

Republika ng Pilipinas  
KAGAWARAN NG REPORMANG PANSAKAHAN  
(DEPARTMENT OF AGRARIAN REFORM)  
Tanggapin ng Kalihim  
Diliman, Lungsod ng Quezon  
D-505

RB 11/10/72  
In reply, please address:

THE SECRETARY  
Department of Agrarian Reform  
P.O. Box No. 2993  
Manila

(Administrative)

DEPARTMENT MEMORANDUM CIRCULAR NO. 6 RB  
Series of 1972.

Re: Prohibiting the use of "Vales" and etc.

Reproduced hereunder in full is the Memorandum Circular 570, of June 24, 1968, of the Auditor General, which is self-explanatory:

"Republic of the Philippines  
"General Auditing Office  
"Quezon City

"June 24, 1968

"MEMORANDUM CIRCULAR 570

"SUBJECT: Prohibiting the use of "vales", IOUs, chits or other forms of promissory notes in government disbursements.

"TO : All heads of executive departments, agencies, local governments, and government-owned or controlled corporations; cashiers and disbursing officers; and auditors concerned.

"In a recent cash examination of the cash and accounts of a disbursing officer in one agency, an audit team found among the cash items presented by the accountable officer to his credit cash advance payments to officials and employees including auditing personnel. These cash advances, given through the use of yellow reimbursement receipts (General Form No. 3-A), aside from the fact that they were exceptionally large, did not specify the official needs for which the money was advanced.

"It was fairly obvious that the form drawn was essentially a "vale", an IOU, a chit or promissory note, which, under repeated office memoranda and even in formal rulings of this Office, is never accepted as a valid payment of any disbursing officer. The conclusion that the transaction was really a loan becomes the more positive by the lack of justification for the grant of the cash advance.



"To put an end to the unauthorized practice disclosed above, the following rules are laid down for the observance of all concerned:

"1. A vale, IOU, chit or other form of promissory note, is not acceptable credit to the cash account of any accountable officer, and is at once excluded during the cash examination from among the cash items.

"2. The yellow reimbursement receipt properly used only as receipt or proof of petty expenses in the field, should not be used to replace the general voucher for drawing amounts which need the approval of several officials before payment, and require adequate description of the goods or services being paid for.

"3. Cash advance asked by any auditing personnel requires the prior approval of the Auditor General, Deputy Auditor General, or the proper department manager.

"Under no circumstance shall deviation from the foregoing rules be accepted. Any violation of these rules shall be sufficient cause for the filing of administrative or criminal charges, against the erring official or employee.

"This Memorandum Circular supplements Memorandum Circulars Nos. 7 and 302, dated August 31, 1948 and October 26, 1956, respectively.

(SGD.) "ISMAEL MATHAY, SR.  
"Auditor General"

The Agrarian Regional Directors, District Officers, and Team Leaders, shall be awake and vigilant on the performance of their Cashiers and Disbursing Officers. These Officials shall be held responsible and liable, should they tolerate and/or connive with their Cashiers and Disbursing Officers, to act in violation of the existing laws, rules and regulations covering the handling of cash, such as the aforesaid Circular.

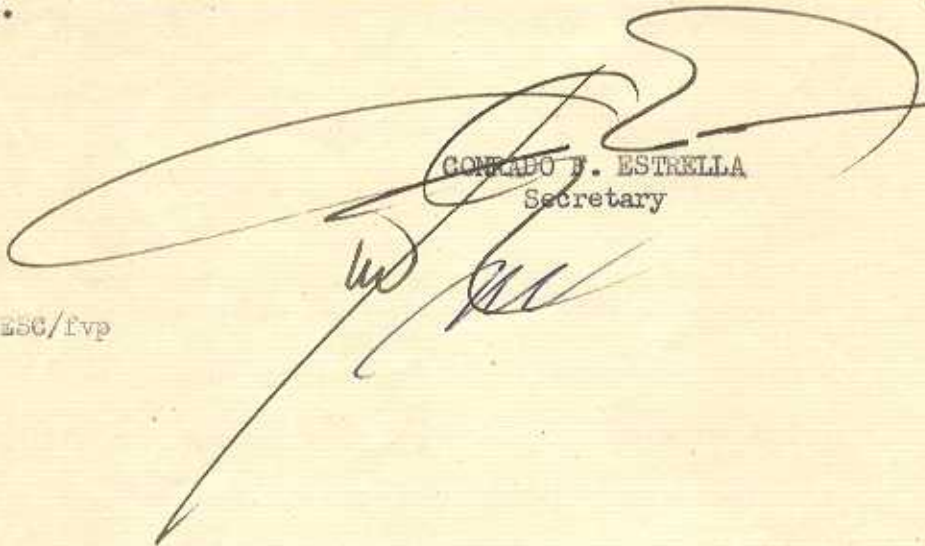
Failure on their part to prevent such violations and other anomalous transactions of their Cashiers and Disbursing Officers or Bill Collectors, shall be considered as mal-management, incompetence and/or inefficiency and a prima-facie-evidence of gross negligence and laxity of supervision, all of which are subject to disciplinary action and punishable under the Presidential Decree No. 6.



It is advised that all officials concerned, but especially the Cashiers and Disbursing Officers or Bill Collectors, shall observe, implement, and adhere to strictly to the provisions of the above Circular and other relevant Circulars, and suppress immediately the use of "Vales".

Any and all violators, whether directly or indirectly, and their accomplices and/or accessories in the infraction of this Circular shall be dealt with administratively pursuant to Presidential Decree No. 6.

Done in Diliman, Quezon City, this 7th day of November, 1972.



CONRADO F. ESTRELLA  
Secretary

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