



**PARC EXECUTIVE COMMITTEE**  
**MEMORANDUM CIRCULAR NO. 07**  
Series of 1997

**FOR :** All Regional Directors  
Provincial Agrarian Reform Officers  
PARCCOM Chairpersons

**SUBJECT :** **Guidelines in the Utilization of PARCCOM Budget**

**FROM :** Chairman, PARC Executive Committee

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**A. Rationale**

Section 44 of RA No. 6657 created the Provincial Agrarian Reform Coordinating Committee (PARCCOM) to coordinate and monitor the implementation of the Comprehensive Agrarian Reform Program (CARP) at the provincial level. Under Sections 3 and 4 of RA No. 7905, the functions of the PARCCOM have been expanded ranging from planning and policy formulation to monitoring and coordination. Given these mandates, the PARC Executive Committee passed a Resolution granting financial support to the operation of the PARCCOMs through Memorandum Circular No. 16 issued by the DAR Secretary on 4 July 1995. The Circular provides honoraria for the PARCCOM Chairpersons and Private Sector Representatives (PSRs), and other expenses for the operation of the PARCCOMs. The inadequacy in the management and utilization, and delay in the release of PARCCOM budget, however, necessitates the adoption of a mechanism which would address such concerns. This Memorandum Circular, therefore, is being issued to ensure the efficient management and utilization of the PARCCOM budget.

**B. Basic Policies**

The granting of financial support to PARCCOM operations are guided by the following principles:

1. The honoraria granted to Chairpersons and PSRs of the PARCCOM is a form of recognition and token/gratitude for the voluntary services that these officials render;
2. The financial support granted to the operation of the PARCCOM is a modest amount which the PARC Executive Committee can provide, given the limitation of the Agrarian Reform Fund (ARF). As such, the PARCCOMs should be encouraged to continue their efforts to mobilize resources from external sources;

3. The annual allocation of PARCCOM budget per province shall be determined by the PARC Executive Committee, as recommended by the PARC Secretariat, based on the Work and Financial Plans (WFPs), their accomplishments and other parameters which would be drawn up by the PARC Executive Committee; and
4. The PARCCOM budget shall be managed by the PARCCOM itself, in accordance with the principles of transparency, efficiency, consensus, and the activity rules and regulations.

**C. Management and Utilization of the PARCCOM Budget**

The management and utilization of the PARCCOM Budget shall be governed by the following guidelines:

**1. Preparation and Submission of Work and Financial Plan**

Every PARCCOM shall prepare and submit its Work and Financial Plan, every November of the year preceding the year on which the budget becomes operational, to the PARC Secretariat for purposes of programming and monitoring the utilization of the PARCCOM Budget. In the process of preparing the WFP, the participation of the entire PARCCOM membership will be encouraged.

**2. Budget Release and Disbursement**

The annual budget of the PARCCOM shall be lumped with the budget of the PARC Secretariat. The FMAO, upon recommendation of the PARC Secretariat, will make a fund transfer of the appropriate amount with Funding Check to the DARPO. The transferred amount will be deposited in a separate Trust Account. The PARCCOM Chairperson will be authorized as the Special Disbursing Officer (SDO) to handle direct Disbursement for PARCCOM operation. The DARPO will grant cash advances to the PARCCOM Chairperson/SDO upon the latter's request on a quarterly basis. Cash Advances of P100,000 and above shall be deposited in a government depository bank in the name of PARCCOM. The authorized signatories for check disbursement from this account shall be the PARO and the PARCCOM Chairperson .

The PARCCOM Chairperson/SDO, as required by law, will be bonded. In the absence of the Chairperson, for reasons that the said official is on leave, refuses to assume his/her functions and responsibilities as determined by the PARCCOM membership; or in case the said position becomes vacant, the PARCCOM shall elect a Private Sector Representative to serve as the acting SDO.

**3. Authorized Expenditure Items**

The expenditure items authorized under the PARCCOM budget shall include the following:

a. Personal Services (PS)

The amount earmarked for Personal Services shall be treated as a fixed allocation per PARCCOM and shall be used for the following:

- Honoraria of the Chairperson and for each PSRs in the amount of P1,200.00 and P800.00 per month, respectively;
- Honoraria for two (2) members of the PARCCOM Secretariat in the amount of P 800.00 per month for each member.

In the event that the position of the Chairperson is vacant and the PSRs membership is incomplete, the honoraria allocated for those vacancies may be realigned by the PARCCOM as honoraria of other members of the PARCCOM Secretariat, on top of the honoraria provided for the two (2) members of the PARCCOM Secretariat.

In case of absences of the PARCCOM Chairperson, PSRs and members of the PARCCOM Secretariat, their honoraria shall be forfeited for the month when such absences were committed and shall be allocated to other purposes as determined and/or decided by the PARCCOM membership.

b. Maintenance and Other Operating Expenses (MOOE)

The MOOE allocation per province shall be determined by the PARC ExCom, as recommended by the PARC Secretariat, based on the parameters cited under Item B.3 above. This shall be utilized for the following:

- Travelling expenses (e.g., transportation and per diems) of Chairperson, PSRs and members of the PARCCOM Secretariat;
- Supplies and materials; and
- Other services.

The PARCCOM shall allocate and/or program its MOOE for Transportation Expenses, Supplies and Materials and Other Services, subject to the concurrence/approval of the PARCCOM Membership.

The procurement and management of supplies and materials shall be the responsibility of the PARCCOM Secretariat, under the supervision of the PARCCOM Chairperson.

4. **Approval of Requisition and Issue Vouchers (RIVs), Travel Orders and Disbursement Vouchers**

For administrative purposes, the PARO shall be responsible for the approval of RIVs for the purchase of supplies and materials based on the approved WFP, Travel Orders of the PARCCOM Chairperson, PSRs and members of the PARCCOM Secretariat, and Disbursement Vouchers, as recommended by the Chairperson.

5. **Reporting**

The PARCCOM Chairperson, in his capacity as the Special Disbursing Officer, shall be responsible for the submission of audited financial and/or disbursement reports to the PARC Secretariat. These reports, duly approved by the PARO and noted by the PARCCOM Chairperson, shall be submitted on a monthly basis and must be prepared in accordance with the generally accepted principles of accounting and auditing under the government. Subsequent releases of cash

advances shall depend on the timely submission of these reports as well as the PARCCOM's accomplishment to the PARC Secretariat. For this purpose, a PARCCOM Affairs Unit under the Office of the Director of the PARC Secretariat shall be established to handle financial transactions and other concerns of the PARCCOMs.

6. **Auditing**

Auditing of financial reports shall be done by the DAR Resident Auditor at the Provincial Office. In case of disallowances and/or discrepancies noted in the report, the PARCCOM Chairperson or the acting SDO shall be made legally accountable, depending on his/her incumbency as SDO or as acting SDO, respectively, when such disallowances were committed.

This Memorandum Circular takes effect on 1 January 1997 and supersedes Memorandum Circular No. 16 earlier issued on this matter.

Please be guided accordingly.

31 January 1997  
Diliman, Quezon City

  
**ERNESTO D. GARILAO**  
Chairman, PARC Executive Committee  
and Secretary, Department of Agrarian Reform

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