

DENR Memorandum Circular
No. 05
January 26, 1994

SUBJECT : Prescribing the NGO Billing and Payment Procedures for the RRMP Component of the Environment and Natural Resources Sectoral Adjustment Loan (ENR-SECAL) Program.

Sec. 1 Basic Policy.

In order to effectively implement the ENR-SECAL Program as provided for under AO 48, Series of 1992, the Department hereby affirms its commitment to facilitate the payment of billing to Non-Government Organizations (NGOs) assisting in the implementation of ENR-SECAL RRMP Component. To this end, the billing procedure herein prescribed shall be followed by all DENR Offices concerned for all ENR-SECAL projects. The effective maximum number of working days for an NGO billing to be paid is 28 working days, provided all documentation requirements are complied and that there is sufficient cash allocation at the PENRO. 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.

Sec. 2 Creation of Provincial Inspection Team (IPT).

- 2.1 A Provincial Inspection Team composed of PENRO-FS I as Team Leader, CENRO-FS I and LGU representative as members shall be created at concerned PENRO.
- 2.2 Community representatives (at least two) of concerned WMU sites shall be authorized by a community resolution to concur and sign in behalf of the community with regards to the accomplishment and validation report of RRMP ENR-SECAL. In case of change of representatives, corresponding resolution shall be furnished to the DENR PENRO Office.
- 2.3 The PIT shall be responsible for the inspection and/or validation of all activities under ENR-SECAL. Except for the LGU representative, the

PIT shall further act as staff personnel for the PENRO with regards to any billing of concerned NGO.

Sec. 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 NGO shall submit accomplished Form 1 (Request for Inspection and Payment) and documentation of 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 NGO to PENRO.
 - b. Together with Form 1, the Quarterly Action Plan Form 2 (QAP) and all other attachments, the NGO shall likewise submit partially (column 1-9) accomplished Form 3 (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 NGO.
 - d. Immediately after the approval of the request for inspection, messages should be sent by the CENRO to activate members of the PIT. If members of the team at the PENRO and at the Municipal Office are not available on the date of inspection, they can send their respective representatives. A memorandum shall likewise be submitted to the PENRO explaining unavailability of concerned personnel. If the explanation submitted is accepted, then the result of the inspection participated in by the representative shall be honored at the PENRO unless the PENRO has strong reasons to conduct a re-

validation, in which case the PENRO shall conduct re-validation within five (5) days upon receipt of the billing documents from the CENRO.

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

- a. The PIT shall inspect/validate the accomplishments of the RRMP as reported by the concerned NGO within five (5) working days starting on the date as approved by the concerned CENRO.
- b. Form 2 (columns 10-12) shall be accomplished by the PIT in ink.
- c. Results of the inspection shall be discussed by the PIT, the representatives of the community and assisting organization to avoid misunderstanding. They shall affix their respective signatures on Form 3 to signify concurrence to the validation results. The PENRO shall have advance copies of Form 3.
- d. Where there are disagreements among the PIT members on payment for certain activities, these shall be excluded from the validation report for the period. However, proper notations shall be made on the report stating reasons for deferment of payment of activities under question.
- e. In cases that the NGO incurred budget savings for the year, the same shall be carried-over to succeeding year and could be programmed for the year's activities.
- f. Upon acceptance by the PENR Office of the validation reports, the voucher together with the other financial documents, shall be immediately transmitted to the Accounting Unit of the PENRO. These documents shall be processed and forwarded back to the PENR Office for approval within two (2) working days.

- g. Processed documents shall be approved for payment by the PENRO or his duly authorized official, and shall issue notarized Certificate of Acceptance (Form 4) within two (2) working days.
- h. In case the amount is beyond the level of authority of the PENRO, the documents shall be forwarded to the Region for approval within two (2) days.

3.4 Issuance of Check Receipt

- a. Corresponding check for the approved voucher shall be prepared and issued by the Cashier of PENRO within two (2) working days, provided that there are sufficient funds available.
- b. Upon receipt of the check, the NGO will issue a receipt in favor of the PENRO.
- c. In case the check amount is beyond the authority of the PENRO, the same should be forwarded to the Regional Office to be countersigned by the RED.

Sec. 4 Documents Required.

- 4.1 Forms 1, 2, 3 and 4 are designed to be attached to the voucher covering payments to be made to respective NGOs.

Form 1 - is a request for inspection and payment form to be submitted by the NGO to the CENRO. Copies marked as received by the CENRO shall be furnished to the PENRO;

Form 2 - is a Quarterly Action Plan of NGO. The activities reflected in this form should be consistent with the approved NGO Work and Financial Plan;

Form 3 - is an Accomplishment and Validation Report Form. This shall be accomplished by the NGO (columns 1-9) upon their request for inspection and payment and shall be turned-over to the PIT during the

inspection/validation. The PIT shall accomplish the form (columns 10-12) after inspection/validation activities. IPMES Form No. 5 Spot Report shall also be accomplished to reflect the PIT's field observations; and

Form 4 - is a Certificate of Acceptance Report Form. This shall be approved by the PENRO based on Form 2 and previous billings. The CENRO and the PENRO-FS I shall recommend acceptance of RRMP accomplishments.

- 4.2 In addition to the aforementioned forms, the NGOs shall attach authenticated pictures of accomplishment, documentation reports of community organization and training activities, training plans and documentation of procedures, original attendance to meetings and minutes, maps, inventory report and other documents required under the NGO contract of services.
- 4.3 Final Payments shall be released only upon approval of the Certificate of Acceptance of the project by the PENRO, subject to usual accounting and auditing rules and regulations.

This Order takes effect immediately.

ANGEL C. ALCALA
Secretary

Recommending Approval:

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