

DENR Memorandum Circular

No. 20

June 15, 1993

**SUBJECT : Prescribing the Billing Procedures for
Community Forestry Program (CFP).**

Section 1. Basic Policy. In order to effectively implement the Community Forestry Program (CFP) as provided for under DAO 22, Series of 1993, the Department hereby affirms its commitment to facilitate the payment of billing to Assisting Organizations (AOs) such as Non-Government Organizations (NGOs) assisting in the implementation of CFP. To this end, the billing procedure as illustrated in Annex 1 shall be followed by all DENR offices concerned for all CFP projects. The effective maximum number of working days (Annex 1) for an AO billing to be paid is 28 days, provided all documentation requirements are complied and that there is sufficient cash allocation at the DENR Regional Office. Delay in any transaction not supported by any valid reason shall constitute **prima facie** evidence of purposely delaying payments, an act against the interest of public service.

Section 2. Creation of Composite Inspection Team (CIT).

- 2.1 A composite inspection team (CIT) composed of, but not limited to, the CFP Regional Coordinator (RC), PENRO CFP Action Officer (PCAO), CENRO CFP Action Officer (CCAO) and community representatives, shall be created at respective DENR field offices.
- 2.2 Community representatives (at least two) of concerned CFP shall be authorized by a community resolution to become members of the CIT and sign/concur in behalf of the community with regards to the performance of CFP. In case of change of representatives, corresponding resolution shall be furnished to the DENR Regional Office.
- 2.3 The CIT shall be responsible for the inspection and/or validation of all activities under CFP. Except for the representatives of the community, the CIT shall further act as staff personnel for the CENRO, PENRO and the RED with regards to any billing of the concerned AO in CFP.
- 2.4 The CIT members shall choose from DENR members a Team Leader during CFP validation.

Section 3. Request for Inspection and Payment, Evaluation and Validation and Processing of Validated Billings.

3.1 Submission of Request for Inspection and Payment and its approval.

- a. The authorized representative of the AO shall submit accomplished Form 1 (Request for Inspection and Payment) and documentation of CFP accomplishments to the CENRO at least ten (10) working days before the requested date of inspection. Copies of the document with mark as to when the document was received by the CENRO, must be furnished by the AO to RC and the PCAO.
- b. Together with Form 1 and all other attachments, the AO shall likewise submit partially (columns 1-9) accomplished Form 2 (Accomplishment and Validation Report Form).
- c. The CENRO or his Authorized Representative shall approve the request for inspection, within two (2) working days from receipt of said request. The date of the approval shall likewise be indicated. If the schedule of inspection will be changed, the new date will be written below the requested date of the AO.
- d. Immediately after the approval of the request for inspection, messages should be sent by the CENRO to activate members of the Composite Inspection Team. If members of the team at the PENRO and at the Regional Office are not available on the date of inspection, they can send their respective representatives. A memorandum shall likewise be submitted to the RED explaining unavailability of concerned personnel. If they fail to participate in the activity, then the result of the inspection as headed by the CCAO shall be honored at the PENRO and the Regional Office, UNLESS the RC has strong reasons to conduct a re-validation, in which case the RC shall conduct re-validation within five (5) days upon receipt of the billing documents from the PENRO.

3.2 Validation of Accomplishments, Preparation and Processing of Financial Documents at the CENRO and PENRO Levels.

- a. The CIT shall inspect/validate the accomplishments of the CFP as reported by the concerned AO, within eight (8) working days starting on the date as approved by the concerned CENRO.

- b. Form 2 (columns 10-12) shall be accomplished by the CIT in ink.
- c. Results of the inspection shall be discussed by the CIT, the representatives of the CFP community and assisting organization to avoid misunderstanding. They shall affix their respective signatures on Form 2 to signify concurrence to the validation results. The PCAO and the RC shall have advance copies of Form 2.
- d. Where there are disagreements among the CIT members on payment for certain activities, these shall be excluded from the validation report for the period but shall be included in the next billings once the issue in question has been clarified or resolved. However, notations shall be made on the report stating reasons for deferment of payment of activities under question.
- e. The CCAO and the concerned Project Management Officer (PMO) shall prepare and consolidate the financial documents (voucher, pictures, Form 1, 2 and 3, documentation report of the AO within three (3) working days from the submission of the validation report, for endorsement by the CENRO to the PENRO.
- f. The CENRO shall endorse payment of the validated billings (upon review of the documents) within two (2) working days, by affixing his/her signature on Form 3 and her/his initial below the name of the PENRO on the voucher.
- g. However, if there are glaring and unconvincing items in the reports, the CENRO may, at his/her discretion, hold payment for said items and conduct a revalidation. All other acceptable items in the same report shall be processed accordingly. Reinspection shall be conducted by the CENRO within five (5) working days from the receipt of the validation report.
- h. Within two (2) working days, from receipt of the financial documents from the CENRO, the PENRO shall review the documents and endorse the same to the RED by affixing his/her initial and signature as called for by the documents. (Item g. of Section 3.2 shall also be observed by the PENRO).

3.3 Review and Processing of Financial Documents at the Regional Office.

- a. The RC shall review the validated billings and voucher of the AO within three (3) working days from the receipt of the PENRO endorsement for the acceptance by the RED.
- b. Within three (3) working days, the RED shall accept the validation reports of the CIT. However, if there are glaring and unconvincing items in the reports, Section 3.1c shall apply.
- c. Upon acceptance by the RED of the validation reports, the voucher, together with the other financial documents, shall be immediately transmitted to the Finance Division of the Region. These documents shall be processed and forwarded back to the RED for approval within three (3) working days.
- d. Processed documents shall be approved for payment by the RED or his duly authorized official, within two (2) working days.

3.4 Issuance of Check and Receipt.

- a. Corresponding check for the approved voucher shall be prepared and issued by the Cashier of the Regional Office within two (2) working days, provided that there is sufficient funds available.
- b. Upon receipt of the check, the AO will issue a receipt in favor of the DENR.

Section 4. Documents Required.

- 4.1 Forms 1, 2 and 3 are designed to be attached to the voucher covering payments to be made to respective AOs.

FORM 1 (Annex 2) - is a request for inspection and payment form to be submitted by the AO to the CENRO. Copies shall be furnished to the PENRO and the RED.

FORM 2 (Annex 3) - is an Accomplishment and Validation Report form. This shall be accomplished by the AO (columns 1 - 9) upon their request for inspection and payment and shall be turned-over to the CIT during the inspection/validation. The CIT shall accomplish the form (columns 10 - 12) after inspection/validation activities.

FORM 3 (Annex 4) - is an acceptance report form. This shall be accomplished by the PMO based on Form 2 and previous billings). The CENRO and the PENRO shall recommend acceptance of CFP accomplishments to the RED.

- 4.2 In addition to the aforementioned forms, the AOs shall attach pictures of accomplishments, documentation reports of community organization and training activities, training plans, original attendance to meetings, maps, inventory report and other documents required under the CFP-NGO/AO contract of services.
- 4.3 Financial Payments shall be released only once there is final acceptance of the project by the DENR and the community, subject to usual accounting and auditing rules and regulations.

This Order takes effect immediately.

ANGEL C. ALCALA
Secretary

Recommending Approval:

RICARDO M. UMALI
Senior Undersecretary