REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

March 12, 2015

REVENUE MEMORANDUM ORDER NO. 8-2015

SUBJECT : Prescribing the Policies, Guidelines and Procedures in the Implementation of the Collection Reconciliation System

TO : All Internal Revenue Officials, Employees and Others Concerned

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I - BACKGROUND

The Collection Reconciliation System (CRS) aims to standardize and streamline the processes in the reconciliation of internal revenue collections across all modes and channels between the records of the Bureau of Internal Revenue (BIR) with that of the Bureau of the Treasury (BTr), Bangko Sentral ng Pilipinas (BSP), as well as with the Accredited Agent Banks (AABs) and the Authorized Government Depository Banks (AGDBs).

The system was developed primarily to address the perennial problems in the reporting of tax collection performance by the Revenue District Offices (RDOs) and Regional Offices (ROs), including all the concerned offices under the Large Taxpayers Service (LTS), in their respective Consolidated Monthly Statistical Reports (BIR Form 12.09). The system also provides the facility to reconcile tax collections uploaded in the Bureau's Integrated Tax System - Collection and Bank Reconciliation (ITS- CBR) against the tax collections credited to the account of the BIR by the BTr.

II – OBJECTIVES

This Order is issued to:

1. Prescribe the uniform guidelines and procedures in the implementation of the CRS across all the concerned offices of the Bureau;

2. Define the roles and responsibilities of all concerned offices, officials and employees for the effective implementation and use of the System; and

3. Prescribe the necessary performance measures to ensure continuous and timely resolutions by all concerned offices of collection discrepancies automatically detected by the system to enable the generation of correct collection performance reports.

III – **POLICIES:**

1. The RDOs and concerned LTS Offices are required to strictly monitor their daily/weekly internal revenue collections across all collection channels [i.e., AABs, Electronic Revenue Official Receipts (eRORs), Electronic Tax Remittance Advice (eTRA), Special Allotment and Release Orders (SAROs). Direct Crediting, etc.] using the CRS facilities.

   For this purpose, a dedicated personnel, preferably the duly authorized CBR/CRR error handler, shall be assigned by the concerned heads of offices, on a daily basis, all the CRS- detected discrepancies to ensure that these are promptly resolved and automatically closed by the said system. It shall be the direct responsibility of the concerned Chiefs of the RDO Collection Section/LTS Office to regularly monitor that these discrepancies are timely acted upon and resolved by these authorized personnel.

   In order to facilitate the coordination among the different national and regional offices with respect to the reconciliation of tax collections, all RDOs and concerned Chiefs of LTS Offices shall submit to the Chiefs of Revenue Accounting Division (RAD) and the Research and Statistics Division (RSD), within five (5) days from the approval of this Order, the name/s of the duly authorized personnel who is/are authorized to resolve the detected discrepancies, their respective designations, telephone number/s and email address/es. In case of change in the designated personnel to handle these discrepancies, such change must be officially communicated to the aforementioned offices also within five (5) days from implementation thereof.

2. For daily collection reconciliation purposes, the CRS shall extract daily collection data from the ITS-CBR/eTIS-CRR with status "P-posted", "R- reversed", "C-cancelled" "Q-stored", and "O-out-of-district" since such status are considered as permanent and can no longer be modified or amended.

   Tax collections with other status like "N- new", "V-valid", "S-suspended" etc. must be immediately resolved by each and every RDO/LTS Office so that the same can be processed by the CRS and, thereafter, included in their respective collection performance.

3. All un-uploaded BCS collection data to the ITS/eTIS shall be coordinated on a daily basis by the Collection Section of the RDOs/concerned LTS Offices with the concerned AABs and/or RDCs to ensure the successful and timely uploading of collection data from the AABs and/or Revenue Collection Officers (RCOs) via the Mobile Revenue Collection Officer System (MRCOS).

4. All un-uploaded Consolidated Report of Daily Collections (CRDCs) and unremitted tax collections by AABs should be coordinated by the RAD with the concerned AABs and RDCs on a daily basis. Pursuant to the Memorandum of Agreement among the AABs, BTr and the BIR, the AABs are required to electronically transmit to the RAD the daily CRDC on or before the fifth day following the actual collection date. Except in cases where the due dates for the submission thereof fall on a Saturday, Sunday or Holiday, the eCRDC must be received by RAD from the AABs on or before the next working day.

