

Memorandum Circular
No. 97-03
February 18, 1997

SUBJECT : Guidelines and Procedures in the Processing of Payments for Community Organizing and Comprehensive Site Development of Subprojects Under the Forestry Sector Project

Pursuant to Executive Order No. 263 s. 1995 and in accordance with the objective of the Forestry Sector Project of poverty alleviation in the countryside, these guidelines and procedures are hereby adopted.

ARTICLE I
Policy, Objectives and Definition of Terms

Section 1. Basic Policy. — Consistent with the objectives of Community Based Forest Management Project (CBFMP) for the efficient implementation of projects, it is the policy of the Department to process billings for payment of accomplishments of all CBFMP in the shortest and most efficient way. The Site Coordinators, CENROs, PENROs and REDs are responsible to enforce the process.

Sec. 2. Objectives. — The objectives of these guidelines and procedures are the following:

1. To streamline and facilitate the procedures of processing billings of assisting organizations and organized communities for the payment of accomplishments in the community organizing the comprehensive site development activities, respectively;

2. To ensure the efficient evaluation of reported accomplishments;
and
3. To ensure the speedy payment of billings.

Sec. 3. Definition of Terms

- a. **DEPARTMENT or DENR** — refers to the Department of Environment and Natural Resources
- b. **RED** — refers to the Regional Executive Director
- c. **PENRO** — refers to Provincial Environment and Natural Resources Office
- d. **CENRO** — refers to Community Environment and Natural Resources Office
- e. **COMPREHENSIVE SITE DEVELOPMENT (CSD)** — refers to plantation establishment which include, among others, construction of infrastructure; seedling production, site preparation, planting/replanting; maintenance and protection; and silvicultural treatments such as covercrop planting, income-enhancement planting enrichment planting and intercropping.
- f. **COMMUNITY ORGANIZING (CO)** — the process and the set of activities aimed at mobilizing the community, developing and strengthening their capabilities to plan, implement and manage the subproject through the community-based approach.
- g. **PEOPLES' ORGANIZATION (PO)** — a group of people living within or adjacent to DENR subprojects which was organized to form an association, cooperative or any other form of organization to implement comprehensive site development.

- h. **BILLING** — is the request for payment of accomplishment done with respect to developing the subproject site in accordance with the work and financial plan.
- i. **WORK AND FINANCIAL PLAN** — An approved schedule of activities with the corresponding budgetary requirements prepared by the AOs and POs to be used as basis for developing the subproject site.
- j. **FIELD VERIFICATION** — refers to the validation by actual field inspection and evaluation of reported accomplishments for which a billing has been made by the contracting PO.
- k. **SITE COORDINATORS** — is a technical personnel of the Department assigned in the project site to assist the community in the various phases of site development and in improving the social and economic condition of the community.
- l. **ASSISTING ORGANIZATION (AO)** — a non government organization contracted by DENR to do community organizing in the subproject site.
- m. **CBFMP Steering Committee** — refers to the inter-agency committee created under Executive Order 263 of 1995. Community Organizing (CO); Survey, Mapping and Planning (SMP); Resource Inventory (RI) Assisting Organization, Site Officer (S.O.).

ARTICLE II
INSPECTION OF ACCOMPLISHMENTS AND PROCESSING OF BILLINGS

Sec. 4. Coverage of Billings. — Only accomplishments under the community organizing (CO) and comprehensive site development (CSD) of the Forestry Sector Project, such as but not limited to infrastructures (bunkhouses and lookout towers), nurseries, seedling

production, site preparation, outplanting, maintenance and protection, are covered under this Circulars.

Sec. 5. Composite Inspection Committee (CIC). For the purpose of inspecting and validating the accomplishments at the subproject sites, the CENRO shall create a composite inspection committee (CIC) which shall be composed of three (3) technically competent CENRO personnel with at least two (2) alternates. The CENRO shall always coordinate with the municipal government unit (province) to make sure that a fourth member of the CIC from the LGU is always available. The team shall be headed by the most senior CENRO representative. In cases that a subproject is located under the jurisdiction of two (2) provinces, the CIC of the CENRO who has the bigger share of the area shall be the one to inspect.

Sec. 6. Field Inspection and Preparation of Report. Once every quarter, preferably during the last week of the quarter or the first week of the succeeding quarter, the CENRO shall order the CIC to schedule a visit to the subproject to inspect and validate the AO's/PO's accomplishments. The evaluation process shall be undertaken and finished within a maximum period of five (5) days. The CIC shall make sure that all field notes must have the concurrence and signature of PO's representative, noted by the site coordinator and the AO's representative. The inspection and validation report shall be finalized by the CIC at the CENRO within two (2) days (non-working days not included) after the field work. The original copy of the report together with the photographs and field notes shall be indorsed by the CENRO to and received by the Regional Office within five (5) days from the date of report. The CENRO shall see to it that copy of the report will be received by the PO (for billing purposes) and by the LGU (for planning and monitoring) within three days from the date of report.

