

7/31/79

MINISTRY MEMORANDUM CIRCULAR NO. 14-79  
Series of 1979

Subject: Amending Dept. Memo-Circular No. 17, s. of 1977  
re Standard Operating Procedures on Tractor Pools.

Department Memorandum Circular No. 17, series of 1977, regarding the Standard Operating Procedures on Tractor Pools, is hereby amended to read as follows:

I. OBJECTIVE

It is the objective of the Ministry of Agrarian Reform to assist settlers/beneficiaries in land preparation through a low-cost tractor service by operating a tractor pool and to turn over the management of the tractor pool to the settlers as soon as they are already in a position to do so.

II. POLICY

The Ministry shall establish and maintain tractor pools in its settlement projects to provide a low-cost tractor service to settlers for land preparation and/or specific projects of the settlement.

III. GUIDELINES ON THE OPERATION

1. Tractors and other farm equipment necessary for the tractor pools shall be procured by the Ministry out of its appropriation for the special projects under the capital outlay.
2. Initial operational and maintenance expenses in preparing the farmlots of settlers such as repairs, fuels, oils, lubricants, wages of operators and helpers shall be taken from the revolving fund which shall be established by the Ministry.
3. The rate of land preparation shall be fixed by the Regional Director subject to the concurrence of the Ministry. The Regional Director shall see to it that it shall be 15% lower than the prevailing rate in the locality for the land preparation service extended by private tractor operators.
4. Settlers/beneficiaries who are no longer entitled to loan assistance may also avail themselves of the services of the tractor pool on cash-and-carry basis, or by paying in advance at least fifty percent (50%) of the service fee immediately and the balance, payable/after the harvest to come. Failure on the part of

- ~~the settlers to pay~~ the balance, disqualifies him from any future services for land preparation, aside from whatever legal action the Ministry of Agrarian Reform may take against him to collect the amount due the Ministry.
5. Land preparation service fee of settlers entitled to loan assistance shall be paid to the Tractor Pool Unit out of the loan assistance fund which shall be released to the Team Office.
  6. To maintain the tractor pool service continuously and effectively, cash collections paid by the settlers shall be deposited to the nearest PNB branch office, which shall form part <sup>of</sup> and/or augment the Tractor Pool Revolving Fund of the region.
  7. All tractors and farm equipment in the tractor pool shall be insured with the Government Service Insurance System (GSIS) and should be provided with sufficient housing facility for the proper safekeeping and maintenance of the tractors and equipment of the pool.
  8. The tractor pools in the region shall be the responsibility of the Regional Director concerned. The Regional Director shall designate a Tractor Pool Operation Officer to be approved by the Minister and shall be under the supervision of the Team Leader.
  9. The Tractor Pool Operation Officer shall be accountable for all the tractors and other farm equipment assigned in his area and shall be responsible for the proper custody and maintenance of the same.
  10. Periodic inspection of the tractor pool shall be made by the Regional Director or by his duly authorized representative and shall submit a report of his findings to the Minister.
  11. The Tractor Pool Operation Officer shall maintain an operation and maintenance logbook which shall contain, among other things, pertinent information on the extent of the service extended and the cost of operation thereof.
  12. The Tractor Pool Operation Officer shall be properly bonded with the fidelity fund of the Bureau of Treasury.
  13. All disbursements pertaining to the tractor pool services shall be recommended by the Tractor Pool Operation Officer and approved by the Team Leader.

14. The Tractor Pool Operation Officer shall be responsible for hiring a tractor operator for every tractor. The tractor operator shall be paid 10% of the corresponding service fee of the area serviced. One tractor pool helper may be hired whenever the need arises to help in the maintenance of the equipment and tractors being used or assigned in the tractor pool. He shall receive a daily wage of P12.00.
15. The periodic inspection and evaluation of the tractor pool operation shall be conducted by a representative of the Minister.

#### IV. PROCEDURE

1. The Team Leader and the Agrarian Reform Technologist shall inform all settlers in the resettlement area of the establishment, objectives, and service procedures of the tractor pool.
2. Settlers who would like to avail themselves of the services of the tractor pool shall present their passbooks to the Team Leader. The passbooks shall be returned to the Settlers after the completion of the land preparation and only after the settlers have affixed their signatures on the Settlers' Charge Invoice.

The settlers shall accomplish a "Request for Land Preparation" (see Annex "A") with the assistance of the Agrarian Reform Technologists.

