ACKNOWLEDGEMENT

Production is one of the basic functions of Ilocos Sur Polytechnic State College and to carry on such function is to generate income from its agri-based and non-agri based projects. For profitable development and management of the economic assets of the college is to come up with an operations manual that aims to equip the stakeholders with information on the management guidelines and procedures.

This valuable manual came into realization through the collaborative efforts and significant contributions of the following:

Dr. Alejandro V. Directo, SUC President I, for his encouragements in the formulation of the first draft of the IGP guidelines & policies, very rich suggestions during the drafting and revising processes and supportive efforts in the pursuit of finalizing and institutionalizing this manual;

Dr. Rafael B. Querubin, Vice President for Administration and Prof. Bernadette C. Calibuso, IGP Director, for providing the overall supervision in the formulation, writing and reviewing the text of the manual until its final printing;

Deans, IGP Department Chairmen and IGP Project In-Charge of the different campuses who shared their insights and valuable comments in the various aspects of the manual;

Prof. Aurelio Jonathan S. Pagatpatan, for sharing his expertise in the lay-out of the cover so that it will be visually effective;

Ms. Jocelyn C. Leonzon and Ms. Rosario C. Agatep for sharing their precious time and efforts in encoding the contents of the manual;

Dr. Florida T. Adolfo, for her untiring efforts and patience in editing the manual;

Members of the Administrative & Academic Councils, for their constructive criticisms and suggestions for the improvement of the manual;

Dr. Fortunato A. Battad, Dr. Teodoro T. Battad, Dr. Edgar Orden, Dr. Miguel Aragon and Dr. Eduardo Marzan, Jr. CLSU consultants, who shared their intellectual and entrepreneurial expertise, provided technical advise as to the appropriateness of the contents and encouragements as well as assistance in every possible way to ensure that this manual will come out well.
FOREWORD

Decreasing government subsidy for MOOE in SUCs nowadays is a fact that requires intervention to mitigate the negative impact in the schools normal operation. Thus, income generation was strengthened and expanded in almost every SUC especially with the passage of Republic Act 8292 otherwise known as the Education Modernization Act that mandated SUCs to include production as an additional function aside from the usual instruction, research and extension functions.

The Ilocos Sur Polytechnic State College for one have been engaged in generating additional income through various income generating projects (IGPs) in addition to the usual income derived from tuition and other school fees. It becomes so important to do this considering the decreasing budget allocation for maintenance and operation.

Given the above situation, the development of this College Entrepreneurship Program (CEP) Manual is very vital. This will surely serve as a guide in starting an agri-business project and in facilitating processes and transactions concerning the management of IGPs thereby a better and effective management of such projects is expected.

The inclusion of the operational guidelines and procedures for records and record keeping as well as financial management will surely help those handling the projects to become efficient and effective Project Managers.

It is hoped that with this CEP Manual adopted for use by the College, it will trigger the establishment of additional IGPs and the expansion of the existing ones, hence, the much needed income is generated to establish, maintain and enhance the various programs, projects and activities of the college.

ALEJANDRO V. DIRECTO, Ph.D.
President
PREFACE

I have anticipated long time ago the value of corporatism having successfully institutionalized the income generating projects in higher educational institutions (HEI) I had the privilege to serve. ISPSC, in particular is an example of an HEI that created a difference in agribusiness projects.

This manual was prepared as an offshoot of the training on Entrepreneurial Management that was undertaken in 2005. The training itself was conducted in response to the challenge to HEIs to generate additional revenues to finance their operations.

The manual can also serve as easy reference particularly by HEIs which are just starting to establish their own agri-based or agro-industrial enterprises. The implementation guidelines as exemplified in the manual can inspire others to be transparent in their operations including the granting of incentives to personnel involved in the IGPs. Successfully operated IGPs not only provide the HEI with additional income but can become veritable projects where students can learn though hands-on or actual immersion. In the process, they can gain confidence in running a micro-business of their own, hence become entrepreneurs after graduation.

It is my fervent hope that this manual can contribute to the excellent entrepreneurial endeavors of the HEI throughout the country.

FORTUNATO A. BATTAD, Ph. D.
President Emeritus, CLSU & Chairman- Board of Agriculture, PRC
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGMENTS</td>
<td>i</td>
</tr>
<tr>
<td>FOREWORD</td>
<td>ii</td>
</tr>
<tr>
<td>PREFACE</td>
<td>iii</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td>iv-v</td>
</tr>
<tr>
<td>CHAPTER I THE COLLEGE ENTREPRENEURSHIP PROGRAM (CEP)</td>
<td>1-2</td>
</tr>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Vision</td>
<td>1</td>
</tr>
<tr>
<td>Mission</td>
<td>1</td>
</tr>
<tr>
<td>Thrusts</td>
<td>2</td>
</tr>
<tr>
<td>Goal</td>
<td>2</td>
</tr>
<tr>
<td>Objectives</td>
<td>2</td>
</tr>
<tr>
<td>Core Values</td>
<td>2</td>
</tr>
<tr>
<td>CHAPTER II ORGANIZATION AND MANAGEMENT OF THE CEP</td>
<td>3-7</td>
</tr>
<tr>
<td>Organizational and Functional Structure</td>
<td>3</td>
</tr>
<tr>
<td>Organization and Management Functions</td>
<td>4-7</td>
</tr>
<tr>
<td>CEP</td>
<td>4</td>
</tr>
<tr>
<td>President and VP for Administration</td>
<td>5</td>
</tr>
<tr>
<td>Director and Campus Dean</td>
<td>5-6</td>
</tr>
<tr>
<td>Department Chairman or Campus Coordinators</td>
<td>6</td>
</tr>
<tr>
<td>Project Managers</td>
<td>7</td>
</tr>
<tr>
<td>Internal Control Unit</td>
<td>7</td>
</tr>
<tr>
<td>CHAPTER III OPERATIONAL GUIDELINES AND PROCEDURES</td>
<td>8-25</td>
</tr>
<tr>
<td>I. Personnel Management</td>
<td>8</td>
</tr>
<tr>
<td>II. Project Operations</td>
<td>8</td>
</tr>
<tr>
<td>A. Management and Operation</td>
<td>8</td>
</tr>
<tr>
<td>B. Procurement System and Procedures</td>
<td>9</td>
</tr>
<tr>
<td>C. Recording System and Procedures</td>
<td>10-13</td>
</tr>
<tr>
<td>D. Marketing/ Product Disposal System</td>
<td>13-15</td>
</tr>
<tr>
<td>E. Financial Management System</td>
<td>15-21</td>
</tr>
<tr>
<td>F. Project Monitoring and Evaluation System</td>
<td>22-25</td>
</tr>
<tr>
<td>G. Control Systems</td>
<td></td>
</tr>
<tr>
<td>CHAPTER IV GUIDELINES ON INCENTIVE SCHEME</td>
<td>26-27</td>
</tr>
<tr>
<td>CHAPTER V USE OF IGPS IN INSTRUCTION, RESEARCH AND EXTENSION</td>
<td>28-30</td>
</tr>
<tr>
<td>A. Guidelines on the Use of IGPs in Instruction</td>
<td>28-29</td>
</tr>
<tr>
<td>B. Guidelines on the Use of IGPs in Research and Extension</td>
<td>29-30</td>
</tr>
</tbody>
</table>
REFERENCES ........................................................................................................31
APPENDICES .........................................................................................................32

A  Project Proposal Outline ..................................................................................32
B  IGPI Form 1 to 6 .............................................................................................33-38
C  Record Form 1 to 11 .......................................................................................39-48
D  NBC No. 331 ..................................................................................................49-52
E  NBC No. 331-A ...............................................................................................53-59
F  COA Circular No. 84-239 .............................................................................60-64
G  Participants on the Enhancement Capability Training/
    Revision of IGP Guidelines and Policies .........................................................65
H  Participants to the Two-Day Capability Enhancement Program
    for IGP Implementers in Technology Commercialization and
    Agribusiness Entrepreneurship conducted on Nov. 10-15, 2005
    at the FTC, ISPSC-CA, Main Campus, Sta. Maria, Ilocos Sur.....................66
I  Participants to the Consultative Conference on Validation of the ISPSC
    CABP Manual of Operations ..........................................................................67
COLLEGE ENTREPRENEURSHIP PROGRAM MANUAL

EDITORIAL BOARD

Dr. RAFAEL B. QUERUBIN
Prof. BERNADETH C. CALIBUSO

Chairpersons

Dr. Betsy Luisa Ancheta
Mrs. Estelita Viloria
Mr. Pedro P. Lazo
Mr. Denis T. Cabotage
Mrs. Romelia Laguardia
Mr. Danilo C. Abella

Members

Dr. Arnoldo U. Racadio (+)
Dr. Alejandro V. Directo

Consultants
COLLEGE ENTREPRENEURSHIP PROGRAM
(CEP)

CHAPTER I

Introduction

One of the most serious problems presently confronting the SUCs is the diminishing subsidy of the government, particularly the Maintenance and Other Operating Expenses (MOOE) and an almost total phase-out of their Capital Outlays (CO). This problem poses a threat on the quality of service that the college or institution extends to its clientele particularly the students, who are its end beneficiaries. Therefore, it is imperative for the College to embark in a massive generation of added revenues to boost its operation in the face of such budgetary constraints.

Like any other higher educational institutions, the Ilocos Sur Polytechnic State College is mandated to perform the four basic functions - Instruction, Research, Extension and Production, the latter of which is to support the former three functions of the College.

The College does not only provide the theoretical knowledge to the students but also the technical know-how to make them competitively prepared in their world of work after graduation. Being a polytechnic college, ISPSC has been continuously engaged in income-generating projects to expose the students to hands-on training, thereby, they are made more adept and skillful in their areas of specialization, besides the provision of better opportunity to earn while they learn.

The IGPs also serve as venues for research, extension and training activities of students and faculty/staff and more importantly constitute a show window for farmers and other constituents in the community.

A reinvigorated or strengthened agri-business program of the college would eventually contribute to the realization of its goals to attain fiscal autonomy and flexibility in fund management and to effectively carry on its mandate as a state institution of higher learning.

Such program will likewise help generate employment opportunities for the people in its service areas to become productive and self-reliant citizens for sustainable social and economic development.

VISION

Ilocos Sur Polytechnic State College as a model institution in agri-business entrepreneurship in the province and in Region I.

MISSION

To pursue sustainable agri-business and service-oriented programs that will spur development of the College through wise utilization of its human and non-human resources.
THRUSTS
Income generation to augment financial and manpower needs of the College

- Establishment of Agri-industrial projects
- Enhancement of faculty, staff and students welfare
- Expansion of laboratory for entrepreneurial and managerial skills development
- Provision of training avenues for practicum, intern students, project managers and farmer clientele

GOAL
To operate and manage effectively and efficiently all agri-business and service-oriented IGPs of the College.

OBJECTIVES
- To generate income to augment financial and manpower needs of the college;
- To operate and manage all IGPs of the college by harnessing its physical and human resources;
- To complement instruction, research and extension programs of the college through practical exposures and actual participation of students, faculty and staff;
- To provide quality and affordable products and services to faculty, staff, students and other clients;
- To establish a show window for agri-industrial enterprises in the province;
- To provide employment to students so that they can earn while they learn by maximizing the use of their free time;
- To provide training avenues for practicum, Occupational Internship Program (OIP) and On-the-Job Training (OJT) students on the development of entrepreneurial and managerial abilities;
- To provide opportunities for faculty and staff to augment their income.

CORE VALUES

*Human Values such as:*

- Integrity
- Sincerity
- Perseverance
- Self-discipline and Commitment
- will ultimately redound to
- Improved
- Governance of Projects
- thereby developing
- Strong,
- Unified,
- Cooperative,
- Confident,
- Emphatic,
- Steadfast and
- Service-oriented individuals
CHAPTER II
ORGANIZATIONAL AND FUNCTIONAL STRUCTURE

ISPSC System

BOARD OF TRUSTEES

SUC PRESIDENT

Cooperating Agency

VP A / I G P

College Dean

IGP Director

IGP Dept. Chairman

Proj. Mgr. (Agri-Business)

Proj. Mgr. (Non-Agri Business)

Laborer / Farm Worker / Caretaker

IClientele

Internal Control Unit

IRG Council
President
VPs (2)
Deans (7)
Director, IGP
Director, Finance
Economist
ORGANIZATION AND MANAGEMENT FUNCTIONS

COLLEGE ENTREPRENEURSHIP PROGRAM COUNCIL (CEPC)
Composition, Term of Office, and Functions

Composition

The CEPC shall have 13 members composed of the President, two Vice Presidents, Campus Deans, Director under the Program and other members representing the salient areas of concern on fiscal/financial management such as Finance Director and Economist.

