Making the Public Know

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

March 15, 2010

REVENUE MEMORANDUM ORDER NO. 29-2010

SUBJECT : Prescribing Guidelines and Procedures in the Processing and Payment of Certain Money Claims

TO : All BIR Officials, Employees and Others Concerned

I. Background

The approval of the customized BIR Procurement Manual on May 31, 2007 and its consequent implementation brought about changes in the procurement of goods, consulting services and infrastructure projects with contracts, among others. In order to conform to these changes, procedures and documentary requirements in the settlement/payment of money claims emanating from such transactions were drawn up. At this point, however, it is apparent that enhancement to said procedures should be effected and made standard for all BIR offices as well as attach appropriate responsibility to concerned offices.

II. Objectives

This Order is issued:

1. To prescribe policies, guidelines and procedures in the processing and prompt payment of money claims on procurement of goods, consulting services and infrastructure projects with contracts;

2. To determine documentary requirements and set standards in the processing of said money claims by various Divisions/Offices; and

3. To define and delineate the duties and responsibilities of different Divisions/Offices involved.

III. Policies

1. All money claims shall be processed in accordance with existing budgeting, accounting and auditing rules and regulations.

2. No money claim shall be approved for payment unless duly supported by complete documentary requirements as specified in the Checklist of Requirements, Annexes A to M.

3. The responsible officer of the office involved must ensure the correctness and completeness of documents supporting the money claim.

4. Purchases made by the Agency must be inspected and verified by the Inspection and Acceptance Committee (IAC) to verify whether the deliveries conform with the specifications/terms and conditions in the purchase order (PO)/Job order (JO)/contract. Only the IAC is authorized to conduct inspection and issuance of the corresponding Inspection and Acceptance Report (IAR).

5. Claims with findings, deficiency or lacking requirements must be returned by the office which discovered the findings, deficiency or lacking requirements within one (1) working day.

6. No money claim shall be paid until the evidence of satisfactory inspection by the IAC, when inspection is required under existing rules and regulations, has been attached to the money claim.

7. All money claims subject to pre-audit by the Commission on Audit (COA) shall be paid only after a favorable audit action of COA Auditor has been made.

IV. Procedures

A. GENERAL SERVICES DIVISION (GSD)/ADMINISTRATIVE DIVISION (AdmD)

1. Receive from Supplier/Contractor items procured together with the Delivery Receipts (DR)/Sales Invoice (SI)/Service Invoice (ServI)/Charge Invoice (CI).

2. Prepare Request for Inspection, together with photocopy/ies of DR/SI/ServI/CI, and forward to the Chairman, IAC (Annex N) and COA (Annex O), within twenty-four (24) hours from receipt of deliveries.

3. Forward original DR/SI/ServI/CI to Procurement Division (PD) within twenty-four (24) hours from conduct of actual inspection.

4. Submit certified photocopies of DR/SI/ServI/CI to Accounting Division (AD)/Finance Division (FD), (Annex P), to record inventories procured, within twenty-four (24) hours from receipt of deliveries.

B. INSPECTION AND ACCEPTANCE COMMITTEE (IAC)/REGIONAL INSPECTION AND ACCEPTANCE COMMITTEE (RIAC)

1. Conduct actual inspection of deliveries for verification whether the deliveries conform with the specifications/terms and conditions in the PO/JO/contract within three (3) working days from receipt of request for inspection.

2. Prepare and submit duly signed IAR (Annex R), together with Inspector's Report, to the PD/AdmD within two (2) working days from conduct of inspection/reinspection. In case of deficiency/non-conformity with the specifications/terms and conditions, return report to PD/AdmD within one (1) day from discovery of discrepancy.

C. PROJECT PROPONENT (PP)

1. Receive from Supplier/Contractor Billing Statement (BS)/SI/Statement of Account (SA).

2. Prepare and submit to the PD/AdmD documents specified in the applicable Checklist of Requirements (Annexes A to M), within two (2) working days from receipt of BS/SI/SA or from return of claims due to lacking documents/requirements by PD/AdmD.

3. Prepare and submit Request for Inspection (Annexes N and O) of contract deliverables)for goods/services directly delivered to the project proponent, such as applications/licenses, reports, documentations, manuals and the like, addressed to the Chairman, IAC/RIAC and COA, within twenty four (24) hours from receipt of contract deliverables.

4. Forward original DR/SI/ServI/CI to AdmD/PD, copy furnished GSD, with photocopies of said documents, within twenty four (24) hours from conduct of actual inspection.