The Site Coordinators shall make sure that inspection is conducted every quarter in their subprojects to ensure the continuous evaluation of the AO's/PO's accomplishments hence payment of their accomplishment.

Sec. 7. Preparation and Submission of Billing. — The AO/PO shall prepare their billings with the assistance of the site coordinator based on the furnished copy of report of inspection made by the CIC and in accordance with the approved work and financial plan of the project. The minimum documentary requirements that shall accompany the billings shall be but not limited to the following:

- 7.1 Letter request for payment duly signed by the authorized AO/PO representative;
- 7.2 A statement of account covering the total validated accomplishments being billed; and
- 7.3 Additional data which will further support the billing such as maps, inventory additional photographs, etc.

The billings shall be submitted by the AO/PO to the Regional Office through the fastest means possible.

Sec. 8. Processing of Billings. — The Regional Office, upon receipt of the billing, shall facilitate the speedy processing of payment by strictly implementing the following procedures:

- 8.1 The records section of the Regional Office, upon receipt of the billings, shall immediately (within the day) indorse the said documents to the office of the RTD for Forestry.
- 8.2 The RTD for Forestry shall assign to a technically competent team or individual from the FRDD/RFDO the review of billing documents. The said team or individual shall thoroughly review the billing base on reports submitted by the CENRO and existing

records/file on hand. Their evaluation shall be expected to be finished within two (2) days and submit their recommendation to the RTD for Forestry together with a prepared voucher and an accomplished copy of NFDO Form 2 (see attachment 1), Part 1 only, for his signature recommending approval.

- 8.3 The RTD for Forestry signs the voucher recommending approval and forward the same to the accounting office within the day for processing.
- 8.4 The accounting office evaluates the voucher and the supporting documents as to completeness and consistency of payment with existing government budgetary, accounting and auditing rules and regulations. Part 2 of NFDO Form 2 shall be filled up by the concerned accounting staff for inclusion in the Statement of Expenditures (SOE). The process shall be completed within the day and the processed voucher shall be forwarded to the cashier the following day for the preparation of checks.
- 8.5 The cashier, upon receipt of the processed voucher shall, within the day, prepare the checks (separate check for loan proceeds and GOP counterpart) and forward the same to the RED for his approval.
- 8.6 The RED shall give the highest priority to the speedy payment of claims and shall therefore, upon receipt of the checks, vouchers and all pertinent documents in connection with the billing, shall affix his signature to all spaces provided for his signature. The checks once approved, shall, within the day, be forwarded to the cashier for release to the authorized AO's/PO's representative.

**ARTICLE III
MONITORING AS CONTROL MEASURE**

Sec. 9. Regional Inspection Team (RIT). — As a tool for regular subproject monitoring, the RED shall, through the RIT for Forestry, Organize Regional Inspection Teams which will be tasked to validate reported accomplishment. The RIT shall conduct validation at least once every quarter.

**ARTICLE IV
ADMINISTRATIVE SANCTIONS**

Sec. 10. Penalties. — Delays in the payment of billings shall be ground for disciplinary action against the concerned DENR officials/employees, if not qualified pursuant to Rule IV, entitled Discipline Book V of EO 292 and Omnibus Rule of the Civil Service Law and Rules, Section 23.

Sec. 11. Grounds for Cancellation of Contract. — The AO and PO Contract maybe cancelled if found to have misrepresented itself in the billings for payment such as intentional billing of non-existent accomplishments without prejudice of filing a case against the erring AO/PO.

**ARTICLE V
TECHNICAL ASSISTANCE**

Sec. 12. Technical Assistance. — The DENR through the subproject site coordinators shall provide technical assistance to the AO/PO in preparing documents for billing purposes.

**ARTICLE VI
FINANCIAL ASSISTANCE TO PENRO AND CENRO**

Sec. 13. Financial Assistance. — To finance the travelling expenses of the CIC, the Regional Office shall provide cash advances to the CENRO chargeable against Forestry Sector Project fund in accordance

with the Memorandum of the Undersecretary for Field Operations dated March 25, 1996 (see attachment 2).

**ARTICLE VII
REPEALING CLAUSE AND EFFECTIVITY**

Sec. 14. Repealing Clause. — The provisions of any administrative orders, memoranda, circulars and other DENR issuances which are inconsistent with this circular are hereby repealed or amended accordingly.

Sec. 15. Effectivity. — This order takes effect immediately.

(Sgd.) VIRGILIO Q. MARCELO
Undersecretary for Field Operations

Recommending Approval:

(Sgd.) EVANGELINE C. CRUZADO
Program Director
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ATTACHMENT 1