Term of Office

The term of office of the members of the CEPC shall be for a period of 1 year unless otherwise terminated by the President for a reasonable cause.

Functions of the CEPC

General Function

To formulate plans, projects and guidelines/regulations relative to the proper management and operations of all IGPs.

Specific Functions

1. To determine investment priorities in IGPs and to develop/promote such projects according to acceptable investment criteria
2. To make the projects available as part of the facilities for instruction, research, extension and training consistent with the policies and programs of the college
3. To set performance objectives and standards in the management of the IGPs
4. To formulate rules and procedures that will govern routine activities and guide to decision-making concerning funds, property and resources in accordance with auditing and accounting procedures
5. To recommend the construction, improvement, establishment, and repair of its facilities, machinery and equipment, acquisition of supplies, materials and other resources necessary to achieve its objectives
6. To recommend to the President the appointment, designation of lower level personnel and dismissal of the same from the IGP for cause after due process
7. To prepare and recommend for approval and implementation of incentive scheme commensurate to the performance of IGP personnel and support staff
8. To promote sense of responsibility, commitment, accountability, harmonious camaraderie, cooperation and to establish linkages for the smooth functioning of all the projects
9. To perform other functions related to the attainment of the IGP objectives, as well as those delegated by higher authorities, which are deemed important for the advancement of the college’s program
President

1. The President shall provide the overall direction of the program.
2. He shall oversee the smooth implementation of policies as approved by the Board of Trustees.
3. The President shall create the College Entrepreneurship Program Council (CEPC) composing of 13 members who shall serve as the Advisory Body in matters of income and business ventures of the college.
4. The President shall appoint/or designate the Vice President for Administration, who shall be directly responsible to the Administrator for carrying out the policies of the program.
5. The President shall designate the IGP Director who shall manage and supervise different income-generating projects classified as agri-based or service-oriented projects within the system.
6. The President shall approve the designation of an IGP Department Chairman and a Project Manager recommended by the Campus Dean through the Vice President for Administration.

Vice President for Administration

1. To preside over all meetings of personnel or operations and management or any related IGP activity
2. To assume direct responsibility on the overall operations/administration and the implementation of policies, guidelines and programs
3. To initiate/coordinate program planning, organize resources and activities of all projects for efficiency in income generation
4. To determine available resources (land, labor, capital) for efficient use of the program
5. To recommend to the President the appointment/designation of Director, Department Chairman and Project Managers and other lower level personnel, including the dismissal/termination of the same for cause after due process
6. To review and recommend to the President the approval of project proposals
7. To establish and recommend for approval by higher authorities a reward system to maintain/boost the morale of personnel.
8. To act as the Vice Chairman of the CEPC
9. To perform other functions relevant to the attainment of the goals and objectives of the Program, as well as those assigned by the President

Director

1. To assume direct responsibility for the overall supervision and administration of all project components of the system to achieve established targets with optimum efficiency
2. To implement specific policies, programs, procedures and serve as the link between top level management and lower managerial personnel
3. To draw comprehensive project plan and budget of the different projects under his/her jurisdiction and submit performance reports as required by the Vice President for Administration and other top level management
4. To assist the Vice President for Administration in the review of project proposals
5. To conduct periodic check and review of records and information of the projects within his/her area of responsibility
6. To attend CEPC meetings and other top level management meetings as may be
7. To submit regular/periodic progress reports to the Vice President for Administration
8. To perform other functions as maybe required by the Vice President for Administration or the President

Campus Dean

1. To screen and recommend to the President the designation of Department Chairman and Project Manager.
2. To assume the direct responsibility for the overall supervision and administration of all project components within the campus to achieve established targets with optimum efficiency
3. To implement specific policies, programs, procedures and serve as the link between top level management and lower managerial personnel
4. To draw comprehensive project plan and budget of the different projects under his/her campus and submit performance reports as required by the Vice President for Administration and other top level management
5. To recommend the approval of project proposals to the Vice President for Administration.
6. To conduct periodic check and review of records and information of the projects within the campus
7. To attend CEPC meetings and other top level management meetings as may be required
8. To submit regular/periodic progress reports to the Vice President for Administration copy furnished the Director.
9. To perform other functions as maybe required by the Vice President for Administration or the President

Department Chairman

1. To assume direct responsibility of the overall implementation and supervision of the projects in the campus to achieve established targets with optimum efficiency
2. To implement specific policies, programs and procedures, and serve as the link between the Campus Dean and lower managerial echelon.
3. To implement project plan and budget of the projects in the campus and submit performance reports and other reports as required by the Campus Dean/ Director and top level management
4. To conduct periodic check and review on records and information of projects within his jurisdiction
5. To initiate planning, better resource allocation and utilization and improvement of systems and procedures for greater operational efficiency
6. To review project proposals and recommend to the Campus Dean for the approval.
7. To attend management meetings as may be required
8. To submit regular/progress reports to the Campus Dean/Director
9. To recommend the dismissal/termination of services of project personnel after consultation and investigation
10. To perform other duties as may be required by upper management
Project Managers

1. To assume direct responsibility, liability and accountability of project operation and administration
2. To plan, organize, direct, control, motivate, train, and effectively communicate with project personnel
3. To prepare project proposal, the project plan and budget or feasibility study, including specific studies for project’s improvement and/or expansion
4. To accomplish and evaluate income and related business performance and financial records against a set of objectives and standards, and make recommendation/s
5. To continuously develop ways and means of carrying out tasks in the implementation of project plan more efficiently and effectively
6. To conduct regular monitoring of project status, checking of tools and equipment and keep the concerned Department Chairman informed of all events, circumstances and developments on the project
7. To maintain discipline of project personnel
8. To keep and maintain records and submit regular reports to the Department Chairman whom he is assigned, and furnish a copy to higher authorities
9. To perform other functions and duties as may be required by Program Management

Internal Control Unit

1. To monitor and evaluate the financial transactions of the projects
2. To submit duly audited financial reports concerning the projects to authorities concerned
3. To recommend processes and procedures for better financial management
4. To recommend corrective actions concerning the operations of the project when necessary
CHAPTER III

OPERATIONAL GUIDELINES AND PROCEDURES

A. Personnel Management

1. The Campus Dean shall screen the prospective Department Chairman and Project Managers based on the following qualifications:
   a. Preferably, he should be a faculty member or non-academic staff with permanent appointment
   b. He should have sufficient managerial capability and experience in managing a project in line with his specialization
   c. He must be honest, sincere, industrious, committed and willing to work beyond official time.

2. Prospective Project Managers should submit a project proposal to the Department Chairman, who shall present it to the Campus Dean for review, consideration and recommendation to the President.

3. The Project Manager shall only be assigned to one project and should desist from engaging in similar projects in and outside the college, which are private in nature.

4. The services of the following may be tapped by the CEP Management
   a. Project analyst (part time)
   b. Marketing analyst (part time)
   c. Project engineers (on call)
   d. Project veterinarian (on call)

5. The number of laborers who are on-the-job-order status and other hired personnel working in the IGPs and related offices shall be determined by the Project Manager subject to the approval of the President.

6. All IGP personnel shall be issued an appointment/designation by the President.

7. All faculty and staff involved in IGPs of the college shall be entitled of an incentive based on the approved guidelines on incentive scheme of IGPs of the college.

8. Hiring of IGP Personnel
   a. Hiring of office personnel such as clerks, messengers, utility workers and others involved in IGPs shall be the discretion of the President.
   b. Student assistants who are willing and able can also be tapped to provide labor to the IGPs and shall be given remuneration in accordance with the existing rate in the college.
   c. In case of critical project activity, when labor shortage exists, hiring of contractual laborers is allowed; hence, pooling of manpower shall be done with the approval of the President.

B. Project Operations

B.1. Management and Operation

1. The management and operation of all projects shall be in accordance with the guidelines in the National Budget Circular Nos. 331 and 331-A and COA Circular No. 84-239 (Appendices A, B and C)

2. The CEPC is tasked with the responsibility of charting the production policy and
CEP Manual

rationalizing production programs of all college projects in accordance with the directions and overall programs set by the College Administration.

1.3. The CEPC, in consultation with its technical consultants and managers, shall draw medium-range production and/or resource-use program to be submitted to the President for approval.

1.4. A yearly production and/or resource-use program defining the different project components shall be prepared by each campus to be approved by the President.

1.5. A project shall not be implemented without an approved Project Proposal.

B.2. Procurement System and Procedures

2.1. Procurement of inputs, supplies and materials, and equipment shall be the function of the Supply Office or a designated Purchasing Officer for IGP.

2.2. All procurements shall be based on approved project plan and budget.

2.3. Project Managers shall request inputs; supplies and materials; and equipment needed in the project from the Supply Office.

2.4. Purchases shall be in accordance with government accounting and auditing rules and shall be subjected to inspection.

2.5. Emergency purchase shall be allowed upon request of the Project Manager with the approval of the Department Chairman and the Campus Dean.

2.6. Process Flow of Papers in Procurement and Delivery System shall be observed as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Office/Signatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1. Procurement and Delivery</td>
<td></td>
</tr>
<tr>
<td>a. Preparation of farm plan and budget</td>
<td>Project Manager</td>
</tr>
<tr>
<td>b. Consolidation of input requirements (Procurement Program)</td>
<td>Chairman for Production Accounting Section</td>
</tr>
<tr>
<td>c. Certification of fund availability</td>
<td>Procurement Section</td>
</tr>
<tr>
<td>d. Procurement of inputs</td>
<td>Purchasing Officer (IGP)</td>
</tr>
<tr>
<td>e. Delivery/acceptance of inputs</td>
<td>Bids and Awards Committee (if through bidding)</td>
</tr>
<tr>
<td></td>
<td>Property Section, CEPC representative, Project Manager, Resident Auditor and Supplier</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Office/Signatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2. Issuance of Supplies</td>
<td></td>
</tr>
<tr>
<td>a. Preparation of RIV</td>
<td>Project Manager</td>
</tr>
<tr>
<td>b. Approval of RIV</td>
<td>Chairman for Production</td>
</tr>
<tr>
<td></td>
<td>Campus Dean</td>
</tr>
<tr>
<td>c. Issuance of supply</td>
<td>Property Custodian</td>
</tr>
<tr>
<td>d. Receiving of supply</td>
<td>Project Manager</td>
</tr>
</tbody>
</table>
B.3. Recording System and Procedures

3.1. Record keeping shall be enforced to all Project Managers who shall use the prescribed forms.

3.2. A consolidated report/statement of operation must be submitted.
   - For agri-based and special projects, the report must be submitted at the end of the cropping period.
   - For non-agri-based projects, the report must be submitted on a monthly basis.
   - For livestock, nursery and fishery operation, the report has to be submitted in a monthly basis, or after the fishing operation.

3.3. All reports shall be prepared in triplicate and submitted to the Department Chairman and attested by the Campus Dean, copy furnished the Accounting Office and Director, who in turn shall submit consolidated report to the Vice President for Administration.

