

Republika ng Pilip
MINISTRI NG RE. (ANG PANSAKAHAN
(Ministry of Agrarian Reform)
Tanggapan ng Minister
Diliman, Lungsod ng Quezon
Pilipinas, D-505

In reply, please address: THE MINISTER Ministry of Agrarian Reform P.O. Box No. 2993 Manila

MEMORANDUM CIRCULAR NO. _ Series of 1986

3'54 Pg.Pi4-86

SUBJECT: POLICY GUIDELINES GOVERNING THE DISPOSITION OF HOME-LOTS AND RESIDENTIAL LOTS IN SETTLEMENT AREAS TO QUALIFIED NON-SETTLERS

I. Introduction

Through the years the pressure of population coupled with the progress in settlements has attracted more and more people to the agrarian reform resettlement areas. This has given rise to migration and the influx of persons who could no longer be allocated farmlots but are desirous to acquire a residential lot or homelot.

In view of this situation, there is a need for a realistic policy to govern in the disposition of such lots to non-settlers.

II. Policy

In line with the national objective to give equal opportunities and improve the quality of life of the less privileged sector of our society, it is now the policy of the MAR to sell and dispose residential lots and homelots in settlement projects to qualified non-settlers.

III. Scope

This policy shall govern the manner and mode of disposition of homelots and residential lots to non-settlers in settlement projects. Lots for residence purposes in the barrio sites shall be called homelots, while those in the townsites/homesites shall be called residential lots.

IV. Qualification of Non-Settler Applicant

A. Actual Occupant

- A Filipino, of legal age or head of a family;
- Has constructed a house on the lot and actually residing therein, or has introduced substantial improvements;
- Not an owner of residential lot within the Municipality where the settlement is located or adjoining municipalities; and
- Not a registered settler or beneficiary of any lot within agrarian reform areas.



B. Non-Occupant

- 1. A Filipino of legal age or head of a family;
- Not an owner of residential lot in the municipality where the settlement is located or in its adjoining municipalities;
- 3. If not a bona-fide resident of the settlement, one who, in six (6) months, will build a house or introduce imprements valued at an amount equivalent to the cost of the lot; and
- Not a registered settler or beneficiary of any lot within agrarian reform areas.

V. Mode of Disposition

A. Direct Sale to Actual Occupant

The following lots shall be disposed of by direct sale:

- 1. Occupied homelots in the barrio sites; and
- 2. Occupied residential lots in the townsites/homesites.

B. Direct Sale Through Raffle to Non-Occupant

Vacant and undisposed homelot/residential lots shall be disposed by direct sale through raffle to non-occupant.

VI. Cost of the Lot

- Occupied homelots shall be sold at not less than THREE PESOS (\$\mathbb{P}3.00) per square meter;
- Occupied residential lots disposed of to qualified occupants shall be sold at not less than TEN PESOS (P10.00) per square meter; and
- 3. Vacant homelots and residential lots shall be sold at their appraised/reappraised value as approved by the Minister but not less than the cost stated above.

VII. Terms and Manner of Payment

- Twenty percent (20%) down payment upon issuance of Order of Award.
- Remaining balance on installment terms, payable within a period of five (5) years without interest;
- 3. Any balance remaining unpaid after the 5-year period shall bear interest at the rate of six percentum (6%) per annum until paid; and
- Only Official Receipt shall be issued for every payment made.



VIII. Condition Precedents Before Sale of Lots

Before any homelot or residential lot is sold pursuant to these guidelines, the following conditions shall be completed, to wit:

- A. All approved settlers with farmlots must first be allocated their homelots or residential lots;
- B. Notices prohibiting squatting of lots should be posted in conspicuous places in the barangay site or townsite within THIRTY (30) DAYS from approval of these guidelines;
- C. Any person who shall occupy any lot after the notices have been posted shall be disqualified to acquire any lot under the agrarian reform program; and
- D. An inventory of occupied and vacant homelots and residential lots should be made immediately upon issuance of these guidelines using BURE Forms Nos. 3A and 3B.