5. All tax collections thru eRORs/manually issued RORs and eTRAs/manually issued TRAs that are processed in the CRS must be validated by the concerned Regional Finance Division (RFD)/ Large Taxpayers Document Processing and Quality Assurance Division (LTDPQAD) against the Weekly Statement of Report of Collections and Deposits (SRCDs) and Weekly Compliance and Alphalist of National Government Agencies (WCA-NGAs) submitted by the RDOs/concerned LTS Offices.

6. The RAD and other concerned RDOs/LTS Offices shall ensure the timely and accurate encoding of collections thru SAROs and Direct Crediting in the ITS/eTIS in order that the aforementioned collections can be captured by the CRS thru ITS-CBR/eTIS-CRR.

   On the other hand, all other pertinent internal revenue collection data [e.g., BTr-Journal Entry Vouchers (BTr- JEVs), Bangko Sentral ng Pilipinas-List of Remittances (BSP-LOR)] shall be electronically sent regularly by the RAD to the Systems Development Division (SDD) in comma separated value (CSV) format for uploading to the CRS to ensure the full-cycle reconciliation of collection processes, until such time that the aforesaid agencies can electronically transmit the said collection data to the BIR.

7. The resolution of the discrepancies detected in CRS must be given utmost priority by all RDOs/concerned LTS Offices because the same shall form part of their respective performance evaluation based on the CRS-generated Key Performance Indicator (KPI) Reports.

8. The ITS/eTIS generated Monthly Consolidated Statistical Report of Collection (BIR Form No. 12.09) must be reconciled with the manual Monthly 12.09 Reports being submitted to the RSD by all RDOs/concerned LTS Offices. The Monthly Collection Reconciliation Reports (Annex "A"), if applicable, together with pertinent supporting documents, shall be submitted to RSD as attachment to the monthly 12.09 reports.

In the event that the concerned RDOs/LTS Offices failed to submit the required reconciliation of tax collections, the RSD will use the ITS/eTIS generated 12.09 reports or the CRS-generated data, whichever is lower, as their monthly collection performance.

9. All CRS-related issues must be officially reported by the concerned users to the Helpdesk thru electronic mail (email). The concerned Helpdesk officer must issue a Trouble Ticket Number (TTN) for each and every logged issue and such number must be provided to the concerned CRS user. The said TTN shall be used by the concerned parties in monitoring of status of the logged issues. All concerned RDC Heads must ensure that all issues logged with their respective Helpdesks are immediately closed/resolved and timely acted upon.

10. In order to ensure the smooth implementation of the CRS and provide all system users with reference guides or instructions on the execution of certain tasks in CRS, a Job Aid (Annex "B") is likewise provided to assist both the business and technical users in the resolution of certain issues that may be encountered in using the system.

11. The compliance of the RCOs with the prescribed policies and procedures in the issuance of Electronic Revenue Official Receipts (eRORs) for the collection of tax payments and the remittance thereof to the AGDB, through the web-based MRCOS must be strictly monitored.

12. All authorized CRS users must secure their corresponding access accounts from their respective Revenue Data Centers (RDCs) by accomplishing the Request for Systems Access form (BIR Form No. 0044). In case of transfer of assignment, separation or termination of function as a CRS user, a request for revocation of his/her access account using the Request for Revocation of Access form (BIR Form No. 0037) shall be immediately filed with their respective RDCs.

    In order to ensure that only authorized personnel are given access to the CRS System, all heads of concerned offices shall immediately require the submission of a duly accomplished BIR Form No. 0037 by concerned users before such transfer of assignment or immediately upon separation or termination of the services of the previously designated users, and transmit the same to the RDC as soon as possible, in order to effect the revocation of their respective system access.

13. In order to ensure the full utilization of the CRS, appropriate administrative sanctions shall be imposed to all concerned CRS users who deliberately fail to comply with the pertinent provisions in this Order.