3.4. The Department Chairman shall regularly check and monitor the records kept by the Project Manager.

3.5. Specific records which shall be kept by various offices and persons are as follows:

3.5.a. Department Chairman
   - journal of analysis of obligations (reconciled with the accounting office annually)
   - approved project proposals
   - status reports of projects
   - semi-annual and annual reports
   - copy of labor contract and lease contract
   - copy of RIV, PO, Abstract of Canvass, ROA, vouchers
   - copy of appointment of special order (SO) and casual employees
   - financial analysis report of the project analyst and accounting office
   - cash advance ledger of the CEPC Chairman
   - designation of project managers

3.5.b. Project Manager
   - approved project proposal
   - project plan and budget
   - warehouse receipt or weight ship (for crop projects)
   - delivery receipts of product bought to market outlets
   - sales invoice
   - status report of project
   - monthly inventory report
   - semi-annual and annual reports
   - collection list (purchases by salary deduction)
   - statement of accounts (rentals)
   - subsidiary ledger by project
   - income statement prepared by project
   - manager, accounting office and project analyst
   - financial analysis report of the project analyst

3.5.c. Accountant
   - journal of analysis of obligations
   - general ledger
   - subsidiary ledger
   - checks paid
-trial balance
-income statement of each project

3.5.d. Cashier's Office
- cash book
- bank book
- report of check issued and cash disbursements
- monthly accountability report
- daily collection report
- report of daily reports

3.5.e. Procurement/Property Office
- bidding forms
- advertisement for bidding
- invitation to bid
- abstract of bids
- purchase orders
- inventory of stored inputs
- list of equipment/machineries

3.5.f. Farm Machineries Office
- charges on land preparation and hauling of produce
- list of machineries

3.5.g. Personnel Office
- appointment of casual employees
- vacation and sick leaves of casual employees
- copies of labor contract

3.6. Record forms and formats needed in project operations
6.a. For all types of projects:

6.a.1 Project Proposal (Appendix A)
- shows the overall importance of the project, its objectives

6.a.2. Project Plan and Budget (IGP Form 1)
- shows the overall activities, dates and corresponding amount of money required for a production cycle
- basis for the purchases of inputs and the timeliness of the activities
- uses for monitoring the progress of the project

6.a.3. Daily Transaction Record (IGP Form 2)
- serves as logbook of daily transactions in the project
- basis in the preparation of sales and expenses records

6.a.4. Remittances Slip (IGP Form 3)
- used by a project manager in remitting his daily collection wherein the total amount is part of the sales of the project

6.a.5. Gate Pass of Product Released (IGP Form 4)
shows the name of the buyer, quantity of the product and the official receipt number
use to monitor the products coming out of the campus
6.a.6. Cash Sales record (IGP Form 5)
- shows the amount of cash sales including the name of the buyer and items purchased
6.a.7. Accounts Receivables (IGP Form 6)
- shows the amount of credit sales, name of buyer and items purchased

6.b. For Crop Projects
6.b.1. Production Record (Record Form 1)
- presents the gross yield and net yield in wet basis and can be used to calculate yield per hectare
- to be filled up at the end of each cropping season
6.b.2. Expense Record (Record Form 2)
- identifies the quantity and costs of inputs and the expense for contract labor
- to be filled up within the cropping season and should be consistent with the expense items listed in the farm plan and budget
- for all types of projects
6.b.3. Inventory Record (Record Form 3)
- indicates the amount and value of inputs left after one production cycle
- to be done at the end of the cropping season
6.b.4. Weight Slip (Record Form 4)
- shows the number of bags and weight of palay
- to be presented by the warehouseman to the project manager as the produce enters the warehouse and after drying the palay

6.c. For Animals / Fishery Projects
6.c.1. Feed Consumption and Weight Record (Record Form 5)
- shows the population, mortality and feeds consumed
- use in the computation of feed conversion ratio
6.c.2. Flock Production Record (Form 6)
- presents population, egg production, and feeds consumed for the whole flock
- use in the computation of feed conversion ratio for layers
- shows the depletion of layers, either culled or dead
6.c.3. Egg Production and Disposal Record (Record Form 7)
- indicates the egg production by size and the amount of egg sold
6.c.4. Health Care and Management (Record Form 8)
• shows the activities undertaken in a day
• appropriate forms for hog fattening, goats and fish projects

6.c.5. Feed Consumption Record (Record Form 9)
• presents the amount, type and cost of feeds
• appropriate forms for hog fattening, goats and fish projects

6.c.6. Monthly Inventory Record (Record Form 10)
• shows the beginning and ending inventory for each class of animals and the value, number added and disposed

6.c.7. Breeding Record (Record Form 11)
• monitors the date of breeding for each female and male animal, the expected and actual rate of birth and litter size

B.4. Marketing/Product Disposal System

1. Product disposal shall be the responsibility of the Project Manager and products delivered shall be valued and credited to the particular project.
2. Time of marketing and the outlet must be predetermined in the plan before the product is harvested.
3. Selling of IGP products should be advertised in bulletin boards at strategic places in the college.
4. All IGP products should be sold primarily through the trade center or store of the college.
5. Produce offered for sale to the constituents should be of the highest quality.
6. All product packages should bear the logo of the program and the college.
7. Faculty, staff and students should be given priority in the purchase of IGP products/services and should be offered at discounted price.
8. Official receipts should be issued to all buyers upon full payment of the cost of goods/services bought and issued by the cashier.
9. Sales invoice should be issued by the Project Manager for every transaction and all collections and a copy of the sales/disposal report shall be turned over to the cashier every week or once the amount reaches Php 500.00, and in turn the cashier shall issue an official receipt for all collections/proceeds of sales.
10. Selling by salary deduction or on credit by faculty and staff shall be offered on ceiling of Php 500.00 monthly and prioritized for collection. Non-settlement within the month will lose the privilege for the next month.
11. In case of negotiated marketing agreements, like contract, research and training, stall operations, tractor services and facilities rentals, including industrial and professional services, a memorandum of agreement, contract or job order has to be reviewed by the Department Chairman and recommended by the Campus Dean to higher authorities for approval.
12. All payments of services rendered as been stipulated in the contract shall be paid to the Cashier.
13. The Project Manager shall keep and maintain an accurate record of all marketing transactions and negotiations
Process Flow in Product Disposal

For large animals:

a. Request to dispose animals
   • Certification on the health of the animal to be disposed
   • Recommending Approval
   • Approval
b. Request for inspection
c. Inspection/verification on sales
d. Payment at the Cashier’s Office
e. Recording of sales invoice
f. Issuance of Official Receipt

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Office/Signatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Request to dispose animals</td>
<td>Project Manager</td>
</tr>
<tr>
<td>• Certification on the health of the animal to be disposed</td>
<td>Project Veterinarian</td>
</tr>
<tr>
<td>• Recommending Approval</td>
<td>Chairman for Production</td>
</tr>
<tr>
<td>• Approval</td>
<td>Campus Dean and VPA</td>
</tr>
<tr>
<td>b. Request for inspection</td>
<td>Project Manager</td>
</tr>
<tr>
<td>c. Inspection/verification on sales</td>
<td>Audit Representative</td>
</tr>
<tr>
<td>d. Payment at the Cashier’s Office</td>
<td>Buyer</td>
</tr>
<tr>
<td>e. Recording of sales invoice</td>
<td>Project Manager</td>
</tr>
<tr>
<td>f. Issuance of Official Receipt</td>
<td>Cashier</td>
</tr>
</tbody>
</table>

For Poultry/Fishery/Crop Products/Processed Products

Outlet: School-based Trading Center

a. Securing and accomplishment of delivery receipt
b. Delivery of products to the trading center
c. Remittance of sales to the cashier’s office
d. Weekly report of sales (copy furnished the Project Manager and the CEPC Chairman)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Office/Signatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Securing and accomplishment of delivery receipt</td>
<td>Project Manager</td>
</tr>
<tr>
<td>b. Delivery of products to the trading center</td>
<td>Project Manager</td>
</tr>
<tr>
<td>c. Remittance of sales to the cashier’s office</td>
<td>Trading center staff</td>
</tr>
<tr>
<td>d. Weekly report of sales (copy furnished the Project Manager and the CEPC Chairman)</td>
<td>Trading center staff</td>
</tr>
</tbody>
</table>

Outlet: Project Site

a. Securing of sales invoice from the cashier’s office
b. Collection of payment and issuance of sales invoice
c. Remittance of sales to the Cashier’s Office
d. Issuance of official receipt
e. Weekly report of sales (copy furnished Chairman for Production)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Office/Signatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Securing of sales invoice from the cashier’s office</td>
<td>Project Manager</td>
</tr>
<tr>
<td>b. Collection of payment and issuance of sales invoice</td>
<td>Project Manager</td>
</tr>
<tr>
<td>c. Remittance of sales to the Cashier’s Office</td>
<td>Project Manager</td>
</tr>
<tr>
<td>d. Issuance of official receipt</td>
<td>Cashier</td>
</tr>
<tr>
<td>e. Weekly report of sales (copy furnished Chairman for Production)</td>
<td>Project Manager</td>
</tr>
</tbody>
</table>
Process Flow for Other Services

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Office/Signatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Stalls, Agri-Machineries, Rentals and Computer/Internet Services</td>
<td></td>
</tr>
<tr>
<td>a. Signing of contract upon approval of request</td>
<td>Client and Project Manager</td>
</tr>
<tr>
<td>b. Delivery of the service</td>
<td>Project Manager and Staff</td>
</tr>
<tr>
<td>c. Recording of invoice</td>
<td>Project Manager</td>
</tr>
<tr>
<td>d. Remittance of payment</td>
<td>Project Manager</td>
</tr>
<tr>
<td>e. Issuance of official receipt</td>
<td>Cashier</td>
</tr>
<tr>
<td>f. Weekly report of income (copy furnished to Department Chairman)</td>
<td>Project Manager</td>
</tr>
</tbody>
</table>

B.5. Financial Management System

1. General Fund 101 (Administration Fund), Fund 163 (Auxiliary Fund) and Fund 161 (Revolving Fund) are identified as sources of funds in the operation of IGP in the college and the initial fund to operate a project is reflected in the approved farm plan and budget submitted by the Project Manager.

2. Each IGP shall have its own subsidiary ledger to reflect the different transactions and/or expenses incurred and the sources of revenues generated during a certain production period.

3. Funds for a particular project cannot be used by another project unless allowed by concerned Project Manager and approved by the President.

4. Any fund transfer between projects, which involve 10% net profit share should be approved by the President in coordination with the Accounting Office and with the consent of the Project Manager.

5. The President may post a bond to enable him to cash advance not more than Php 100,000.00 as allowed by the Chief Accountant.

6. Project Manager should be allowed to draw or maintain a cash advance to cover emergency purchases through the approval of the President.

7. Remittances of all cash sales should be to the Cashier’s Office.

8. Financial statements such as income statement, cash flow statement and balance sheet should be prepared by the Project Manager every end of the month and/or production cycle for submission to the Department Chairman, attested by the Campus Dean and copy furnished the Director, who in turn submits consolidated reports to the VPA.

9. Monthly reconciliation of sales and costs between the Project Manager and the Accounting Office shall be strictly followed.

10. Cash Accounting should be observed in the preparation of income statements.

11. All financial transactions entered into by the Project Manager and/or the Campus Dean with and outside agency shall be with the approval of the President.