3. The Request for Land Preparation shall be verified as to its correctness by an Agrarian Reform Technologist and to be approved by the Team Leader. Request of old settlers shall be disapproved if they have not yet paid their outstanding account for land preparation.
4. The approved Request for Land Preparation of a new settler shall be forwarded to the Team Accountant for the preparation of Settlers' Charge Invoice (SCI).
5. The approved Request for Land Preparation of an old settler shall be forwarded to the Agrarian Reform Technologist who shall prepare an Order of Payment (See Annex "B") and then forward it to the Collecting Officer. The settler may pay in advance at least 50% of the service fee and the balance payable immediately after the harvest to come, or, if he prefers, he may pay in full.
6. The Collecting Officer shall acknowledge the payment of the old settler and shall indicate the official receipt number, date issued, amount paid, and shall affix his signature in all copies of the Order of Payment.

7. The original copy of the Request for Land Preparation and the Order of Payment shall be for the file of the Team Leader and the duplicate copies shall be for the Tractor Pool Operation Officer, Team Accountant, tractor operator, and the settler concerned.
8. On the basis of the Promissory Note in the approved Order of Payment (Annex B), the Team Accountant shall prepare the necessary bill against the settler-debtor for land preparation and which shall be entered in the usual journal of bills rendered.
9. On the basis of a duly approved Settlers' Charge Invoice (SCI) for land preparation, the Team Office shall prepare a voucher and a check in favor of the Tractor Pool Unit for the accounts of the settlers for the land preparation services extended.
10. The Tractor Pool Operation Officer shall prepare a schedule of services that is practical, economical, and advantageous to the government.
11. When a Tractor Operator has completed a given area, he shall accomplish a "Certificate of Completion of Land Preparation" (see Annex "D") in six copies duly concurred in by the Agrarian Reform Technologist and the settler concerned, and certified as completed by the Tractor Pool Operation Officer.

Copies of the Certificate of Completion shall be distributed as follows:

Original copy	- Tractor Operator (to be attached to his claim for wages)
one copy	- settler
one copy	- Team Leader
one copy	- Tractor Pool Operation Officer
Two copies	- Team Accountant (1 copy to be attached to SCI for the Regional Accountant, one for file)

12. The Certificate of Completion for Land Preparation shall be submitted to the Team Accountant. The passbook shall be returned to the settler after he shall have affixed his signature on the Settler's Charge Invoice.
13. Accounting entries and/or transactions in connection with the tractor pool operation are shown in Annex "C" for ready reference.

#### V. REPORTING

1. Every end of the month, the following reports of transactions of the tractor pool operation shall be prepared by the Team Office concerned and submitted as follows:
  - a. Report of Collections, Report of Disbursements, and Report of Checks

Issued shall be prepared by the Cashier to be certified by the Team Accountant and to be submitted to the Regional Accountant.

- b. Report of Loan Assistance shall be prepared by the Team Accountant to be submitted to the Regional Accountant.
- c. Report of Accomplishment (See Annex "E") shall be prepared by the Tractor Pool Operation Officer and duly approved by the Team Leader and to be submitted to the Minister, c/o the Chief, Financial & Management Service, (Central Office), copy furnished the District Officer, the Regional Director, the Director of the Bureau of Resettlement, and the Accounting Division, Planning Service and Engineering Division.
- d. Statement of Operation, Balance Sheet, and Cash Flow (Annexes "F", "G", and "H" respectively) shall be prepared by the Team Accountant to be submitted to the Chief, Financial & Management Service, Central Office.

All orders, circulars, and/or memoranda that are inconsistent herewith are hereby modified, amended or revoked accordingly.

APPROVED, July 18, 1979, Diliman, Quezon City.

CONRADO F. ESTRELLA  
Minister

By:   
BENJAMIN R. LABAYEN, CESO I  
Assistant Minister for Administrative Affairs

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fmas

RLP No. \_\_\_\_\_

Date: 6 \_\_\_\_\_

REQUEST FOR LAND PREPARATION

Name of Settler: \_\_\_\_\_ Block No. \_\_\_\_\_

Date of arrival in the Settlement: \_\_\_\_\_ Lot No. \_\_\_\_\_

Nature of Service

Total are requested

<input type="checkbox"/> Plowing	_____ ha.
<input type="checkbox"/> Narrowing	_____ ha.
<input type="checkbox"/> Retivation	_____ ha.