IX. Issuance of Order of Awards

After complying with the conditions prescribed in the preceeding paragraph VIII, the applications of actual occupants shall be processed. The Team Leader shall make a list of proposed Awardees which shall include, the name of the applicant, lot number, block number, subdivision plan number, area, location, and cost of improvements, and post it for THIRTY (30) DAYS on the Bulletin Board of the Settlement Team Office. Those found qualified to acquire homelots or residential lots shall be immediately issued orders of awards by the Regional Director concerned.

A. Papers/Documents Required for the Issuance of Order of Awards

- Miscellaneous sales application (prescribed form)
 of the applicant;
- Investigation report;
- Sketch plan of the lot showing the nature and relative position of improvement of the lot and the owner thereof;
- 4. Certificates of posting of lease of proposed awardees by the Team Leader; and
- Certification of the Team Leader and the regional legal division that the lot is free from adverse claim and/or court litigation.

X. Issuance of Miscellaneous Sales Patent

Any awardee who has fully paid the cost of the lot shall subsequently be issued miscellaneous sales patent. However,



an awardee who has paid fifty percent (50%) of the cost of the lot, may likewise be entitled for the issuance of land patent provided, that whatever unpaid balance incurred be annotated as first lien on the patent to be issued.

A. Papers Required for the Issuance of the Miscellaneous Sales Patent

- All the original copies of the papers required for the issuance of Order of Award;
- 2. A copy of the Order of Award issued;
- Certification from the Regional Legal Division that the lot is free from adverse claim or court litigation;
- 4. Certification from the Regional Accountant or other authorized employee indicating the official receipt number and date thereon and the amount if total cost of the lot has been paid within a period of FIVE (5) YEARS from the date of the award. However, should full payment be made after five (5) years, sales memorandum and the statement of account shall be prepared and submitted in lieu of the certification; and
- 5. Certification from the Team Leader or authorized representative that the awardee is still in possession of the lot.

XI. Restrictions and Limitations

- A. The lot shall not be sold or in any manner transferred or conveyed except through hereditary succession or in favor of the Government;
- B. The lot shall be used principally for residential purposes otherwise, the lot shall revert to the Government and all improvements constructed or existing thereon shall become the property of the Government, without any obligation on its part to reimburse the cost of the lot and improvements;
- C. The beneficiary or his heirs shall not subdivide, lease or otherwise encumber the lot, except with the prior written consent and approval of the Minister of Agrarian Reform and that a violation of any of the condition as herein provided shall cause the immediate annulment of the sale, with the forfeiture by the Government of the purchase price of the lot together with all the improvements thereon without right of reimbursement;
- A
- D. The restrictions and limitations as herein provided shall be part of the Order of Award and shall be annotated on the patent to be issued; and
- E. The restrictions and limitations provided for by the Public Land Act and other applicable laws on servitudes,

easements and encumbrances shall also apply.

F. Penalties

The penal provisions of Commonwealth Act No. 141, as amended, and Republic Act 3844, as amended, are hereby adopted as part of this Circular.

XI. Repealing Clause

All orders, memoranda, circulars and rules and regulations which are inconsistent herewith are hereby revoked, superseded, amended and/or modified, as the case may be. Pertinent provisions of existing standard operating procedure, however, shall have suppletory effect.

XII. Effectivity

This Circular shall take effect immediately.

Diliman, Quezon City, February 24, 1986.