12. In case the project incurred net losses other than Force Majeure, the Project Manager shall be made directly accountable. He shall be barred from assuming project managerial supervisory position in IGP, if he has incurred losses for two consecutive production cycles (6 months for non-agribased projects and two cropping seasons for agri-based projects).
# Process Flow for Salaries and Wages for IGP Personnel, Staff and Contractual Services

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible Office/ Signatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Salaries and Wages</td>
<td></td>
</tr>
<tr>
<td>Preparation of Payroll</td>
<td>Cashier’s Office</td>
</tr>
<tr>
<td>Certification of daily time record</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Recommending approval</td>
<td>Chairman for Production</td>
</tr>
<tr>
<td>Certification of fund availability</td>
<td>Accountant</td>
</tr>
<tr>
<td>Approval</td>
<td>CEPC Chairman</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Contractual Services</td>
<td></td>
</tr>
<tr>
<td>Certification of job completed</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Acceptance</td>
<td>Chairman for Production</td>
</tr>
<tr>
<td>Request for inspection</td>
<td>Chairman for Production</td>
</tr>
<tr>
<td>Inspection</td>
<td>Audit Representative</td>
</tr>
<tr>
<td>Preparation of voucher</td>
<td>Accounting section</td>
</tr>
</tbody>
</table>
FINANCIAL STATEMENT FORMS AND FORMAT

1. Income Statement
   - shows result of operation of a project for a certain period of time (daily, monthly, seasonal)
   - shows whether a net income is earned or a net loss is incurred by the project during the period

*Format for Income Statement*

<table>
<thead>
<tr>
<th>INCOME STATEMENT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Project</td>
<td></td>
</tr>
<tr>
<td>For the period covering</td>
<td>____________</td>
</tr>
</tbody>
</table>

**REVENUES**

<table>
<thead>
<tr>
<th>Sale of</th>
<th>Php</th>
</tr>
</thead>
<tbody>
<tr>
<td>________________</td>
<td>____________</td>
</tr>
<tr>
<td>________________</td>
<td>____________</td>
</tr>
<tr>
<td>________________</td>
<td>____________</td>
</tr>
</tbody>
</table>

**TOTAL REVENUES (A)**

<table>
<thead>
<tr>
<th>Php</th>
</tr>
</thead>
<tbody>
<tr>
<td>____________</td>
</tr>
</tbody>
</table>

**Less: OPERATING EXPENSES**

| ___________________ | ____________ |
|____________________|--------------|
| ___________________ | ____________ |
| ___________________ | ____________ |

**TOTAL OPERATING EXPENSES (B)**

<table>
<thead>
<tr>
<th>____________</th>
</tr>
</thead>
</table>

**NET INCOME / (LOSS) (A - B)**

<table>
<thead>
<tr>
<th>Php</th>
</tr>
</thead>
<tbody>
<tr>
<td>____________</td>
</tr>
</tbody>
</table>
2. Cash Flow Statement

- determines the adequacy and timeliness of the project’s cash flows to attain its profit objective
- shows if the project is financially feasible
- highlights the amount of cash generated (cash inflow) by the project’s operation, as well as the cash expenditures (cash outflow) incurred during a certain production period.

*Format for Cash Flow Statement*

<table>
<thead>
<tr>
<th>CASH FLOW STATEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Project</td>
</tr>
<tr>
<td>For the period covering ________________</td>
</tr>
</tbody>
</table>

**CASH INFLOWS**

<table>
<thead>
<tr>
<th></th>
<th>Php</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL CASH INFLOWS</td>
<td>Php</td>
</tr>
</tbody>
</table>

Less: CASH OUTFLOWS

|                                   |                  |
|                                   |                  |
|                                   |                  |
|                                   |                  |
|                                   |                  |
|                                   |                  |
|                                   |                  |
|                                   |                  |
| TOTAL CASH OUTFLOWS               | Php              |

Equals: NET CASH FLOW

|                                   | Php             |

Add: CASH BALANCE, BEGINNING P ____________________

Equals: CASH BALANCE ENDING           Php ________________
3. Balance Sheet

- shows the financial status of a project as of a specific date
- to be prepared at the end of any given production period
- shows the different assets owned by the project whether it be its own equity or loaned from financial institutions
- total value of the assets should be equal to the sum of the total liabilities and the total project's equity
- indicates the total project's equity and retained earnings realized by the project in its previous operation

*Format for Balance Sheet*

**BALANCE SHEET**

Name of the Project

As of __________________

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Amount (Php)</th>
<th>LIABILITIES</th>
<th>Amount (Php)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Add:

PROJECTS’ EQUITY

<table>
<thead>
<tr>
<th>TOTAL ASSETS</th>
<th>TOTAL LIABILITIES AND PROJECT’S EQUITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Formulas/Ratios for Project Profitability Analysis

The ratios are considered in evaluating/analyzing the project’s profitability or viability.

1. Ratio of net income over project’s working capital, which is equivalent to the total operating expenses incurred in generating the total revenues of the project during the production period.

\[
\text{Return on Working Capital} = \frac{\text{Net Income}}{\text{Operating Expenses}}
\]

2. Net income determines the profitability on a per unit basis regardless of the project size

\[
\text{Net Income} = \text{Total revenues} - \text{Total Operating Expenses}
\]

3. Net Profit Margin tells how much the project realize for every peso sale.

\[
\text{Net Profit Margin} = \frac{\text{Net Income}}{\text{Total Revenues}}
\]

4. Returns on Investment (ROI) show the amount of earnings per peso invested in the project. This is a more realistic estimate of the project’s earning power during the production period since all the resources are considered in the profitability analysis. This is also the basis for granting incentives to project personnel if the ROI is 10% or higher.

\[
\text{Return on Investment (ROI)} = \frac{\text{Net Income}}{\text{Total Asset or Capital Investment}}
\]

5. Returns on Equity show the earning rate of the project’s equity. A project is profitable if ROE is greater than the opportunity cost of capital.

\[
\text{Return on Equity (ROE)} = \frac{\text{Net Income}}{\text{Total Project’s Equity}}
\]

6. Returns to labor show the net earning realized per peso labor cost incurred in the project.

\[
\text{Return to Labor} = \frac{\text{Total Revenues} - \text{All Costs Other than Labor}}{\text{Total Labor Cost}}
\]

7. Labor Sales Ratio shows how much is spent on labor peso sales revenue generated by the project.

\[
\text{Labor Sales Ratio} = \frac{\text{Labor Cost}}{\text{Sales}}
\]
8. Labor-Sales Generation Efficiency shows the amount of sales revenues generated per peso labor cost incurred in the project.

\[
\text{Labor-Sales Generation Efficiency} = \frac{\text{Sales}}{\text{Labor Cost}}
\]

9. Labor-Income Generation Efficiency shows the amount of net income realized per peso labor cost incurred in the project.

\[
\text{Labor-Sales Generation Efficiency} = \frac{\text{Net Income}}{\text{Labor Cost}}
\]

10. Breakeven Price (BEP) will determine the minimum selling price which could be offered to at least have a breakeven production input and output costs. This also means that a net income/profit will be realized if the product is sold above the computed breakeven price while a net loss will be incurred if sold below this price.

\[
\text{Breakeven Price (BEP)} = \frac{\text{Total Operating Expenses}}{\text{Total Quantity Produced}}
\]

11. Breakeven Volume (BEV) determines the minimum production level that should be produced and sold by the project to at least breakeven. This means that when production is above this level, it will help the project realize a net income and if production is below this level, a net loss will be incurred.

\[
\text{Breakeven Price (BEP)} = \frac{\text{Total Operating Expenses}}{\text{Proposed Selling Price}}
\]

12. Breakeven Price to attain Target Net Income will be the guide in the product price that is offered to attain the target net income in a given production period.

\[
\text{BEP to Attain Target Net Income} = \frac{\text{Total Operating Expenses} + \text{Target Net Income}}{\text{Total Quantity Produced}}
\]

13. Breakeven Volume to attain Target Net Income will be the guide to project how much to produce and sell the product to attain the target net income.

\[
\text{BEV to Attain Target Net Income} = \frac{\text{Total Operating Expenses} + \text{Target Net Income}}{\text{Proposed Selling Price}}
\]
B.6. Project Monitoring and Evaluation System

6.1. Project Monitoring

Monitoring is a reporting system that gathers information on the utilization of inputs, on the unfolding project activities, on timely generation of outputs and on circumstances that are critical to the efficient and effective implementation of the project.

It gives emphasis on identifying ways of improving the project operations. It examines the day-to-day management of the project in terms of those areas which may give rise to project failure.

It provides feedback and devise corrective measures which can be executed at the right time by project implementers and managers.

Effective monitoring entails a “personal touch” which means that outstanding performances should be verified through ocular inspection and visitation not only by the monitoring committee but also the college executives.

The effectiveness of the monitoring system depends on these issues/concerns:
   a. Preparation and submission of accomplishment reports.
   b. Verification by concerned committee of submitted accomplishment reports.
   c. Recognition for outstanding performances by college executives.

The bases of monitoring are the accomplishment reports submitted.

6.2. Project Evaluation

Project Evaluation is the process of analyzing project inputs, transformation processes and the effect and impact of outputs and outcomes against explicitly stated goals and objectives.

The major objectives of evaluation are to:
   a. determine the extent to which the project goals, objectives and targets are achieved.
   b. determine to whom is attributed to any effects and changes discovered in the project implementation and evaluation.
   c. determine conditions affecting the profitability of the projects.
   d. determine any anticipated consequences or side effects of the project, and
   e. determine whether a project should be modified, enriched or totally phased out.

The basis of evaluation is on the inputs-process-outputs-outcomes model wherein, the production function of the college considered the supplies, materials and labor as the inputs, goods and products as the outputs and profitability as the outcomes as indicated by increased productivity and income.
Guidelines in the Monitoring and Evaluation System

1. Submission of reports by the Project Manager and Department Chairman
2. Regular visitation of the Department Chairman and the CEPC Council
3. Conduct of performance evaluation after each production cycle
4. Conduct of project analysis by selected committee to be presented during the performance review.
5. Conduct of regular meeting of the Project Manager by the Department Chairman and the Campus Dean.
6. Spot checking on the status of the project by the Resident Auditor, President or any representative from the Accounting Office

B.7. Control System

Control mechanism is instituted to deter any problem from arising throughout the production cycle and to ensure success of the projects.

Guidelines in the Control System

For crop projects:

a. No inputs will be purchased without an approved farm plan and budget, except in emergency cases.
b. Input needed for the day are withdrawn by the Project Manager through a request for issuance of supplies (RIS) and upon signing the warehouse logbook. The inputs withdrawn are based on the farm plan and budget.
c. The Project Manager monitors input application in the field, then empty containers/bags are returned to the warehouse.
d. Threshing operations are only allowed at daytime. Threshing during nighttime and holidays may be allowed with the approval of the CEPC Chairman and with the presence of a security guard.
e. All harvested/threshed produced in a day should be hauled to the warehouse, and be escorted by the Department Chairman and the Project Manager.
f. The number of bags of threshed palay should tally with the volume received by the warehouse caretaker/granarian.
g. The warehouse caretaker/granarian prepares the report on the inventory of stocks every 6 months.
h. Gate pass is issued for palay and inputs taken out from the school premises.
i. Purchase of inputs and selling of palay are done through canvass or bidding. In case of approved emergency purchase, inspection should be employed before the input is consumed.
j. Marketing of produce (vegetables, mangoes and etc) is done at the college trading center, or canteen, or at the project site with the corresponding sales invoice.
k. Losses in storage due to shrinkage and/or rodents shall be determined using actual data after storing.
For Poultry and Livestock Projects

a. Project Manager prepares the farm plan and budget for each production cycle.
b. Monthly reporting of inventory of stocks.
c. Monthly reconciliation of data on income and expenses by the Project Manager with the Accounting Office.
d. Presence of Audit Representatives when selling large animals.
e. Marketing of produce at the project site is permitted with corresponding sales invoice.
f. Daily remittance of collections to the Cashier’s Office.
g. Preparation of monthly statements of sales and expenses.

For Fishery Projects

a. Project Manager prepares a farm plan and budget for each production cycle.
b. Presence of the Department Chairman and a security guard during harvesting.
c. Marketing of produce at the project site is permitted with corresponding sales invoice.
d. Monthly reporting of sales and expenses.
e. Daily remittance of sales and expenses.

For Agri-Machineries

a. The Project Manager shall bring all the farm machineries to the Motor Pool after farm operations (within a week after the operation).
b. The Farm Machinery In-charge shall receive the different farm machineries and submit status report to the Project Manager.
c. The Farm Machinery Group shall be commissioned to all farm operations and prioritized them before going out for custom hiring.
d. All personnel under payroll are not entitled to an overtime pay, if services are required and extended beyond office hours.
e. Sharing and rentals should be based on the prevailing arrangements or systems in the community to be approved by the CEPC as follows:

<table>
<thead>
<tr>
<th>Harvester’s share</th>
<th>- 7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Rental</td>
<td>- Php 1500/cropping</td>
</tr>
</tbody>
</table>

For Non-Agribased Projects

a. Formulation and approval of project plan and budget. A target profit and/or output is set at the start of the operation.
b. Daily supervision of the Project Manager and quality periodic checking or inspection by the Department Chairman.
c. Monthly reconciliation of records among Project Managers, Department Chairman, Accounting, Campus Dean and Director.
d. Subsidiary ledger should be provided for each project.
e. Conduct of semi-annual performance evaluation by the VP for Administration and other key officials of the college.
f. Spot checking by the Resident Auditor/Internal Auditor and the SUC President

Considerations for Stall and Cottages

a. All stalls and cottages should have their own electric meter
b. All owners/residents should have a written contract with the college stating thereof the policies and guidelines, responsibilities of the contracting parties
CHAPTER IV
GUIDELINES ON INCENTIVE SCHEME

1. Rationale

An incentive is a strong encouragement to an objective. Its value hinges on the concept that no one generally does anything without an incentive. One of the objectives of redirecting the income of the college through IGPs is the possibility of giving opportunities to staff and faculty who can contribute to the enhancement of the college productivity and entrepreneurial capabilities.

