY CUSTODIAN, ALL OTHERS CONCERNED
National Irrigation Administration

SUBJECT : Amendment and Supplemental Guideline to MC # 8, s.1986
Revised Accounting Procedure for Collection In-Kind

For the information and guidance of all concerned, hereunder are the amendments and supplemental guidelines to the above-captioned circular to be read as follows:

1. First paragraph -

In our present accounting procedure, billings on irrigation fees is credited to Deferred Credits to Income account (8-86-100). Under this procedure, collections in kind is not recognized as income until the palays are ultimately sold.

2. Paragraph A.1 -

A. Booking up of Collections In-Kind

Palay collected from irrigation users in settlement of their account shall be followed by a corollary entry in the books crediting Operating & service Income account code, 1-56-100. All previous entries in the books for collections in-kind shall be adjusted/supplemented by the following journal entry.

1. For current year transactions (1986)

Inventory-Items for Resale (8-72-360)	- x x	
Accts. Receivable-Trade/Business (8-71-600)		- x x
Corollary entry		
Deferred Credits to Income (8-86-100)	- x x	
Operating & Service Income (1-56-100)		- x x

3. Determination of Viability Incentive Grant

For purpose of viability incentive grant (VIG) the ending inventory of collections in kind for 1985 should be treated as income of that year.

Please be guided accordingly.

(SGD.) CESAR L. TECH
Administrator