GUIDELINES FOR IMPLEMENTING THE REFUND OF RFID FEES COLLECTED

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1.0 PURPOSE

This Memorandum Circular is issued to provide the rules and procedures for the efficient refund of Radio Frequency Identification (RFID) fees collected from the motor vehicle (MV) registrants pursuant to the memorandum approved by the Department of Transportation and Communications (DOTC) Secretary dated July 20, 2010.

2.0 COVERAGE

These Rules shall cover all motor vehicle registrants nationwide who paid the RFID fee from November 2009 to February 2010. The refund of the RFID can only be claimed in the district office where it was collected within a six-month period from the time of the effectivity of the refund.

3.0 OPERATIONAL PROCEDURES

3.1 Responsibilities of the Central & Regional Offices

3.1.1 The LTO-Central Office (CO) shall withdraw the total amount of RFID fees which was deposited to the escrow account. The total amount withdrawn shall be deposited to a new trust account, through Debit Advice as agreed upon by LTO and Stradcom.

3.1.2 Stradcom shall provide a master list of the MV registrants who paid the RFID fees validated by the Chief, District Office to the Regional Finance Division, for consolidation.

3.1.3 The Regional Office (RO) shall request the transfer of funds equivalent to the total amount collected which shall be supported by the master list of the registrants/payees and the Journal Entry Vouchers (JEVs) taking up the transfer of RFID collections and deposits.

3.1.4 The LTO-CO shall grant cash advance to the Regional Offices through the Regional Directors (RD) to be deposited to a new trust account. The RO then grants cash advance in accordance with existing accounting and auditing rules and regulations to the Chief, District Office who shall be responsible in the refund of the RFID fees. The amount of cash advance to be granted shall be determined by the RO based on the total RFID fees collected by the DO.

3.1.5 The RD may submit partial liquidation of the cash advance granted by the CO based on the liquidation reports submitted by the DOs. Full liquidation must be made within sixty (60) days after the six-month period allowed for claiming refund.

3.2 Responsibilities of District Offices

3.2.1 The Chief, District Office shall refund the RFID fees to the MV registrants upon submission of the following documents:

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3.2.1.1 Filled up RFID Refund Request form (RRR) in duplicate copies

3.2.1.2 Original and photocopy of Official Receipt (OR) showing the RFID payment

3.2.1.3 Photocopy of valid ID of the registrant or his authorized representative

3.2.1.4 Authorization from the MV registrant, if applicable

3.2.2 The Chief, District Office stamps “RFID REFUNDED” on the original OR as proof that payment has been made.

3.2.3 The MV registrant shall sign the master list & receipt portion of the RRR to acknowledge receipt of payment of the RFID refund.

3.2.4 The Chief, District Office shall submit liquidation report to the RO supported by a summary of payment, master list duly received by the MV registrants or authorized representative and the approved RRR.

The Chief, District Office may opt to submit a full or partial liquidation of their cash advances. Partial liquidation shall be allowed once the amount disbursed reached 75% of the cash advance granted. The RO shall then release another cash advance corresponding to the remaining balance of the total RFID fees collected by the concerned DO.

The regional accountant shall record the receipt and liquidation of the cash advance using the accounting entries presented below.

3.2.5 The Stradcom shall assign a personnel to assist the Chief, District Office in the preparation of documents for refund of the RFID.

4.0 ACCOUNTING ENTRIES

4.1 Accounting entries to be prepared by CO:

Upon transfer of RFID fees from escrow account to the new trust account:

Escrow Account
439 Other Payables
111 Cash in Bank

RFID Account
111 Cash in Bank – RFID
439 Other Payables – RFID

Upon granting of cash advance to the ROs:

142 Due from Regional Offices – RFID
111 Cash in Bank – IT Fee

Upon liquidation by ROs:

439 Other Payables – RFID
142 Due from Regional Offices

4.2 Accounting entries to be prepared by ROs:

Upon receipt of cash advances from CO:

111 Cash in Bank – RFID

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421 Due to Central Office RFID

Upon granting of cash advances to DO through disbursement vouchers:

103 Cash Disbursing Officer – RFID
111 Cash in Bank – RFID

Upon liquidation by DOs:

439 Other Payables – RFID
103 Cash Disbursing Officer – RFID

Upon liquidation by ROs:

421 Due to Central Office – RFID
439 Other Payables – RFID

Any unclaimed RFID fees shall be forfeited in favor of the government and shall be automatically reverted to the National Treasury.

The Regional Directors, the Chiefs of the District Offices and other personnel concerned shall ensure the proper implementation of this Memorandum Circular.

5.0 EFFECTIVITY

This Memorandum Circular shall take effect fifteen (15) days after the publication from three (3) newspapers of general circulation.

(SGD.) VIRGINIA P. TORRES
Assistant Secretary

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