The management and labor force shall consciously plan and implement cost-saving and efficiency-improving measures in the project to further improve its performance. What is envisioned then is to share benefits to all faculty and staff, support personnel/offices, who shall be directly and indirectly contributing to the productivity and/or efficiency of all IGPs. To effect this scheme, all beneficiaries of the net income of the projects shall only share certain percentage of the profit as stipulated in the provisions of this incentive scheme.

2. Coverage

All projects under the IGP shall be included in this incentive scheme.

3. Guidelines on Benefit Sharing

Incentives shall only be given if the Returns on Investment (ROI) is 10 percent or higher during a production year (12 months) for all projects under the IGPs and broken down as follows:

- Project Manager - 10% of the net income not to exceed Php 36,000.00
- Project Laborer - 15% of net income not to exceed Php 14,000.00
- Capital Build-up - 10% of the net proceeds
- Management incentives - 5% of the net income, any change thereof, the sharing rate/s approved by the BOT shall be decided by the President

The Campus share from the generated income of IGPs is 50% and is allocated for research and extension (30%) and reserve for production (20%).

In crop production and fishing operations, where students/fisherfolks managed directly the project with the supervision of the project manager, the sharing scheme is 75:25 for crops and 60:40 for fishing operations, respectively. This scheme is done after deducting all the expenses incurred, after which the 75% in crop production and 60% in fishing operation from the net income is accrued to the project implementers.

4. Guidelines on the Equivalent Teaching Load (ETL)

All IGP personnel are officially designated by the President upon the recommendation of the Campus Dean.
The following are the Equivalent Teaching Load given to faculty/staff working in the different projects.

<table>
<thead>
<tr>
<th>Designation</th>
<th>Maximum ETL</th>
</tr>
</thead>
<tbody>
<tr>
<td>VP for Administration</td>
<td>18 units</td>
</tr>
<tr>
<td>IGP Director</td>
<td>12 units</td>
</tr>
<tr>
<td>Campus Dean</td>
<td>12 units</td>
</tr>
<tr>
<td>IGP Chairman</td>
<td>6 units</td>
</tr>
<tr>
<td>Project Manager</td>
<td>3-6 units *</td>
</tr>
<tr>
<td>Economist</td>
<td>3 units</td>
</tr>
</tbody>
</table>

* dependent on the nature and area of the project

**For crop production projects**

- **rice** (1 unit/ha)
- **corn** 1 hectare/cs 3 units
- **legume** 0.5 hectare/cs 3 units
- **vegetables** 1000 sqm/cs 3 units
- **coffee** 5 hectares 3 units
- **pineapple** 5 hectares 3 units
- **mango and other trees** 100 trees/sem 3 units, 500 trees/sem 6 units

*Each project is managed by a project manager with hired laborers whose wages come from the generated income from the project croppings (cropping season)*

**For animal production projects**

- **piggery**
  - 20 sow-level 6 units
  - 5-10 sow-level 3 units
- **poultry**
  - **broiler** 300 heads/set-up 3 units
  - **layer** 200 heads/set-up 3 units
- **cattle** 10-20 heads 3 units
- **sheep and goat** 30-50 heads 3 units

*Each animal project is managed by a Project Manager with a hired laborer whose salary/wage be taken from the income generated from the project.*

**For fishing operation**

- **grow-out** 3 units/sem
- **hatchery/nursery** 3 units/sem
- **short duration (tuna drift gill net and etc)** 3 units/sem

*Each project is managed by a Project Manager and an aide whose wages or salary come from the generated income of the project, except in short duration/seasonal fishing operation where a project manager only supervises the project.*
CHAPTER V

IGPs for INSTRUCTION, RESEARCH and EXTENSION

Guidelines on IGPs for Instruction

1. Rationale

Production and related projects are established and maintained to support curricular offerings, especially in the technical courses in Agriculture and Agribusiness. Agri-based and non-agri-based projects are maintained through students who undertake the actual operation of the projects and have a share of the net profit. The projects will also serve as avenues for in-campus internship program for the development of the managerial skills and abilities in project management.

2. General Guidelines

a. The concerned Unit Head shall inform in advance through a written request to the IGP Management indicating the number of students who will undertake actual project operations and when they shall actually start fielding them.

b. The projects assigned to students shall be managed and operated by a Team composed of the Project Manager, faculty teaching the course and the students.

c. Students shall share of the profit as per approved guidelines/resolutions. Seventy-five percent goes to the students and 25 percent for the college. The share of the college shall be deposited to the income of the project.

d. The IGP Management shall advance the production inputs as student loan, to be liquidated at the end of the production period and after the products will be sold.

e. The students shall prepare a statement of Field Practice report, based on their Farm Records at the end of the production period.

f. The Project Manager and the Faculty teaching the course shall prepare more detailed guidelines for the students to follow in the project operations/implementation.

3. Specific Guidelines

a. The students as a group shall prepare a farm plan and budget and a corresponding loan application under the guidance of the faculty teaching the course.

b. The IGP Management shall have the right to review and approve the farm plan and budget, together with the loan application.

c. The project manager shall prepare the RIVs of necessary inputs based on the approved farm plan and budget.

d. The project manager shall issue to the students the required inputs as they are needed. All inputs shall be deposited first in the IGP Warehouse.

e. The students shall maintain adequate and updated farm records.

f. The students must perform most of the farm activities, except in cases of which their academic load restrains them from doing so.

g. At the end of the production period, the students, under the supervision of the project manager, dispose, sell and market the products.
h. Upon product disposal, a financial report is prepared reflecting the cost of production (including land rental/irrigation fee, machinery fees), revenue, net profit and the students’ shares based on approved implementing guidelines.

i. Costs of inputs advanced by the IGP as student loan shall be liquidated.

j. The faculty manager likewise prepares a statement of operation for the project as a whole at the end of the semester.

k. Arrangements for Field Practice students shall be at the discretion of the Project Manager.

l. Project area/farm production facilities not actually used by students during the period when the above mentioned courses are not offered shall be managed by IGP personnel and operate the same without impairing of the curriculum’s objectives.

Guidelines on IGPs for RESEARCH and EXTENSION

Research and Extension are basic and vital functions of any higher educational institution. Hence, the management of income generating projects shall in no way constraint the conduct of research and extension activities but rather support, complement and supplement the activities effectively and efficiently without considerably affecting projects’ operations and production.

The two categories of research and extension activities are those conducted by the faculty and the students (thesis researches). The foregoing provisions shall serve as guidelines for the conduct of such activities.

1. On Research and Extension Proposals

a. Proponents of approved proposals that will utilize any portion/segment of the project shall provide a copy to the CEPC Chairman with the corresponding communication requesting for allocation of the needed space, area/facilities of the project.

b. The CEPC Chairman or his authorized representative in consultation with the proponent, project manager, and faculty adviser shall allocate the needed space, area/facilities of the project under consideration.

2. On Funding/Financing

a. Faculty researcher-extensionist as well as student researchers seeking IGP support shall submit a proposal duly endorsed by the adviser for consideration and appropriate action of the CEP Management.

b. Utilization of any IGP facilities (work animal, machinery, etc.) shall be made available for the conduct of research and rentals shall be paid at prevailing rates.

c. Student researcher(s) using project supplies and inputs, upon proper arrangements with the project manager and adviser shall reimburse the costs upon disposal/sale of the produce incidental to the research undertaking.

3. On Reporting

a. The proponents shall keep records of supplies/input utilization under the supervision of the adviser, and/or project manager.

b. Upon the completion of the research and extension activities, a financial statement
of operation shall be made, duly approved by the project manager/adviser copy furnished the CEP Management.

c. Research and extension outputs shall copy furnished the CEP Management.

4. Disposal/Sale of Research Production

a. Net Profit from the sale of output incidental to the student research shall be shared both by the Research and Extension Unit and the CEP Management accruing to Fund 161.

b. Output of produce of student research shall be disposed/marketed and sold by the student, Project Manager and Adviser based on IGP guidelines.

c. Out of the sales, rental/s cost of supplies, inputs, stocks advanced by the CEP Management through the Project Manager, shall be reimbursed/paid to the account of the Project under consideration.

d. Any net profit of student researches shall accrue to the Project’s account.
REFERENCES


Commission on Audit Circular No. 84-239. Subject: Rules and Regulations Governing the Accounting of Agricultural Products.
APPENDIX A

PROJECT PROPOSAL OUTLINE

I. Project Title
   Location
   Duration
   Proponents
   Contact Person
   Budget Requirements
   Funding Source

II. Rationale

III. Objectives

IV. Technical Aspect

V. Financial Aspect
   Projected Income Statement
   Projected Cash Flow Statement
   Projected Balance Sheet

VI. Implementation Plan and Budget

VII. Socio-Economic Aspect

Prepared by:
   Project Manager

Noted by:
   Department Chairman

Recommending Approval:
   Campus Dean
   Vice President for Administration

Approved by:
   President
# APPENDIX B

**IGP Form 1**

**ANNUAL PLAN AND BUDGET**

(Name of Project)

Production Season: ______________________

<table>
<thead>
<tr>
<th>SCHEDULE</th>
<th>SPECIFIC/DETAILED ACTIVITIES</th>
<th>NEEDED INPUT/EXPECTED REVENUE (Labor, Supplies, Materials, Money)</th>
<th>QTY</th>
<th>UNIT</th>
<th>ITEM SPECIFICATION</th>
<th>VALUE</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Prepared and Submitted by: ____________________________

APPROVED: ____________________________

Project Manager ____________________________

Department Chairman ____________________________
IGP Form 2

**DAILY TRANSACTION RECORD**

**Project** ________________________________

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity/Transaction</th>
<th>Amount Php</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Cash</td>
<td>Credit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Recorded by:

__________________________
Project Manager
IGP Form 3

REMITTANCE SLIP

Name of Project _____________________________ Date Remitted: __________
Covered by Sales Invoice Nos. ____________________ Code No.: __________

Fund: _______________

Total Amount: ____________________

<table>
<thead>
<tr>
<th>Denomination</th>
<th>Number</th>
<th>Amount (Php)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remittances</td>
<td>Php 1,000</td>
<td>_______ ________</td>
</tr>
<tr>
<td></td>
<td>500</td>
<td>_______ ________</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>_______ ________</td>
</tr>
<tr>
<td>Cash………</td>
<td>Php_____</td>
<td>50 _______ ________</td>
</tr>
<tr>
<td>Check ……</td>
<td>_______</td>
<td>20 _______ ________</td>
</tr>
<tr>
<td>TOTAL………..</td>
<td>Php_____</td>
<td>10 _______ ________</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>_______ ________</td>
</tr>
<tr>
<td></td>
<td>Coins</td>
<td>_______ ________</td>
</tr>
</tbody>
</table>

Remitted by:

__________________________________________
Project Manager

Remittance acknowledgment by:
O.R. No.: __________________________
Date: __________________________
Amount: __________________________
IGP Form 4

GATEPASS FOR PRODUCTS RELEASED

<table>
<thead>
<tr>
<th>Project</th>
<th>Name of Recipient</th>
<th>Qty/Unit</th>
<th>Item Product</th>
<th>OR/PR No.</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*OR - Official Receipt
PR - Purchase Receipt*

Released by:

______________________________
Name

______________________________
Date
CASH SALES RECORD

_____________________________  
Project

<table>
<thead>
<tr>
<th>Date</th>
<th>Buyer</th>
<th>Item</th>
<th>Cash Sales Invoice No.</th>
<th>Amount (Php)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Prepared and Submitted by:

__________________________
Project Manager
IGP Form 6

ACCOUNTS RECEIVABLE RECORDS

<table>
<thead>
<tr>
<th>Date</th>
<th>Buyer</th>
<th>Item</th>
<th>Credit Invoice No.</th>
<th>Amount (Php)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Prepared and Submitted by:

__________________________
Project Manager
APPENDIX C

Record Form 1

PRODUCTION RECORD

Project ____________________________
For the month of ____________________

<table>
<thead>
<tr>
<th>Area (ha)</th>
<th>Gross Yield (cav)</th>
<th>Harvesting Fee (cav)</th>
<th>Threshing fee (cav)</th>
<th>Net Yield (cav)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Attested by: Submitted by:

_________________________  ___________________________
Security Guard  Project Manager
EXPENSE RECORD

(Name of Project)
Cropping Season: ____________

<table>
<thead>
<tr>
<th>Items</th>
<th>Quantity</th>
<th>Price/Unit (Php)</th>
<th>Total Value (Php)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: This format can be used for all types of projects

__________________________________________
Project Manager
### INVENTORY OF INPUTS

(Name of Project)

<table>
<thead>
<tr>
<th>Items</th>
<th>Quantity</th>
<th>Price/Unit (Php)</th>
<th>Total Value (Php)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Note: Can be used for all types of projects)

---

Project Manager

Department Chairman
WEIGHT SLIP

Crop Project No. ______________

Cropping Season: ________________

<table>
<thead>
<tr>
<th>Number of Sales</th>
<th>Weight (kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

________________________________________
Warehouseman
# FLOCK PRODUCTION RECORD

Poultry Project: Layer

Strain _____________________________ Date of Arrival: ______________
Source _____________________________ Code: LM - 11200 a/

FOR THE MONTH OF: _______________ YEAR __________

<table>
<thead>
<tr>
<th>Date</th>
<th>Population</th>
<th>Egg Production (pcs)</th>
<th>% Egg Production</th>
<th>Feed (kg)</th>
<th>FCR</th>
<th>Layer Depletion</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Recorded by: _____________________________

Project Manager

FCR - Feed Conversion Ratio

\[
FCR = \text{Total Feeds} \div \text{Dozen eggs produced}
\]

\[
\% \text{ Egg Production} = \frac{\text{Egg Produced}}{\text{Population}}
\]

\(^a/\) e.g. Layer purchased on May 11, 2000
# EGG PRODUCTION AND DISPOSAL RECORD

**POULTRY PROJECT: LAYER**

MONTH: _____________________ YEAR: __________

<table>
<thead>
<tr>
<th>Date</th>
<th>Production</th>
<th>Disposal</th>
<th>Balance</th>
<th>Value (Php)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td></td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>M</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td></td>
<td>L</td>
<td>L</td>
<td>L</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B/C</td>
<td>B/C</td>
<td>B/C</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Php</td>
</tr>
<tr>
<td>July 2</td>
<td>S</td>
<td>S</td>
<td>S</td>
<td></td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>M</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td></td>
<td>L</td>
<td>L</td>
<td>L</td>
<td></td>
</tr>
<tr>
<td></td>
<td>B/C</td>
<td>B/C</td>
<td>B/C</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Php</td>
</tr>
</tbody>
</table>

July 31

S - Small  
M - Medium  
L - Large  
B/C - Broken/Cracked

Recorded by:

__________________________
Project Manager
# HEALTH CARE AND MANAGEMENT

(Animal/Fishery Project)

Month: _________________________    Year: _______________

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Health Care / Management Activity</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Recorded by:

__________________________

Project Manager
Record Form 9

FEED CONSUMPTION RECORD

(Animal Project)

Date started _______________  Number of animals/fish _______  Breed/Species __________
Month: ___________________  Year: _____________________

<table>
<thead>
<tr>
<th>Day</th>
<th>Daily Feed (kg) AM PM</th>
<th>Kind of Feed</th>
<th>Price/kg</th>
<th>Amount (Php)</th>
<th>Cum. Amt. (Php)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Note: For swine, small ruminants and fishery projects)

Recorded by:

__________________________
Project Manager
MONTHLY INVENTORY RECORD

(Animal Project)

Month: ___________________________  Year: _______________

<table>
<thead>
<tr>
<th>Classification</th>
<th>Beginning Inventory</th>
<th>Newly Born</th>
<th>Purchased</th>
<th>Sold</th>
<th>Mortality</th>
<th>Ending Inventory</th>
<th>Value (Php)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL

(Note: For swine, small ruminants and animals)

Recorded by: ____________________________

Project Manager
BREEDING RECORD

(Animal Project)

Production Cycle: ___________________

<table>
<thead>
<tr>
<th>Ewe/ Sow No.</th>
<th>Date of Breeding</th>
<th>Buck/ Boar No.</th>
<th>Expected Date of Lambing/ Parturition</th>
<th>Actual Date of Delivery</th>
<th>Litter Size</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Note: Can be used for swine and other livestock but with different terminologies for the type of animal)

Recorded by:

__________________________
Project Manager
APPENDIX D

NATIONAL BUDGET CIRCULAR NO. 331
November 27, 1980

To: The Minister/Regional Director, Ministry of Education and Culture, Heads, Budget Officers, Chief Accountant/Bookkeepers of State Universities and Colleges, National Agriculture/Fishery and Other Schools Concerned and all other Concerned.

Subject: REVOLVING FUND FOR SCHOOL AGRICULTURAL OPERATIONS

1.0 Purposes

1.1 To implement LOI no. 872 on the participation of government schools in food production program;
1.2 To prescribe rules and procedures concerning the creation of school revolving fund out of income realized from agricultural projects embraced under the food production program.

2.0 Coverage

2.1 All state universities and colleges with agricultural development possibilities;
2.2 All national agricultural/fishery schools; and
2.3 Other national schools with food production activities.

3.0 Implementing Details

3.1 Food Production Plan

3.1.1 A food production plan shall be prepared by interested schools, including a general description of the project, its location, the land development plan (if necessary), development costs, expected output, timetable and other pertinent details. The same should be accompanied by a work and financial plan and submitted to the ministry of the Budget thru the regional director and the Office of the Minister, Ministry of Education and Culture.
3.1.2 Particular emphasis shall be given to protein sources and legumes, cassava, seguidilla, mongo, soya bean and where suitable fruit trees, fish, cattle, hogs, poultry, goats, and other food sources.
3.2 Income

3.2.1 The food production effort shall be considered as a propriety activity of participating schools which shall be authorized to sell their products at commercial rates.

3.2.2 Income of state universities and colleges shall be accrued to a revolving fund to be accounted for in a separate set of books of account under a special account in the general fund using fund code 161. Income of national agricultural/fishery schools shall; accrue to a revolving fund to be accounted in the general fund books (101).

3.2.3 Income representing the share of teachers and students in the propriety activity under an existing incentive scheme may be paid directly from the revolving fund, subject to accounting and auditing rules and regulations.

3.2.4 Proceeds from the sale of commodities/fruits from the “Alay Tanim” Program shall also form part of the income of the school.

3.2.5 Any interest income earned on revolving fund shall accrue to the same fund.

3.3 Expenditures. No disbursement from the fund may be used to pay for honoraria, overtime pay, or other additional compensation to schools superintendents, district supervisors, or other officials/employees except as may be approved under P.D. No. 985.

3.3.1 All expenses incurred in the food production program shall be charged to this fund by drawing directly against the account.

3.3.2 Expenses to be charged to the fund shall include cost of labor and supervision, honoraria, fertilizer, seeds, farm implements, and other costs directly associated with the program.

3.3.3 Net profits may be used to improve school facilities, acquire equipment, augment maintenance and other operating expenses, purchase library books, and other recurring expenses of the school, subject however to the requirements of LOI No. 29 limiting the purchase of motor vehicles, textbooks and supplementary/reference books, and the like.

3.4 Procedures

3.4.1 Schools concerned shall be authorized to open a bank account in the name of the school at any duly authorized government bank to be maintained as a separate current or savings account where all such accruing to the school and pertaining to the food production program
shall be deposited. Withdrawals may be made to cover expenses incurred in connection with the program by two (2) signatories, i.e.,

a. the school head, cashier, or other duly authorized personnel; and
b. the school auditor or his duly authorized representative.

3.4.2 The account may be opened upon receipt of notice of approval of the food production plan by the Minister of Budget.

3.4.3 State universities and colleges shall account for the revolving fund as special account in the general fund using fund code 161. A separate trial balance shall be prepared in accordance with existing accounting rules and regulations.

3.4.4 National agricultural/fishery schools shall account for the revolving fund in their general fund books (101) by using sub-responsibility code e.g. 8-70-302, 8-70-502, 8-71-102, etc. to segregate/identify properly the accounts pertaining to the operation of the revolving fund. Also corollary entries for equipment and other assets including related liability and invested surplus accounts shall be further identified with sub-codes, e.g., 8-78 (084), 9-94-110 (084), 8-86-950 (084), etc.

3.4.5 The accountable officer shall maintain a separate cash book for each type of activity. He shall reconcile his cash balance(s) with the corresponding trust liability account(s) such as 84-111, 84-112, 84-113 and 84-114 at least once a month.

4.0 Initial Development Cost

4.1 Initial development costs shall be charged against allotment (general fund) of the school concerned in the case of national agricultural/fishery and other national schools.

4.2 Initial development cost shall be charged against the allotment under the special account in the general fund of the state university or college.

4.3 The amount involved shall be specified in the food production plan referred to under Item No. 3.1.1 hereof and shall be disbursed only with specific approval of the work and financial plan.
5.0 **Accounting Procedures.** To illustrate the accounting entries to record transactions of the revolving fund, the following hypothetical data are provided:

<table>
<thead>
<tr>
<th></th>
<th>Agriculture</th>
<th>Fishery</th>
<th>Hog/Cattle Raising</th>
<th>Livestock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seeding/piglets, calves/chicks/fry</td>
<td>5000</td>
<td>5000</td>
<td>5000</td>
<td>5000</td>
</tr>
<tr>
<td>Supplies &amp; materials for maintenance such as fertilizers, insecticides, feeds, medicines, etc.</td>
<td>10000</td>
<td>100000</td>
<td>10000</td>
<td>10000</td>
</tr>
<tr>
<td>Direct inputs</td>
<td>10000</td>
<td>10000</td>
<td>7000</td>
<td>8000</td>
</tr>
<tr>
<td>Farm implements and other equipment such as hand tools, work animals, tractors etc.</td>
<td>20000</td>
<td>20000</td>
<td>8000</td>
<td>12000</td>
</tr>
<tr>
<td>Initial working capital</td>
<td>45000</td>
<td>45000</td>
<td>30000</td>
<td>35000</td>
</tr>
<tr>
<td>Proceeds from sale</td>
<td>5500</td>
<td>50000</td>
<td>35000</td>
<td>40000</td>
</tr>
<tr>
<td>Net Profit</td>
<td>10000</td>
<td>10000</td>
<td>5000</td>
<td>5000</td>
</tr>
</tbody>
</table>

Based on the above assumptions, the establishment of the initial working capital (IWC) and the operation of the revolving fund shall be done as follows:

5.1 **State Universities and Colleges**

5.1.1 Setting up of initial working capital
APPENDIX E

NATIONAL BUDGET CIRCULAR NO. 331-A
December 23, 1982

To: The Minister/Regional Directors of the Ministry of Education and Culture;
Heads, Budget Officers, Chief Accountants/Bookkeepers of the
Ministry/Regional Office of the Ministry of Education and Culture, State
Universities and Colleges and National Agricultural/Fishery/Vocational
Schools and Other Schools Concerned; COA Unit Auditors and All Other
Concerned

Subject: REVOLVING FUNDS FOR SCHOOL AGRICULTURAL AND
MANUFACTURING OPERATIONS

1.0 Purposes

1.1 To restate with amendments the rules and procedures prescribed for the
operation of a school Revolving Fund for agricultural projects covered by the
food production program pursuant to LOI 872 as implemented by NBC No. 331
dated November 27, 1980.