IV - PROCEDURES:

A. The LTDPQAD/LT District Offices/Revenue District Office shall:

1. Assign a dedicated personnel to monitor and resolve all the CRS-detected discrepancies;

2. Prepare and submit to the RSD and RAD the updated list of duly designated error handlers prescribed in Item III. 1 of this Order;

3. Monitor existence of CRS-detected discrepancies on a daily basis using the CRS facilities and ensure that all these discrepancies are timely resolved in the ITS-CBR/eTIS-CRR; and

4. Coordinate with the concerned AABs/RCOs all discrepancies in BCS detected by the CRS.

   4.1 For AAB collections - coordinate with the concerned AAB branch for the immediate transmission and/or amendment of the BCS collection data to the concerned RDC;

   4.2 For eROR collections - coordinate with the concerned Revenue Collection Officer (RCO) for the immediate encoding of the collection information in the MRCOS thru the Collection Officer Receipting Device (CORD)/desktop facility.

   4.3 For collections thru manually issued RORs – coordinate with the RCO for the immediate encoding of the pertinent ROR and deposit/remittance information to the ITS-CBR/eTIS-CRR;

   4.4 For eTRA collections - coordinate with the concerned RDC for the uploading of the same to the ITS-CBR/eTIS-CRR and/or with the concerned National Government Agencies (NGAs) for the resolution or adjustments of any discrepancies noted in the eTRA System.

   4.5 For collections thru manually issued TRA – require the RCO to encode the collection information using the MRCOS facility; and

   4.6 For collections thru SAROs and Direct Crediting – coordinate with the concerned RDCs for the uploading of collection information to the ITS-CBR/eTIS-CRR.

5. Ensure that all required collection information arising from DBM approved SARO – Tax Expenditure Fund (TEF) and Direct Crediting (DC) are directly encoded to ITS – CBR/eTIS-CRR;

   5.1 For SAROs - only approved SAROs by the Department of Budget and Management (DBM) shall be encoded by the RDO- Collection Section and LTDPQAD in the MRCOS facility and ITS-CBR/eTIS-CRR, respectively;

   5.2 For BSP direct crediting – only payment with duly filed tax returns and credit advice should be encoded by the RDO-Collection Section and LTDPQAD/LTD in the MRCOS facility and ITS-CBR/eTIS-CRR, respectively; and

   5.3 For Banks' Own Tax Liabilities- LTDPQAD/LTD shall encode the collection information in the ITS – CBR's/eTIS-CRR's Add facility.

6. Notify the concerned Revenue Data Center (RDC) for any existence of un-uploaded collection data in the ITS – CBR/eTIS-CRR;

7. Provide the RAD with the list of valid collection transactions (e.g. capital gains tax, documentary stamp tax, registration fee, etc.) which were tagged in the CRS as discrepancies (duplicate items in BCS/across BCS) (Annex "C") immediately upon discovery of the same to enable RAD to effect necessary adjustments in CRS;

8. Undertake the following activities, in case of any request for manual transfer of collections to and from another RDO:

   8.1 Prepare and submit a request to the Collection Service (CS) , thru the RAD, for the approval of the said request for manual transfer of tax collection; and

   8.2 Prepare and submit to the RSD the amended BIR Form 12.09 Report reflecting therein the information of transferred-in/out credited/deducted tax collection (The amended BIR Form No. 12.09 must be submitted to the RSD by both the transferor and transferee of the tax collection);

9. Report all the CRS-related issues to the concerned Helpdesk thru email and ensure that the corresponding TTN is issued by Helpdesk for use as reference in subsequent inquiries or follow-up on the logged issue;

10. Continuously monitor the resolution of the logged CRS issues thru the BIR Helpdesk until the same are finally closed;

11. Prepare the monthly reconciliation report on discrepancies between the ITS/eTIS-generated 12.09 reports and the manually prepared 12.09 reports, if any, described under Item III.8 of this Order; and submit the same as attachment to the latter report to be submitted to RSD and RAD;

12. Refer to CRS Job Aids in resolving certain issues in the use of the system; and

13. Monitor regularly the activities of the error handlers to ensure the timely resolution of all CRS-detected discrepancies.