NRADO F. ESTRELLA

Minister

GUIDELINE

PLANNING AND FINANCIAL MANAGEMENT SYSTEM - MARCO

1. Preparation of Office/Unit Action Plan

- 1.1 Upon the approval of the General Appropriation Act by the Batasang Pambansa, the Asst. Minister for Finance and Management shall furnish all MAR Offices/Units of a copy of the approved appropriation.
 - 1.2 The Office of the Minister (ODM, PS, FIMAS) shall establish the new Agrarian Reform Program Thrust in consultation with the management staff and the regional directors. This is done through a conference-workshop: MARCO and Regional Representatives.
 - 1.3 The Director/Chief of each Service in the MARCO executing or incharge of a specific P/P/A shall be responsible in preparing their respective Annual Work Program taking into consideration the following:
 - The approved program thrust for the year;
 - The identified needs of the implementing units;
 - The resultant analysis of the feedback as reported and monitored by the Office concerned of the project (P/P/A);
 - The target for the year in relation to the overall scope of the program/project;
- The limit of the fund appropriated for the P/P/A after deducting projections for reserve, contingencies, fixed expenses, contractual obligations, and others;
 - The available manpower expressed in man-days to perform the tasks and activities; and
 - Training needs and personnel development program of the office to strengthen its staff.
 - 1.4 The Annual Work Program of the Offices/Units shall be done and guided by the following procedures:
- The Director/Chief/Head of Office shall initially call upon the unit heads under him to determine the overall direction. Programs shall be presented into projects as prioritized.
 - Each project shall be spelled out into specific activities and the activity output indicated by units of measurement.
 - The quantified target for the quarter shall be the unit of measurement that can be achieved for the period. Series of activities programmed within the year shall be enumerated.
 - Activities must always be related to personnel doing the job. The number of man-days of these personnel shall be estimated using the standard and feasible time-table to complete the job. The total man-days of the individuals performing the

task must jibe with the sum of man-days input for the personnel as shown in the NPAS targets agreed upon with their supervisors for any given quarter/semester.

- The office annual work program shall be presented quarterly using this Worksheet Format.

Worksheet: Quarter Office P/P/A Area of Concern/ Activities Unit of Quantified Manpower Requirement

1.5 For each activity of the project, estimate the fund requirement using current cost and classified into expenditure object classification. (Annex A) The estimates for expenditures shall be guided by the existing accounting and auditing rules and requirement. The offices should be critical on expenditures concerning salaries and wages, training and personnel improvement, traveling expenses, supplies and materials, maintenance of motor vehicles, office equipment. The logistic requirement for supplies and materials should be supported by a quarterly procurement program and the office equipment by an equipment inventory. Other expenditure objects which are common to the offices shall be estimated by the FIMAS-Budget Division. The WORKSHEET for the Financial Program follows:

	1. Persona	(M.O.1	ntenance &	Egpt.			
Project/. Activities	Salaries V	1	Supplic & Mate ria	Main- tenanc of M. Vehicl	e Others	Eqpt.	Tota: Cos
	1 1	1		1		:	1
	Afterguity on in	The Title of the	THE RESIDENCE	THE PART			2

- 1.6 The WORK AND FINANCIAL PROGRAM of each office shall be integrated and reviewed by the ODM, FIMAS and PLANNING SERVICE. A workshop shall be held with representations from the different offices.
 - Planning Service shall consolidate the office P/P/A and prepare the <u>Annual Work Program</u> of the MAR.
 - FIMAS shall consolidate the logistic requirements for the
 offices and integrate the other costs and prepare the Work
 and Financial Plan of the Ministry in accordance with the
 provision of Section 38 of PD No. 1177.
 - Administrative Service shall integrate all office supplies and materials requirements and the equipment inventories to prepare the ministry supplies and materials <u>Procurment Program</u> and the MARCO <u>Equipment Maintenance Program</u>.
 - Trainings and personnel development programs of the offices
 which are supportive to the attainment of their targets shall
 be consolidated and integrated by the ARES for the MAR Personnel Development Program.
- 2. Monitoring and Performance Evaluation
 - 2.1 As soon as the advice of allotment is received by the MAR from the Office of Budget and Management, the FIMAS shall prepare Notice of Allotment Released for each P/P/A and furnish the Offices concerned for their information and execution. The advises shall be accompanied by an ANALYSIS OF ALLOTMENT AND EXPENDITURE Form. Columns 1, 2, 3, 4, 5 and 6 shall be accomplished by the Budget Division, FIMAS.