REQUESTED BY:

\_\_\_\_\_  
(Signature of Settler)

RECOMMENDED BY:

\_\_\_\_\_  
Agrarian Reform Technologist

APPROVED BY:

\_\_\_\_\_  
Team Leader

=====  
(To be filled up by the Tractor Pool Operation Officer)

Service Fee ₱ \_\_\_\_\_

Schedule of Service

Date of Service: \_\_\_\_\_

Tractor No. Assigned: \_\_\_\_\_

Tractor Operator: \_\_\_\_\_

\_\_\_\_\_  
Tractor Pool Operation Officer

OP No. \_\_\_\_\_

Date: \_\_\_\_\_

ORDER OF PAYMENT

To: Collecting Officer

Per approved Request for Land Preparation No. \_\_\_\_\_, dated \_\_\_\_\_  
please accept the payment of Mr./Mrs./Ms. \_\_\_\_\_  
in the amount of \_\_\_\_\_ (P \_\_\_\_\_)  
representing  full  partial payment of service fee for land  
preparation of Lot No. \_\_\_\_\_, Block No. \_\_\_\_\_ with a total area of  
\_\_\_\_\_ hectares.

\_\_\_\_\_  
Team Leader

=====  
(To be filled up by the Collecting Officer)

Total Amount of service fee P \_\_\_\_\_  
Less this payment: O/R No. \_\_\_\_\_  
dated \_\_\_\_\_  
BALANCE - P \_\_\_\_\_

\_\_\_\_\_  
Collecting Officer

=====  
(P \_\_\_\_\_)

PROMISSORY NOTE

Date: \_\_\_\_\_

I promise to pay the Ministry of Agrarian Reform the amount of \_\_\_\_\_  
\_\_\_\_\_  
(P \_\_\_\_\_), representing the  
balance of my account as stated above, during or immediately after the  
harvest to come.

\_\_\_\_\_  
(Promissor)

DEPARTMENT OF AGRARIAN REFORM  
Agrarian Reform Team No. \_\_\_\_\_  
Resettlement Agency

CERTIFICATE OF COMPLETION OF  
LAND PREPARATION

Date: \_\_\_\_\_

Name of Settler: \_\_\_\_\_

Lot No. \_\_\_\_\_

Block No. \_\_\_\_\_

NATURE OF SERVICE

	Total Area Requested	Total Area Completed
<input type="checkbox"/> Plowing	_____	_____
<input type="checkbox"/> Harrowing	_____	_____
<input type="checkbox"/> Retivating	_____	_____

Date Started: \_\_\_\_\_ Date Completed: \_\_\_\_\_

Amount Due: ₱ \_\_\_\_\_

REMARKS: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SUBMITTED BY: \_\_\_\_\_

Tractor Operator

SATISFIED AS TO THE SERVICES RENDERED:

\_\_\_\_\_  
Settler

CONCURRED BY: \_\_\_\_\_

VERIFIED & CERTIFIED COMPLETED:

\_\_\_\_\_  
Tractor Pool Operation Officer





BALANCE SHEET STATEMENT

"ANNEX G"

Cash on hand	P x x x x x
Cash in Bank	x x x x x
Accounts Receivable	x x x x x
Inventory of Supplies & Materials	x x x x x
Tractors	x x x x x
Other equipment	x x x x x
Hand tools	x x x x x
Shed/Building	<u>x x x x x</u>

T O T A L - P x x x x x

Equity	P x x x x x
Add net income for the month	<u>x x x x x</u>

TOTAL EQUITY P x x x x x

STATEMENT OF OPERATION

"ANNEX F"

For the Month of \_\_\_\_\_, 19\_\_

Gross Income from tractor services		P x x x x
Less: Operational expenses:		
Fuel & lubricant	P x x x x	
Wages of Operators	x x x x	
Wages of helper	x x x x	
Spare parts - repair	x x x x	
Labor - repair	x x x x	
Office supplies	x x x x	
Others: _____	<u>x x x x</u>	

x x x x

Net Income for the Month P x x x x

CASH    FLOW

"ANNEX H"

Cash (From beginning to last month)	P x x x x
Cash in Bank ( <del>Handed last month</del> ) (Balance as of last mo.)	<u>x x x x</u>
Total cash available	P x x x x
Add Collection made during the month	<u>x x x x</u>
TOTAL CASH AVAILABLE	P x x x x
Less Disbursement during the month	<u>x x x x</u>
Balance Cash on Hand and In Bank	<u><u>P x x x x</u></u>