B. *The Regional Collection Division (RCD) shall:*

1. Monitor the resolution of the discrepancies by all concerned RDOs within their respective jurisdiction based on the KPI reports automatically generated in the CRS;

2. Undertake all appropriate actions to ensure that all the CRS-detected discrepancies are timely acted upon and resolved by all the concerned RDOs under the jurisdiction of the respective Regional Office; and

3. Ensure that only reconciled tax collections based on the generated management and reconciliation reports from ITS-CBR/eTIS-CRR and CRS are being used by the RDOs in reporting their respective monthly collection performance.

C. *The Regional Finance Division (RFD) shall*:

1. Monitor and validate regularly, thru the use of the CRS facility, the internal revenue collections reported by the RDOs thru eRORs , manual RORs, eTRAs and manual TRAs as against the submitted SCRD and WCA-NGA by the RDOs;

2. Coordinate with the concerned RDOs/RCOs in case of existence of any discrepancy/ies noted in the abovementioned reports for the immediate corrections/adjustments/amendments of the reported collection data, if warranted; and

3. Submit to the RAD, not later than the 10th day of the following month, the validated SCRDs and WCA-NGAs and the amended report/s together with the supporting document/s, if necessary.

D. The Revenue Accounting Division (RAD) shall:

1. Monitor on a daily basis the internal revenue collections thru AABs, RORs, TRAs, SAROs, and DCs of all the district offices/concerned LTS Offices;

2. Reconcile the total internal revenue collection data across all channels and modes of payment with the records of the BTr and BSP;

3. Coordinate with the concerned AAB Head Offices relative to the un-uploaded CRDCs and/or unremitted tax collections;

4. Encode the internal revenue collection data of the BTr and BSP, convert the data into a CSV format, and transmit the same to the System Development Division (SDD) via the ProInsight for uploading to the CRS (*This activity will be made only until such time that the said agencies are ready to comply with the BIR requirements on the electronic submission of the prescribed collection data.*);

5. Encode in the ITS-CBR/eTIS-CRR all the required collection information from withholding tax and documentary stamp tax collected from government bonds and securities issued by the government based on the SARO, JEV and other related documents received from BTr;

6. Receive from the RDOs/LTS Offices the list of valid collection transactions (e.g. duplicate items in/across BCS for ONETT transactions, Registration Fee) which were tagged as discrepancies in CRS, and effect the necessary adjustments thereon thru the CRS facility;

7. Undertake the following activities with respect to any request for manual transfer-in/out of tax collections to/from LTS Office/LTD-Makati/LTD-Cebu/RDO:

   7.1 Inform both parties (BIR Offices where the tax collection was deducted from/added to), thru a memorandum that the requested transfer of tax collection has been approved and adjusted/denied/ or held in abeyance due to incomplete submission of required documents; and

   7.2 Encode, thru the CRS facility, all the collection information related to the manually transferred-in/out tax collections;

8. Notify in writing the BTr- National Cash Accounting Division (BTr-NCAD) in case there are necessary adjustments in tax collections that shall be

recorded in the BTr books of accounts relative to the results of reconciliation made in tax collections;

9. Receive from the RDO/concerned LTS Offices/LTD the list of duly authorized personnel designated as CBR error handler/s;

10. Receive Monthly CRS Users Log from the Security Management Division (SMD);

11. Prepare list of CRS users designated as CBR error handlers who fail to regularly utilize the System based on the SMD-generated CRS Users Log and forward the same to the Internal Investigation Division (IID), not later than the 25th day of the following month, for the imposition of the necessary sanctions and/or penalties, if warranted;

12. Provide assistance to concerned BIR offices/users on the proper use of the CRS as well as in the resolution of other operational concerns on the use thereof; and

13. Report all related CRS-issues to the Helpdesk and make sure that the same are resolved.

E. *The Research and Statistics Division shall*:

1. Receive from the RDO/concerned LTS Offices the list of duly authorized personnel designated as error handler/s;

2. Receive from the RDOs/concerned LTS Offices the manual Monthly 12.09 Report reconciled against the monthly generated ITS/eTIS report of collection together with the prescribed collection reconciliation report, if applicable;

3. Validate the tax collections claimed by the concerned RDOs/LTS Office in their submitted Monthly 12.09 report against the generated collection report in CRS;

4. Coordinate with the respective RDOs/LTS Office any discrepancies noted between the submitted Monthly 12.09 Report and the CRS-generated report, and require the submission of an amended report, if warranted; and

5. Report all issues pertaining to the use of the CRS to the Helpdesk and monitor the timely resolution thereof.

In the preparation of the monthly collection performance of the RDOs, the RSD shall use the eTIS/ITS generated 1209 reports or the CRS-generated collection data, whichever is lower, in case the RDO/LTS fails to submit the required reconciliation stated in item no. II.8 of this Order.