ANALYSIS OF ALLOTMENT & EXPENDITURES

Office/Region	Quarter
P/P/A Code/Descri	ption ALAD No

OBLIGATION Expendi-	14	:Unpro-		rer	Retained	: Releases		: Different : (Analys	A Property of the Contract of
Object Class, a/	Appro-	:grammed;	Per	Advise (Revised)	by	per ALAD	ditures	:(3)-:(6)- :(6)=:(7)=	:(3)-
Code/ Name)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) (9)	(10)
			WE TO	12 0 COS	parts the	Lining 2 P	e (p) co (r) re- 0	14001	:
			01111	go alleur go	gje nad gj. goda	01 196 S	ugeog of		:
	2.3 95	0,750		a north	7000	ENS. THE	1750.0		:
	:	:				×	1		:

- 2.2 Upon receipt of the notice and the form, the Chief of Office responsible for the P/P/A shall designate a control officer within his office to monitor the use of the fund. All salary and traveling vouchers, payroll, job order, purchase order, others that are obligated to the fund must pass the consent/approval of the head of office. Where an office administers more than one P/P/A the particular P/P/A where the expenditure is obligated must be affixed. The quarterly obligations shall be summarized by expenditure object classification in accordance with the form.
- 2.3 At the end of every quarter, the obligated expenditures shall be reconciled with the reported disbursements from the Accounting Division, FIMAS in order to determine the actual expenditures under each P/P/A. Meanwhile, the Supervisors concerned shall monitor the performance and status of the program/project targets for the period. Likewise the manpower utilization shall also be evaluated through the New Performance Appraisal System.
- 2.4 The Chief of Office together with the unit heads shall conduct an assessment of their P/P/A performance using these procedures:
 - 2.4.1 Analysis of Allotment & Expenditure Form
 - a. The difference between column 3 and column 6 is the amount of appropriation not directly made available to the P/P/A. This indicates the gap between planned cost and the fund actually released.
 - b. The difference between column 6 and column 7 is the amount underspent or overspent. This would indicate savings or the need for more funds.
 - c. The difference between column 3 and column 7 is the difference between plan and actual expenditure. This indicates some possible changes in the cost standards applied in the estimation of the fund required.

2.4.2 Analysis of Work Program

Use the form below to compare the plan against the actual programs:

WORK PROGRAM ANALYSIS

	Quantified Result	:Manpower Utilization : (Man-days)	Cost Expenditures			
Unit of Measurement	Planned Actual Rati	o:Planned:Actual:Ratio	Releases Actual per Expenditures Ratio (6) (7)			
	329-p (c via 12m)					

FORMULA: Result Ratio = Actual Result × 100

| Manpower Ratio = Actual Man*days × 100
| Planned Man*days × 100

Cost Ratio

Actual Expenditure (7) x 100

Released ALAD (6) x 100

The quantified result ratio show the extent of the attainment of the quantified targets.

The manpower ratio show the utilization of personnel harnessed to attain the P/P/A.

The cost ratio show the propensity of the office to spend the amount made available to support the P/P/A.

The overall performance ratio is the average of the three ratios.

Overall Performance = Result Ratio + Manpower Ratio + Cost Ratio

3. Integration

3.1 The Planning Service shall consolidate and integrate all the quarterly performance reports submitted by the Offices and prepare an evaluation report for the Minister; copy furnished the Office of the Auditor, MAR.

PERFORMANCE REPORT Quarter 1986

P/P/A		Quantifi	ed Perfor	mance	Appropria	: Overall			
Code	Activities	Unit of : Measure :	Target	Actual	Released	Spent	Performance		
	I de la composition de								
	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	100					1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1		
	100		San Eggi		12 (3		1 TOP		

- 3.2 The FIMAS shall prepare the required financial reports to the OBM.
- 3.3 The OMAR/ODM shall:
 - Review the performance of the offices on the basis of the attainment of the objectives of the agrarian reform program

and the effectiveness of the administration/management of the P/P/A by the office heads; and

Direct any Office, Unit, Personnel to undertake activities in the interest of the program.

