



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

MEMORANDUM CIRCULAR NO. 13

Series of 1994

**REVISED PROCEDURES ON REPORTING AND RECORDING OF LOSS AND
DAMAGE ON PROPERTY/EQUIPMENT AND VEHICULAR INSURANCE CLAIM**

In the interest of the service and in order to improve the existing internal control, the following procedures on reporting and recording of loss/damage on property/equipment and vehicular insurance claim are to be implemented as follows:

1. In case of loss/damage on property/equipment, a Property and Equipment Damage Report Form (General Services Form No. 11, copy attached) shall be accomplished by the person concerned noted by the Division Chief or Head of the Office and shall be submitted to the General Services Staff/General Services Section (GSS) subject to inspection, copy furnished COA and Accounting Division/Section.
2. In case of vehicular accident, the General Services Staff/Section shall accomplish the Property and Equipment Damage Report Form to be supported by a copy of the police report on the accident, copy furnished COA and Accounting Division/Section.
3. The GSS shall furnish COA and Accounting Division/Section xeroxed copies of the duly accomplished Conformity Letter and Loss and Subrogation Receipt from GSIS which shall be used as the bases for recording in the books of accounts by the Accounting Division.
4. In case of loss of government property thru fire, theft and other casualty of force majeure, the officer accountable therefor or having custody thereof shall immediately notify the Commission on Audit or the Resident Auditor concerned and, within 30 days or such longer period as the Commission or Auditor may in the particular case allow, shall file his request for relief with all the available supporting documents pursuant to Section 498 and 499 of the Government Accounting and Auditing Manual (GAAM), Volume I.

5. The Accounting Division/ Section shall take up in the books of accounts the following transactions involved:

A. In case of total loss

A.1 Report/Discovery of loss:

Invested Surplus - Losses, Destruction or Other Involuntary Disposition	0-94-240	xx	
Fixed Assets - Economic Services	8-79-800		xx

Corollary entry to set up accountability of end-user:

Contingent Assets - Claims for Unrelieved Losses of Fixed Assets	8-74-200	xx	
Contingent Surplus	8-96-000		xx

A.2 With insurance coverage

A.2.1 Report/Discovery of Loss:

Invested Surplus - Losses, Destruction or Other Involuntary Disposition	0-94-240	xx	
Fixed Assets - Economic Services	8-79-800		xx

Corollary entry to set up accountability of end-user:

Contingent Assets - Claims for Unrelieved Losses of Fixed Assets	8-74-200	xx	
Contingent Surplus	8-96-000		xx

A.2.2 If claim for insurance is filed with the GSIS:

Receivables - GSIS	8-71-320	xx	
Miscellaneous Liabilities Deferred Credits-GSIS	8-86-320		xx

A.2.3 GSIS pays insurance claim

Cash - Collecting Officers	8-70-400	xx	
Receivables - GSIS	8-71-320		xx

Miscellaneous Liabilities			
& Deferred Credits-GSIS	8-86-320	xx	
Income/Estimated Revenue	0-91-100(59-900)		xx

Corollary entry:

Contingent Surplus	8-96-000	xx	
Contingent Assets -			
Claims for Unrelieved			
Losses of Fixed Assets	8-74-200		xx

Deposit to the National Treasury

Cash-Treasury/Agency Acct.	8-70-700	xx	
Current-Deposits			
Cash-Collecting Officers	8-70-400		xx

A.2.4 Where the agency undertakes the repair, the usual accounting entries for the acquisition/restoration of the damaged property shall be followed upon receipt of allotment advice and the corresponding Notice of Cash Allocation (4.4.1 and 5.7.1 of COA Circular No. 81-160) which came from the proceeds of the insurance coverage deposited to the Bureau of Treasury.

A.2.4.1 Report/Discovery of Loss:

Invested Surplus -			
Losses, Destruction or			
Other Involuntary			
Disposition	0-94-240	xx	
Fixed Assets - Economic			
Services	8-79-800		xx

Corollary entry to set up accountability of end-user:

Contingent Assets -			
Claims for Unrelieved			
Losses of Fixed Assets	8-74-200	xx	
Contingent Surplus	8-96-000		xx

A.2.4.2 Receipt of Allotment Advice from DBM

Fund 101

National Clearing			
Account	8-99-000	xx	
Appropriations			
/Allotment	0-90-000		xx

Fund 158

Legislative Appropriations-CY	0-92-310	xx	
Legislative Approp.	0-93-310		xx
Legislative Approp. Appropriations	0-93-310	xx	
Allotment	0-90-000		xx

A.2.4.3 To obligate the repair (same entry for both funds)

Appropriations/ Allotment	0-90-000	xx	
Obligations Incurred	0-82-000		xx

A.2.4.4 Payment of repair

Obligations Liquidated	0-83-000	xx	
Cash-Treasury/Agency Acct.			
Current-Deposits	8-70-707		xx

A.3 If GSIS does not approve insurance claim, cancel entries on A.2.3. _ _ _ by negative entries

8-71-320 (xx)

8-86-320 (xx)

A.4 Where the GSIS undertakes the repair/replacement and the corresponding repair increases the book value of the asset repaired (5.7.2. of COA Circular No. 80-160)

Fixed Assets	8-79-800	xx	
Invested Surplus- Adjustments (Addition)- Insurance	0-94-175		xx

A.5 Requesting for relief of accountability -

A.5.1 If request for relief is filed with COA and request is granted.

Contingent Surplus	8-96-000	xx	
Contingent Assets- Claims for Unrelieved Losses of Fixed Assets	8-74-200		xx

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A.5.2 If request is denied

A.5.2.a Setting up the receivable from the end-user/accountable officer

Receivables-Miscellaneous	8-71-900	xx
Income/Estimated Revenue	0-91-100(1-59-900)	xx

Corollary Entry:

Contingent Surplus	8-96-000	xx
Contingent Assets- Claims for Unrelieved Losses of Fixed Assets	8-74-200	xx

A.5.2.b Collection

Cash-Collecting Officer	8-70-400	xx
Receivables-Miscellaneous	8-71-900	xx

A.5.2.c Deposit with National Treasury

Cash-Treasury/Agency Account Current Deposits	8-70-700	xx
Cash-Collecting Officers	8-70-400	xx

Follow succeeding entries from A.2.4.2 to A.2.4.4

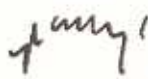
B. In case of partial loss -

B.1 Report/Discovery of Loss

Follow Entry A.1 & entries appropriate to the circumstances

For guidance and strict compliance.

August 15, 1994, Diliman, Quezon City.


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REPUBLIC OF THE PHILIPPINES
Department of Agrarian Reform
Diliman, Quezon City

PROPERTY/EQUIPMENT LOSS AND DAMAGE REPORT

NATURE OF REPORT : [] LOSS [] DAMAGE
PROPERTY/EQUIPMENT : _____
PROPERTY NUMBER : _____
GSIS INSURANCE POLICY NO. : _____ PERIOD COVERED : _____
DATE OF POLICY : _____ AMOUNT : _____
DESCRIPTION : _____
ACQUISITION COST : _____ YEAR ACQUIRED : _____
REMARKS/EXPLANATION : _____

REPORTED BY :

NOTED BY :

SIGNATURE

SIGNATURE

Name of End-User

Head of Office

DATE : _____

NOTE: Under Description, for vehicle, give detailed information as to Model, Engine No. and Chassis No.

INSPECTED BY:

DATE INSPECTED:

GSS REPRESENTATIVE

FINDINGS/RECOMMENDATIONS: _____

INSTRUCTION: Accomplish in triplicate.