1.2 To prescribe rules, regulations and procedures concerning the establishment
and operation of the Revolving Fund for manufacturing operations of state
universities/colleges/schools to implement LOI 1026.

2.0 Coverage

2.1 All state universities and colleges with agricultural and/or manufacturing
development possibilities;

2.2 All national agricultural/fishery/vocational schools; and

2.3 Other national schools with food production/manufacturing activities.

3.0 Definition of Terms

3.1 Food Production Plan – is a plan of the food production projects/activities to be
undertaken by a state university/college/school stating the general description of
the project activity, its location, the land development plan, development costs,
expected output, timetable, management and marketing aspects, financial
estimates (e.g., projected income/cash flow statement) and other pertinent details.

3.2 Manufacturing Operation Plan – is a plan of the manufacturing operations to be
undertaken by the state university/college/school in the production of school desks,
furniture, handicrafts, bamboo crafts and the like. It contains among others, a
description of articles to be manufactured, estimated costs of production, unit costs
and other pertinent details.

3.3 Initial Development Cost – refers to the initial working capital to cover all
costs/expenditures necessary to carry out the food production projects/activities as
approved in the Work and Financial Plan.

3.4 Receipts – refer to all classes of cash received resulting from agricultural and/or
manufacturing operations.

3.5 Income – covers collections from the sale of produce from agricultural activities and
the “Alay Tanim” program, manufactured articles, interest on bank deposits and
such other collections resulting from exhaustive food production and manufacturing
efforts.

3.6 Net Profit/Net Income – refers to the gain or the excess of selling price of
agricultural products and/or manufactured articles over their costs.

3.7 Direct Labor – refers to the cost of work or services rendered during the actual
phase of production. It includes the honorarium of teachers, students and other
persons who take active participation in the production activities. The participants
whose efforts are input in the production process are said to be directly involved.

3.8 Indirect Labor – refers to the cost of work or services of school official/personnel
and other persons who take part in the operation of the agricultural/manufacturing
program, yet whose efforts do not directly apply to the actual phase of production,
e.g., school head, accountant, etc. These persons are said to be indirectly
involved.

3.9 Management staff – refers to schools/s officials/personnel who are involved with
specific duties and responsibilities in the management and control of funds for
agricultural/manufacturing operations. It is composed of the head of the school,
budget officer, chief accountant, cashier, property officer and the unit auditor.

4.0 Implementing Guidelines

4.1 Food Production Plan/Manufacturing Operation Plan

4.1.1 Any school interested to undertake agricultural and/or manufacturing
operations shall prepare the Food Production Plan (FPP) and/or
Manufacturing Operation Plan (MOP) in accordance with the sample
given in Annexes A & B. Said plans shall be submitted together with the
Work and Financial Plan (WFP) by state universities and colleges to the
Regional Office, Office of Budget and Management (OBM) for evaluation
and recommendation and subsequent transmittal to the Minister for
approval. Incase of national agricultural/fishery/vocational schools, the
FPP and/or the MOP together with the WFP shall be submitted thru
Regional Office, Ministry of Education and Culture (MEC) to the Regional
Office, OBM for evaluation and approval, copy of said FPP and/or MOP
furnished the Minister, MEC. However, national agricultural fishery/vocational schools covered by Regions, II, III, IV and NCR shall submit the FFP/MOP and WFP thru Regional Office, MEC to the National Accounting Office, Office of Budget and Management for evaluation, recommendation and subsequent transmittal to the Minister for approval, copy furnished the OBM Regional Office and the Minister, MEC.

4.1.2 In the food production program. Particular emphasis shall be given to protein sources, legumes, cassava, seguidillas, mongo, soya beans and where suitable, fruit trees, fish, cattle, hogs, poultry and other food sources.

4.2 Initial Development Cost/Working Capital

4.2.1 The initial development costs for agricultural operations shall be charged against the regular operating and maintenance fund (Fund 101) of national agricultural/fishery and other national schools, and against the Special Account under the General Fund (Fund 151) in the case of state universities and colleges.

4.2.2 The expenditures for the first year of the manufacturing operations shall be borne by the regular operating and maintenance fund (Fund 101) of national vocational schools, and the Special Account under the General Fund (Fund 151) in the case of state universities and colleges. Cash advances from customers may likewise be utilized as initial working capital.

4.3 Income

4.3.1 The food production/manufacturing activities shall be operated in a business manner where products/manufactured articles shall be sold at commercial rates, and in no case shall it be less than the cost of materials, labor, estimated cost for the depreciation of equipment and other overhead costs.

4.3.2 Receipts/Income of state universities, colleges and national agricultural/fishery schools realized from the food production activities and sale of manufactured depository bank under a separate bank account and shall be recorded as income of the Revolving Fund. These shall be accounted for under separate account the Co-General Fund using different fund codes, i.e., Fund Code 161 for receipts/income realized from food production and Fund Code 162 for those generated from sale of manufactured goods.

4.3.3 Proceeds from the sale of commodities/fruits from the “Alay Tanim” Program shall also form part of the income of the Revolving Fund for agricultural operations.

4.3.4 Any interest income earned on bank deposits of the Revolving Funds as
well as any net income from the agricultural/manufacturing operations shall accrue to their respective revolving funds which may be used to support the regular academic/vocational program of the school.

4.4 Expenditures

4.4.1 All expenses incurred in the food production/manufacturing operations shall be paid directly from its bank account which shall include the cost of direct/indirect labor, supervision, honoraria for teachers/personnel involved in the food production efforts, fertilizer, seeds, farm implements and other costs directly/indirectly associated with the program.

4.4.2 Teachers and students directly involved in the food production/manufacturing activities shall be given honoraria/wages at the rate of Php5.00/Php1.50 an hour, respectively, based on services actually rendered not exceeding 40 hours a month. The management staff shall likewise be given the same rate of honoraria as the teachers for the same number of hours of actual service. The allowable honoraria/wages shall be paid from the Revolving Fund and shall form part of the cost of sales.

4.4.3 Honoraria shall be granted only to the school officials and employees who are on assignment to duly authorized and/or accredited agricultural and manufacturing operations.

4.5 Books to be Maintained

State universities, colleges and national schools which operate a Revolving Fund for their agricultural and/or manufacturing operations shall maintain a separate set of books of accounts for each of these operations. All financial transactions pertaining to these operations shall be recorded thereon, and accounted as Revolving Account in the General Fund under Fund Code 161 and 162, respectively.

5.0 Procedural Guidelines

5.1 Upon receipt of the notice of approval of the Food Production Plan and/or the Manufacturing Operation Plan by the Minister of Budget, the school concerned shall open a bank account in the name of the school, one for agricultural operations and another for manufacturing operations with any authorized government depositor bank, to maintain as a separate current or savings account where all collections pertaining to said operations shall be deposited.

5.2 Withdrawals to cover agricultural and/or manufacturing expenses shall be made on two (2) signatures:

5.2.1 The school head or his authorized representative and
5.2.2 The school auditor or his duly authorized representative

5.3 State universities/colleges/schools shall account for the Revolving Funds for
agricultural and manufacturing operations as Revolving accounts in the General Fund using Fund Codes 161 and 162, respectively. Trial balance for each fund shall be prepared in accordance with existing rules and regulations.

5.4 The accountable officer shall maintain a separate cash book for each type of agricultural and/or manufacturing activity. He shall reconcile his cash balance(s) with the corresponding trust liability account(s), i.e., 8-84-111 (agriculture), 8-84-112 (fishery), 8-84-113 (hog/cattle raising), 8-84-114 (livestock) and 8-84-121 (manufacturing) at least once a month.

5.5 At the end of each semester/calendar year or as the need arise, state universities and colleges and national agricultural/fishery/vocational schools may avail of the interest income from bank deposits and the net profit from agricultural/manufacturing operations to increase working capital, and improve school facilities, acquire equipment, augment maintenance and other operating expenses, purchase of library books, and other non-recurring expenses of the school, subject to the requisites of LOI No. 29 limiting the purchase of motor vehicles, textbooks and supplementary/reference books, and the like. The availment of said interest income and net profit shall not be subject to special budget. However, the Report of Availment of net profit/Interest Income, Annex I supported by Income and Operation Statement, Annex B shall be submitted to the National Accounting Office, copy furnished the Regional Office, Office of Budget and Management. In case there is no availment of interest income/net profit during the year, only the Income and Operation Statement shall be submitted at year end.

5.6 Of the total net profit realized for every whole year of operation of the food production program/manufacturing activities, 70% may be made available for the purpose(s) mention in Item 5.5; 15% may be used to cover contingencies, i.e., depletion of working capital due to natural causes such as typhoons, floods, etc.; and 15% may be made available for incentive allowance of the management staff, teachers and other school personnel involved in the food production activities and shall be equally distributed; provided, that the share of every authorized employee may not in the aggregate, exceed fifty percentum of his annual salary. Where the replenishment of working capital will not be adequately covered by the 15% earmarked for contingencies, the amount required may be taken and given priority from the 70% made available for purpose(s) stated in Item 5.5.

5.7 Proper control of allocated net profit mentioned in Item 5.6 shall be maintained in order to establish the correct balance for its availment.

5.8 The Commission on Audit and the Ministry of Education and Culture shall adopt such measures as may be necessary to prevent the use of school facilities for private undertakings.

6.0 Accounting/Inventory Control Procedures

6.1 The accounting entries to record transactions of the Revolving Funds for agricultural and manufacturing operations are shown in Annex C. Likewise,
entries to take up the transfer of accounts for on-going food production activities mentioned in Item 7.2 are shown in Annex C.

6.2 To maintain proper control of offsprings of breeding stocks, e.g., cattle, hogs and livestock, the following shall be strictly observed:

6.2.1 The birth of offsprings shall be reported within five (5) days from the date of birth. The report shall be prepared by the Property officer duly attested by the person having immediate charge and submitted to the Head of the School, copy furnished the Chief Accountant. Said report shall contain among others, kind/type of offsprings, quantity, description, e.g., color, etc. (where applicable) and birth date.

6.2.2 The offsprings shall be taken up in the books at a nominal value of P1 for each head, based on the report prepared by the Property Officer mentioned in Item 6.2.1 herein.

6.2.3 When the offsprings are ready for sale, those that shall not be retained for breeding purposes shall be transferred to inventories for resale and their value shall be looked up based on the actual cost rearing. In cases where the actual cost of raising the offsprings is not easily identifiable, the inventory value shall be determined by a valuation committee. The value that shall be set by the committee shall not be lower than 75% of the prevailing market price. The decision/action of the committee shall be in writing and serve as the basis for booking up the inventory value.

6.2.4 A valuation committee shall be created in the respective schools concerned composed of the Property officer, Accountant, Budget Officer, COA Unit Auditor and an official as may be designated by the school head and shall perform the function mentioned in Item

7.0 On-going Food Production Activities

7.1 State universities and colleges, national agricultural/fishery and other schools with on-going food production activities which shall request for authority to maintain a Revolving Fund shall comply likewise, with the requirements specified under Item 4.1.1 for proper control and monitoring of said activities. In addition, a Profit and Loss Statement and Balance Sheet shall be prepared showing the latest results of operation/financial condition of on-going food production activities.

7.2 The net current assets shown in the balance sheet shall form part of the initial working capital of the Revolving Fund. However, the component of net current assets representing cash which were already deposited with the Bureau of the Treasury shall be excluded if credited to income account, and a separate bank account shall set up for those which were not deposited yet, and subsequent collections.

7.3 Pending approval of the Food Production Plan, state universities/colleges/schools concerned shall maintain a separate current/savings account
with their authorized government depository bank for collections from on-going food production activities. Any balance previously deposited with the Bureau of the Treasury which were credited to trust liability account may be withdrawn for deposit with the authorized depository bank upon approval by the committee created under Sec. 51 of PD No. 1177.