SEAST FEED

the grant transfer and the contract of the street of the contract of the

mands of Education Campains to nothing the fitting the total agent winging of

The cost test to they the meaners of the office by search the recent PARTY SEE TROPING IN A SERVICE TO SEE

Consider result with the product of the street scattering in the terminal

after that to be still governor to be the still a remark to 9 125 men.

on the atometax ban over comes their establishment and their i. . The part of the last of and the parties and and and are also the

Mile yes then say he end he mile

ADMINISTRAÇÃO A COMPANSA DE ACOMPANSA DE PROPERTO DE ACOMPANSA DE ACOM

the of the state of the sub- beginner in produce from the same and

with it turned in Tables of the abulacoffee of the Jack Haffe

Magn Mitthews was

the latest and the la

ANNEX A. EXPENDITURE OBJECTS CLASSIFICATION

Acc	ount	Code	Account Name
	25	Region.	PERSONAL SERVICES
3	01	000	Personal
		100	Salaries and Wages
		200	Non-Commutable Allowances
		300	Social Security Insurance Premium
		400	Overtime Pay
		500	Commutable Allowances/Fringe Benefits
- 1		600	Training and Personnel Improvement
		700	Commutable Allowances/Fringe Benefits
		800	Bonus and Incentives
-		900	Other Benefits
			MAINTENANCE & OTHER OPERATING EXPENSES
2	02	000	Two waldens Two and and
,		000	Traveling Expenses Communication Services
1		000	Repair & Maintenance of Government Facilities
		000	Transportation Services
-	Lotter Barrier	000	Other Services
- i		000	Supplies and Materials
		000	Rents
		000	Interests
		000	Grants, Subsidies and Contributions
		000	Awards and Indemnities
		000	Loan Repayment and Sinking Fund Contribution
	-	100	Loan Repayment
		200	Sinking Fund Contribution
3	13		Losses/Depreciation
		100	Losses of Current Assets
		200	Depreciation of Fixed Assets
3	14	000	Water, Illumination and Power Services
	15	000	Social Security Benefits and Other Claims
	16	000	Auditing Services
	17	000	Maintenance of Motor Vehicles Used for Official
			Travels of Officials and Employees
311		100	Repairs and Servicing
- 27	R	200	Spare Parts
		300	Gasoline and Oil
3	18	000	Discretionary Expanses
	19	000	Representation Expenses
		000	Extraordinary/Contingency/Emergency Expenses
		000	Taxes and Licenses
		000	Trading/Production
	23	000	Furniture and Equipment
	1		CAPITAL OUTLAY
1	31	000	Land and Land to Outland
	32		Land and Land Ly to the 's Outlay Buildings and Structure Outlay
		000	
	34	2000000	Equipment Outlay
		000	Investment Outlay Loans Outlay
	33	000	Donie Odersy

T 23726	MAR : Program : Thrust :	10-1-85	4		70 81		1986		Ne de	
10-15-85	PS :	3/2 3/2 1 1/3	eng Lag Silver Prim Prim Prim Prim Prim Prim Prim Pri	Bureaus & Services	- MARCO	- Regional	and and and and and and and and and and	(Amendment) are controlled	Annual Work Program (Omarterly Breakdown)	PRO
	AS	10-31-85	п	11	8	11		н	11	RA
11-10-85	OBM House and	1-1-86	Personnel Development Program :	Eqpt. Maintenance Program :	Annual Procurement Program :	Annual Work Program :		Work & Financial Plan :	= Manpower Program :	PROGRAMMING
3-31		-86		* Quarterly	Quarteri	* Assessmen		* Releases:	Quarterly F	INOM
6-30		Estate Estate		Integrati	quarterly Projects	t: Bureau,	from OBM Division	Advise of	und Releas	MONITORING & EVALUATION
9-30 1		25		* Quarterly Integration: PS/FIMAS/OMAR	s units/Ulfices	e	from OBM by FIMAS, Budget Division	* Releases: Advise of Released Funds	Quarterly Fund Releases from OBM	NOLLYNTAN
12-31		000		S/OMAR	ifices	Special	udget	unds	THE STATE OF	