F. *The Revenue Data Centers (RDC) /National Office Data Center (NO-DC) shall*:

1. Provide assistance to the concerned LTS Offices/RDOs to ensure timely resolution of CRS-detected collection discrepancies across all payment channels in iTS-CBR/eTIS-CRR; and

2. Monitor the immediate resolution of all technical and operational issues logged by the CRS users with the BIR Helpdesk.

G. *The BIR- Help Desk shall*:

1. Receive and log all requests and issues raised by concerned CRS users;

2. Provide TTN for each and every issue logged by the concerned CRS users;

3. Forward immediately to the concerned BIR Offices all the logged CRS-related issues for appropriate actions;

4. Coordinate with all the concerned parties the immediate resolution of all the logged CRS-related issues; and

5. Regularly Inform/update the concerned user of the status of the logged issues.

H. The Systems Development Division (SDD) shall:

1. Monitor ProInsight for any request from RAD regarding uploading of csv files of pertinent collection data provided by BTr and BSP; (NOTE: *In cases when ProInsight is unavailable, request for uploading may be done via email. Printed email shall be attached to the migration request and shall be made as reference in lieu of trouble ticket number)*;

2. Prepare, sign migration request and transmit the same to the Database Administrator-DWSOD for uploading to CRS;

3. Resolve trouble ticket via ProInsight, if csv file has been uploaded in CRS; and

4. Notify the RAD whether or not uploading of csv file is successful.

I. *The Data Warehousing and Systems Operations Division (DWSOD) – Database Administrator shall:*

1. Receive from SDD the request for uploading the csv file/s containing BTr and BSP tax collection data and upload the same to CRS UAT server before loading into production server; and

2. Notify the SDD via email whether or not uploading of csv file/s to CRS is successful.

J. *The Security Management Division shall:*

1. Generate Monthly CRS User Logs and forward the same to the RAD for analysis not later than the 10th day of the following month.

K. *The Internal Investigation Division shall:*

1. Receive from the RAD the list of concerned CRS users who fail to regularly utilize the System;

2. Conduct necessary investigation against the concerned CRS users on alleged violations of the provisions of this Order; and

3. Prepare and submit recommendation to top management the result/s of investigation conducted on the referred cases, in accordance with the prescribed rules on the conduct of administrative investigation.

V- TRANSITORY PROVISION

For all RDOs where the CRS has not yet been implemented, the manual procedure in reconciling collections shall still be strictly implemented by the RDOs/concerned LTS Offices; and that the ITS/eTIS - generated 1209 report must be used as the exclusive basis for the reporting of their respective collection performance. In the event that there are unaccounted collections in the said system-generated collection reports, the concerned RDO/LTS Office shall submit to the RSD and RAD the Monthly Collection Reconciliation Reports prescribed in Annex "A" hereof, as well as all the pertinent supporting document/s to enable the latter offices to effect the necessary adjustments in their respective collection records. The RSD and RAD shall not consider any additional or adjustments to the collection reports submitted by RDOs/LTS Office other than the system-generated report unless the same is supported with the herein prescribed attachments together with the specific details of all collection adjustments.

It is also reminded that "out-of-year" collections that were posted/booked in ITS-CBR as collections for the current year in ITS-CBR must always be part of the adjustment item, for purposes of reporting the monthly collection performance, since revenue recognition in the ITS-CBR is based on booking date and not on the actual collection date.

It shall likewise be understood that this transitory provision must be strictly observed by all concerned offices until such time that the CRS is fully deployed and implemented in their respective areas of jurisdiction.

This Order shall take effect immediately.

(Original Signed)
KIM S. JACINTO – HENARES
Commissioner of Internal Revenue