

**DENR Circular  
No. 2  
Oct. 05, 1988**

**SUBJECT : Guidelines and procedures governing the payment and collection of annual fees from holders of Certificate of Stewardship Contract and Community Forest Stewardship Agreement.**

Pursuant to MAO No. 48, S. 1982, as amended, and in order to facilitate and regulate the payment and collection of annual fees for the used of land, five (5) years after the issuance of Certificate of Stewardship Contract (CSC) and Community Forest Stewardship Agreement (CFSA) under the Integrated Social Forest (ISF) Program, the following guidelines and procedures are hereby promulgated:

**SECTION 1. Scope** - All holders of CSC and CFSA for five (5) years and above shall be collected an annual fee for the use of the land allocated to them under the ISF Program.

**SECTION 2. Rental Fee** - An annual fee of ten pesos (P10.00) per hectare or a fraction thereof shall be collected as a rental fee for the use of the land covered by individual CSC and the areas actually cultivated or developed for agroforestry production in the CFSA.

**SECTION 3. Procedures** - To ensure effective implementation of this Order, the following procedures shall be adopted:

- a) The Social Forestry Officer (SFO) of the Community Environment and Natural Resources Office (CENRO) shall conduct inventory of CSC/CFSA holders to determine those who are covered by Section 1 hereof.
- b) A team to be composed of duly authorized representative of the CFSA holder and the SFO and other concerned personnel of the CENRO shall be created to determine the area actually cultivated and developed for agroforestry production by CFSA holder to serve as basis for the amount of rental to be collected therefrom.

- c) The SFO shall prepare Order of Payment in quadruplicate for every CSC/CFSA holder covered under Section 1 hereof following the herein attached form (Annex A). Copies of which shall be distributed as follows:

Original - CENRO Disbursing Officer  
Duplicate - CSC/CFSA Holder  
Triplicate - CENRO  
Quadruplicate - Resident Auditor

- d) The CENRO shall notify each CSC/CFSA holder subject of rental collection following the notice form (Annex B) where the duplicate copy of Order of Payment shall be attached.
- e) All payments shall be made within sixty (60) days upon receipt of the notice on installment basis or as preferred by the CSC holder provided within the specified sixty (60) days period, to the CENRO Disbursing Officer based on the Order of Payment to be presented by the payee and as validated from the original copy the same. No amount of money either in cash, checks, or money order shall be accepted by the CENRO Disbursing Officer without any Order of Payment duly approved by the Community Environment and Natural Resources Officer.

Failure to pay without justifiable cause the annual rental after sixty (60) days period shall be subject to a surcharge as follows:

Rental paid within three (3) months - 10% surcharge  
Rental paid within six (6) months - 20% surcharge  
Rental paid within nine (9) months - 30% surcharge

Rental paid one year after the due date, a surcharge of 100% per year shall be collected.

- f.) Before issuing an official receipts, the CENRO Disbursing Officer shall carefully review the order of payment and ensure that the same has been accomplished properly and completely and the amount presented for payment of the

CSC/CFSA holder tallies with that indicated in the original order of payment in his office. No official receipt shall be issued when the order of payment contains alterations and/or erasures.

- g.) All payments made shall be issued with corresponding official receipt.
- h.) The original and the carbon copies of the official receipt issued shall be forwarded to the SFO where the same shall be checked carefully and determined whether it tallies with the order of payment. The SFO shall promptly report any mistake or defect noted by him to the Disbursing Officer who shall immediately take appropriate measures to correct the same.
- i.) For purposes of control, record and auditing purposes the CENRO shall submit copies of the Order of Payment for collection of fees every month to the Resident Auditor having audit jurisdiction of the office.

**SECTION 4.** All collected payments shall accrue to and constitute a part of the general fund of the National Government.

This Order shall take effect immediately.

**(Sgd.) VICTOR O. RAMOS**  
Undersecretary

ANNEX A

Republic of the Philippines  
DEPARTMENT OF ENVIRONMENT AND NATURAL  
RESOURCES

Region \_\_\_\_\_  
CENRO \_\_\_\_\_

\_\_\_\_\_  
Date

ORDERS OF PAYMENT

MEMORANDUM for the CENRO Disbursing Officer  
Municipality, Province

Please receive the amount of \_\_\_\_\_  
\_\_\_\_\_ (P \_\_\_\_\_) covering the  
remittance described below:

Name of remitter/CSC/CFSA Holder : \_\_\_\_\_

Address  
: \_\_\_\_\_

Description of remittances : \_\_\_\_\_

Purpose of payment :  
\_\_\_\_\_  
\_\_\_\_\_ P  
\_\_\_\_\_  
\_\_\_\_\_ P  
\_\_\_\_\_

T O T A L =====P

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CENRO

Paid under OR No. \_\_\_\_\_

Date Paid : \_\_\_\_\_

Collected by : \_\_\_\_\_

ANNEX B

Republic of the Philippines  
DEPARTMENT OF ENVIRONMENT AND NATURAL  
RESOURCES

Region \_\_\_\_\_  
CENRO \_\_\_\_\_

\_\_\_\_\_  
Date

NOTICE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This is to inform you of your obligation being a holder of Certificate of Stewardship Contract/Community Forest Stewardship Agreement No. \_\_\_\_\_ covering an area of \_\_\_\_\_ hectares, located at \_\_\_\_\_ issued on \_\_\_\_\_ 19 \_\_\_\_.

Attached is a copy of Order of Payment which you shall present to the CENRO Disbursing Officer in paying said rental fee for the year \_\_\_\_\_.

Thank you very much.

\_\_\_\_\_  
CENRO

Note : Payment shall be made within  
thirty (30) days upon receipt thereof.