D. PROCUREMENT DIVISION (PD)/ADMINISTRATIVE DIVISION (AdmD)

1. Receive from Project Proponent BS/SI/SA, Checklist of Requirements and supporting documents.

2. Receive from the GSD/Project Proponent Original DR/SI/ServI/CI supporting the deliveries.

3. Verify completeness of supporting documents, within three (3) working days from receipt thereof. If incomplete, return to Project Proponent for compliance.

4. Evaluate documents as to correctness and accuracy and prepare Disbursement Voucher (DV), (Annex R), if in compliance with the terms and conditions of the JO/PO/contract within four (4) working days from receipt of all the documents specified in paragraph D.1.

5. Transmit DV together with all the supporting documents to Accounting Division (AD)/Finance Division (FD), within one (1) day after preparation of DV.

6. Return to Project Proponents DVs with findings as determined by the PD/AD/FD within one (1) day from discovery or receipt from PD/AD/FD.

E. ACCOUNTING DIVISION (AD)/FINANCE DIVISION (FD)

1. Receive DV and supporting documents from PD/AdmD.

2. Assign DV number and record in the logbook.

3. Verify completeness, accuracy, propriety, validity and legality of all money claims, within a maximum period of five (5) working days from receipt thereof. However, money claims for the following services shall be processed within seven (7) working days from receipt of the DV:

    a. Security, Janitorial and other contracts requiring manpower deployment in the BIR;
    b. Telecommunications; and
    c. Printing of Tax Forms directly delivered to the Regional/District Offices.
    d. Comprehensive lease of IT Equipment and other IT services

    Return to PD/AdmD DVs with findings as determined by the FS/ARD within one (1) day after processing or receipt from FS/ARD.

4. Index money claim within one (1) hour after processing.

5. Certify availability of cash and completeness of supporting documents (Box A of the DV), within two (2) working days after evaluation of money claims.

6. Forward certified DV and supporting documents to Financial Service (FS)/ARD.

F. FINANCIAL SERVICE (FS)/OFFICE OF THE ASSISTANT REGIONAL DIRECTOR (ARD)

1. Receive DVs and supporting documents from AD/FD.

2. Review DVs as to the completeness of supporting documents and accuracy of money claims, within a maximum period of two (2) working days from receipt thereof. However, money claims for the following services shall be processed within three (3) working days from receipt of the DV:

    - Security, Janitorial and other contracts requiring manpower deployment in the BIR;
    - Telecommunications; and

- Printing of Tax Forms directly delivered to the Regional/District Offices.
- Comprehensive lease of IT Equipment and other IT services

If with findings/lacking documents by FS/ARD/COA, return to AD/FD within one (1) day.

3. Approve payment of money claims (Box B of DV), within two (2) working days after review.

4. Forward approved DVs and supporting documents to:

    a. GSD/AdmD – money claims not subject to pre-audit by COA
    b. COA Resident Auditor – money claims subject to pre-audit per COA Circular Nos. 2009-02 and 2009-05

5. Receive DVs subjected to pre-audit from COA Resident Auditor. If with favorable action from COA, forward to GSD/AdmD within one (1) working day from approval of DV for check preparation; otherwise, return to AD/FD.

G. GENERAL SERVICES DIVISION (GSD)/ADMINISTRATIVE DIVISION (AdmD)

1. Receive approved DVs and supporting documents from FS/ARD.

2. Prepare, sign and countersign check within one (1) working day from receipt of DVs.

3. Forward signed check and supporting documents to Administrative Service (AS)/ARD for countersigning.

4. Receive check countersigned by AS/ARD and release check to claimant or his duly authorized representative subject to the submission of the following documents:

    a. Official Receipt (OR) acknowledging payment of the claim.
    b. Special Power of Attorney (SPA) executed by the payee authorizing the representative to claim the check;
    c. Board Resolution authorizing the representative to receive the check, if applicable; and
    d. Proper identification card of the claimant or the duly authorized representative

5. Prepare, sign and submit Advice of Checks Issued and Cancelled (ACIC) to Land Bank of the Philippines (LBP) and Bureau of Treasury (BTr), within the day of preparation of check.

H. Administrative Service (AS)/Office of the Assistant Regional Director (ARD)

1. Receive signed check and supporting documents from GSD/AdmD.

2. Countersign check within one (1) working day from receipt thereof.

3. Release countersigned check to GSD/AdmD.

VI. Repealing Clause

All revenue memorandum orders and circulars inconsistent herewith are hereby amended/modified accordingly.

VII. Effectivity

This RMO shall take effect immediately.

(Original Signed)
JOEL L. TAN-TORRES
Commissioner of Internal Revenue