8.0 Reporting Requirements

State universities and colleges, national agricultural/fishery/vocational and other schools concerned shall submit to the National Accounting Office, Office of Budget and Management, copy furnished the OBM Regional/District Offices the following reports not later than the date indicated:

8.1.1 Agricultural Operations

<table>
<thead>
<tr>
<th>Reporting Requirements</th>
<th>Date of Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Monthly Report of Income (Annex D)</td>
<td>10 days after the period covered</td>
</tr>
<tr>
<td>b. Quarterly Report of Expenditures (Annex E)</td>
<td>15 days after the period covered</td>
</tr>
<tr>
<td>c. Honoraria/Wage Schedule (Annex G)</td>
<td>15 days after the quarter covered</td>
</tr>
<tr>
<td>d. Income and Operation Statement (Annex H)</td>
<td>Year-end or as the agency availed of the net profit</td>
</tr>
<tr>
<td>e. Report of Availment of Net Profit/Interest Income (Annex I)</td>
<td>As the agency availed of the net profit</td>
</tr>
<tr>
<td>f. Trial Balance</td>
<td>10 days after the end of the month covered</td>
</tr>
<tr>
<td>g. Bank Statement (for period covered by report required under Items 8.1.1a and b)</td>
<td>In support of Items 8.1.1a and b</td>
</tr>
</tbody>
</table>
COMMISSION ON AUDIT CIRCULAR NO. 84-239

To: The Ministers, Heads of Bureaus and Offices, regional Directors of National Government Agencies, Provincial Governors, City and Municipal Mayors and Managing Head of Government Owned or Controlled Corporations including Subsidiaries, Heads of State Colleges and Universities, National Agricultural/Fishery/Vocational and Other Schools, Chief Accountants, COA Auditors, and all other concerned.

SUBJECT: Rules and Regulations Governing the Accounting of Agricultural Products

I. Purpose

This circular is issued to prescribe uniform procedures for the proper valuation, recording, and reporting of soil, animal, and fishery products acquired or produced by government agencies in the national, local, and corporate levels engaged in farming and other agricultural activities and/or animal and fishery production either as their regular function or an additional or special project.

II. Coverage

The rules and regulations herein prescribed shall apply to:

1. Animal and fishery products purchased, raised or acquired free of charge for the purpose of breeding, research, demonstration, instruction, propagation or dispersal, for sale or for work animals, or for institutional use of consumption.

2. Soil products purchased, grown or acquired free of charge for the propagation of seedlings, plants and trees, for research, instructional, and demonstration purposes, for institutional use or consumption or for sale.

III. General Guidelines

1. Funding/Authorization

1.1 Unless otherwise provided by law, agencies engaged in the production of soil, animal and/or fishery products as special project or income producing activity, shall maintain a revolving fund for the purpose. Transactions shall be maintained/recorded in a separate revolving fund books.

1.2 Transactions which form part of the regular function of the agency such as animal and plant dispersal program may be maintained in the general fund books or as trust liability, as may be provided for by law and regulations.
2. Procurement

2.1 Purchase of agricultural products and supplies shall be governed by the established procedures on government procurements.

3. Sales/Collection

3.1 Sales made at respective project site shall be issued serially numbered provisional receipts/sales invoices.

3.2 Cash shall be turned over to the cashier weekly or one the amount reaches P500, together with a copy of the Daily Production and Sales/Disposal Report (DPSDR).

The cashier shall issue an official receipt (General Form 13A) for all collections and/or proceeds of agricultural products turned-over by respective project managers. A report of collection shall be prepared in two copies. The original report is submitted to Accounting for recording in the books of accounts. Sales on account shall be made only upon proper authority.

4. Accounting

4.1 Recording of the transactions shall use the accounts prescribed in the Standard Government Chart of Accounts. The accounts involved and the illustrative journal entries are shown in annexes 1 and 2, respectively.

IV. Specific Guidelines

1. Animal, Poultry and Fishery Products

1.1 The accounting treatment of animal products which are purchased or acquired free of charge, shall vary according to the purpose of their acquisition, as follows:

   Breeding animals are classified as investment.
   Work animals are classified as fixed assets.
   Those intended for resale are treated as inventories-items for sale.

1.2 Animal products for immediate sale or disposal such as eggs, dairy, and other small animals shall be taken up as inventory-items for sale.

1.3 All offsprings of animals to be raised or grown shall be taken initially as inventories-growing animals, upon birth, with a corresponding credit to deferred income.

1.4 Offsprings of large animals such as cattle shall be reported in the Report of Animal Birth (Exhibit 1).

1.5 All other animals and animal products produced shall be reported in the Daily Production and Sales/Disposal Report (DPSR) as shown in Exhibit 2. The
project manager shall prepare the DPSR within two days from birth of animals or harvest of farm products. The reports shall be accomplished in five copies to be distributed as follows:

- Original – Agency Head
- Copy 1 – Accounting
- Copy 2 – Property Officer
- Copy 3 – Cashier
- Copy 4 – File of Project Manager

1.6 Offsprings of animals and those acquired free of charge shall be recorded at standard costs prevailing in the industry. In the absences of such industry standards, each agency head shall constitute an Appraisal Committee to develop a cost system for each variety or species of animal on the basis of prevailing market prices.

1.7 Upon reaching marketable or maturity age and once their purpose has been determined, the offsprings of animals shall be transferred to appropriate accounts either as inventories-items for sales, investment or fixed assets.

1.8 Animals which perished or are issued for institutional use or consumptions, shall be supported by a properly approved Requisition and Issue Voucher (RIV) and dropped from the inventory account. In case of loss, a request for relief accountability shall be made. Loss due to negligence of the accountable officer concerned shall be based chargeable against him and the amount to be refunded shall be based on the prevailing market value determined by an Appraisal Committee created by the agency head concerned.

1.9 A livestock ledger card (Exhibit 3), to be kept by the property officer shall be maintained for each large animal such as cattle, carabao, horse, etc., recorded as investment or fixed assets.

1.10 Their respective offsprings shall be recorded in the livestock ledger card of the mother and temporary number is assigned to them. The temporary number shall be prefixed by the mother’s number and each offspring shall be consecutively numbered. For example, Cow No. 200 will have her calves numbered 200-1, 200-2 and so forth. The temporary number will be replaced by the brand number which will be its permanent number until its disposal. Upon branding, the offspring will acquire its own property card.

1.11 Small animals such as swine, poultry, and fishery acquired/produced by lot shall be recorded in the livestock ledger card by lot.

1.12 Large animals should be appraised quarterly and/or at the time of disposal. A report on the appraised/standard cost determined shall be submitted by the Appraisal Committee to the agency head, copy furnished the accountant and the property officer. The chief accountant shall prepare a journal voucher to adjust the inventory/investment/fixed asset account for livestock to its appraised value. The property officer shall likewise update the property ledger card based on the appraisal/standard cost report.
1.13 A monthly report of inventory (Exhibit 5) shall be prepared for animal and poultry products within 10 days after the end of the month, copy furnished the chief accountant.

1.14 In case of death of offsprings, the project manager shall likewise submit a report (Exhibit 4) to the agency head within two days. The report shall also state the value of the animal stating therein, causes/reasons of death and other necessary details. The report shall also be accomplished in five copies to be distributed above.

2. Soil Products

2.1 Seeds and seedlings purchased or acquired free of charge shall be taken up in the books as inventory-seedlings.

2.2 Perennial crops which do not need periodic replanting (such as coconuts, mangoes, etc.) shall be recorded as investments-perennial crops.

2.3 Annual crops (such as palay, corn, sugar, etc.) which need periodic replanting shall be transferred to inventory-items for sales, upon harvest. Fruit bearing annual crops such as bananas, tomatoes, papaya, etc., shall be transferred to inventory-annual crops upon reaching productive age.

2.4 Fruits of annual and perennial crops shall be recorded as debit to inventories-items for sale and credited to deferred income statement at standard cost, upon harvest.

2.5 Standard cost for soil products may be developed as provided for under No. IV-1.6.

2.6 Soil and agricultural products given away or consumed, upon proper authority and supported by an RIV shall be dropped from the books. Those items which deteriorated or were spoiled due to natural causes shall be supported by a report or waste materials which shall be the basis for dropping the inventory account from the books. The report under IV-1.13 and Exhibit 4 shall also be prepared by the project manager.

2.7 All soil products harvested shall likewise be reported in the DPSR and monthly report on inventory.

2.8 For agricultural crops, the project manager shall submit within one month after planting, a report of planted crops (Exhibit 6). The report shall be submitted to the accountant copy furnished the property officer.

V. Repealing Clause

Unless specifically provided for by law, the provisions of existing circulars which are inconsistent herewith are hereby amended and/or modified accordingly.
VI. Effectivity

This circular shall take effect immediately.

(SGD.) FRANCISCO S. TANTUICO, JR.
Chairman

(SGD.) SILVESTRE D. SARMIENTO
Commissioner
APPENDIX G

PARTICIPANTS TO THE TWO-DAY CAPABILITY ENHANCEMENT PROGRAM FOR IGP IMPLEMENTERS IN TECHNOLOGY COMMERCIALIZATION AND AGRIBUSINESS ENTREPRENEURSHIP CONDUCTED ON NOVEMBER 10-15, 2005 AT THE FTC, ISPSC-CA, MAIN CAMPUS, STA. MARIA, ILOCOS SUR

Marjorie P. Opolencia
Helen C. Abella
Erlinda M. Umipig
Leonida F. Bides
Florida T. Adolfo
Eleodora C. Rebollido
Romelia P. Laguardia
Anacleta R. Reyes
Gregoria V. Umipig
Gloria D. Tuzon
Pedro P. Lazo
Julieto G. dela Cruz
Fernando C. Calibuso
Betsy Luisa P. Ancheta
Ricardo P. Raguindin
Benedicto A. Bellon
Florendo C. Potingan
Cesar C. Nacis
Jerry P. Manzano
Francisco N. Divina
Perlita F. Tomas
Estelita A. Viloria
Heidi D. Desierto
Susan N. Pe
Renato A. Sawey
Zosimo A. Liberato
Constante F. Umipig
Elisa Q. Apelado
Remedios G. Galaites
Danilo C. Abella
Marcelo I. Quinto, Jr.
Eric L. Baptista
Rogelio C. Hidalgo
Adela G. Estráñero
Betty D. Dumot
Wilma M. Ponce
Carmelo F. Beria
Celestino V. Talloza
Valentin Q. Tugade
Ed A. Frando
Denis T. Cabotage
Germelina A. Bello
Edwardson A. Tacuban
Annie A. Gautani
Corazon G. Pardo
Evelina D. Raguindin
Agustin P. Cortez, Jr.
Anna Marie D. Barroga
Remely A. Sanidad
Rosalie D. Bañez
Bonifacio S. Ducusin
Sofronia C. Pico
Marvin Aristeo Pico
Corazon A. Gines
Arturo B. Agatep
Aurora R. Apelado
Teresita I. Felicitas
Olivia C. Directo
Sancho S. Buquing
Antonio Barnachea
David M. Daluddung
Jonathan S. Pagatpatan
Purisima P. Florendo
Florencia D. Daño
Francisco D. Lopez
Jose Cabatu
Paz L. Salgado
Bernadette C. Calibuso
APPENDIX H

PARTICIPANTS TO THE CONSULTATIVE CONFERENCE ON VALIDATION OF THE ISPSC CEP MANUAL OF OPERATIONS

- Danilo C. Abella
- Helen C. Abella
- Florida T. Adolfo
- Arturo B. Agatep
- Asuncion G. Altiz
- Betsy Luisa P. Ancheta
- Bernadette C. Calibuso
- Reynaldo F. dela Cruz
- Tessie dela Cruz
- Fredeline D. dela Cuadra
- Olivia C. Directo
- Annie D. Gautani
- Corazon A. Gines
- Francisco D. Lopez
- Melchor S. Macabeo
- Aurelio Jonathan S. Pagatpatan
- Wilma M. Ponce
- Rafael B. Querubin
- Marcelo I. Quinto Jr.
- Corazon Q. Quitevis
- Arnoldo U. Racadio
- Ricardo P. Raguindin
- Rosario B. Salazar
- Remely A. Sanidad
- Ederlina M. Sumail
- Gloria D. Tuzon
- Erlinda M. Umipig
- Erlinda A. Valido
- Crescencia C. Viloria