OFFICE OF THE COURT ADMINISTRATOR, COMPLAINANT, VS. CLERK OF COURT HERMENEGILDO I. MARASIGAN, REGIONAL TRIAL COURT, KABACAN, NORTH COTABATO, RESPONDENT.

A.M. No. P-05-2082 (FORMERLY A.M. NO. 05-8-534-RTC). November 29, 2011

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PER CURIAM:

We resolve the present administrative complaint brought by the Office of the Court Administrator (OCA) against Clerk of Court Hermenegildo I. Marasigan (respondent) of the Regional Trial Court (RTC), Kabacan, North Cotabato.

The Antecedents

The facts are laid out in the OCA memorandum dated October 7, 2008[1] and are summarized below.

From June 7 to 16, 2004, an OCA audit team, headed by Management and Audit Analyst IV Monroe Curioso, conducted a financial audit on the RTC, Kabacan, North Cotabato. The audit covered the accountabilities of former Clerk of Court-in-Charge Barbara Espinosa, for the period of September 1991 to March 1993, and of the respondent, from April 1993 to May 2004.

The audit team discovered that the cash count for June 7, 2004 fell short of P660.80. It attributed this anomaly to the respondent's practice of depositing his collections on a monthly, instead of a daily, basis. Also, the team found a big number of missing documents which were vital in the completion of the audit. These documents consisted of official receipts (recorded and not recorded in the cashbook), cancelled official receipts without the original copies, deposit slips, deposit slips without machine validation, and Fiduciary Fund (FF) withdrawals and passbooks.

Because of the non-availability of the FF passbooks, the audit team failed to determine the interests earned on the FF deposits which should have been remitted to the Judiciary Development Fund (JDF).

At the conclusion of its work, the audit team submitted to the OCA a Final Report.[2] The OCA, in a memorandum dated August 15, 2005,[3] presented the salient features of the report to then Chief Justice Hilario G. Davide, Jr.

Acting on the report, the Court's Third Division issued a Resolution on October 5, 2005,[4] as follows:

> - to RE-DOCKET the report of the team as a regular administrative complaint against Clerk of Court Hermenegildo I. Marasigan.
>
> - to DIRECT Clerk of Court Hermenegildo I. Marasigan:
>
> - a. to EXPLAIN within ten (10) days from notice hereof:
>
> a.1. the P660.80 shortage in his collection during the cash count;
>
> a.2. his failure to deposit his collections daily despite the fact that the LBP, Kabacan Branch is only about 25

meters away from the court;

a.3. his failure to maintain a cashbook for the Fiduciary Fund;

a.4. his failure to present the detached original copies of official receipts with serial numbers 17631048-17631050 while leaving in the booklet the corresponding duplicate and triplicate copies unmarked; and

a.5. his failure to comply with the directives in the memorandum of the Court Administrator dated November 9, 2004.

- to ACCOUNT for the interest earned on deposits of Fiduciary Fund from April 1993 to May 2004 and to PAY by depositing the same to the Judiciary Development Fund Account of the Court and to SUBMIT the machine validated deposit slip to the Fiscal Monitoring Division, Court Management Office;

- to EXPLAIN his failure to produce the following documents and submit the same to the Fiscal Monitoring Division, Court Management Office, Office of the Court Administrator, both within ten (10) days from notice, to wit:

c.1. the Missing Official Receipts (ORs) that were not reported in the cashbook, as follows:

OR NUMBER

8786851-8786854

4006951-4006952

8786886-8786888

4007029-4007037

8786899-8786900

4007051-4007100

2871226

4007118-4007150

2871501-2871504

4007251-4007300

2871510-2871539

5374951-5375000

2871611-2871614

18799433

2871851-2871900

18799501-18799541

4006501-4006550

18800460-18800472

4006901-4006908

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17631048-17631050

c.2. the missing official receipts (ORs) but were recorded in the cashbook, viz:

OR NUMBER

OR NUMBER

2871151-2871450

4007601-4008000

2871505-2871509

5374001-5374050

2871540-2871600

5374101-5374700

2871601-2871610

5374751-5374900

2871753-2871850

6528601

2871951-2872000

6555601-6556000

4006551-4006650

9294501

4006701-4006750

8786855-8786885

4006851-4006900

8786889-8786898

4006909-4006950

8786901-8786950

4006967-4007028

2871451-2871500

4007038-4007050

2871901-2871950

4007101-4007117

4006801-4006850

4007151-4007200

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4007351-4007400

4007301-4007350

4007551-4007600

4007401-4007550

5374901-5374950

c.3. the original copies of the following cancelled official receipts or proofs that the same were submitted to the Accounting Division-OCA or to the Commission on Audit:

OR NUMBER

DATE ISSUED

OR NUMBER

DATE ISSUED

6674695

Dec. 1997

9828238

Oct. 1998

6674555

Feb. 1998

9828402

Nov. 1998

9294951

Apr. 1998

9828407

Nov. 1998

9828903

Oct. 1998

9828455

Dec. 1998

9828951

Nov. 1998

9828474

Dec. 1998

9828955

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Nov. 1998

9828611

Jan. 1999

9828802

Jan. 1999

12385446

May 2000

9828839

Mar. 1999

13594549

Dec. 2000

14458975

May 2001

13594840

Mar. 2001

14459140

Aug. 2001

15324652

Feb. 2002

15324953

Jan. 2002

16604672

Oct. 2002

15324978

Feb. 2002

16604759

Nov. 2002

16605035

Dec. 2002

16604778

Nov. 2002

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17630938

Mar. 2003

16604798

Nov. 2002

17630960

Apr. 2003

16605110-16605112

Dec. 2002

17631007

Jun. 2003

16605159

Dec. 2002

18799252

Sept. 2003

17630263

Jan. 2003

18799311

Nov. 2003

17630370

Feb. 2003

18799341

Dec. 2003

17630434

Mar. 2003

18799342

Dec. 2003

17630589

Apr. 2003

6555567

Jul. 1997

17630767

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Jun. 2003

6555581

Dec. 1997

17630883

Jun. 2003

9828698

Apr. 2001

18799549

Jul. 2003

4006594

Jul. 1994

18799550

Jul. 2003

5374360

Feb. 1996

18799731

Sept. 2003

6528279

Jul. 1996

18799750

Oct. 2003

6528700

Jan. 1997

18799876

Nov. 2003

6528768

Feb. 1997

18800011

Dec. 2003

6674307

Jan. 1998

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18800280

Mar. 2004

9294483

May 1998

c.4. the missing documents of Fiduciary Fund withdrawals, to wit:

Date Withdrawn

Court OR No.

Case No.

Name of Litigant(s)

Amount Withdrawn

Missing Documents Court Order (CO), Acknowledgement Receipt (AR)

1/7/1994

56

Estolas

P 1,218.00

CO,AR

6/9/1995

2998378

918

Loreto Juson

10,000.00

CO

6/16/1995

4007202

02

Eliseo Gabano

15,000.00

CO,AR

10/10/1995

4007213

46

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Nelia Catalan

8,000.00

CO

6/18/1996

4007237

57

Cancelled

7,000.00

CO,AR

9/18/1996

4007226

27,059-F-95

Consuelo Daez

1,000.00

CO

9/18/1996

4007231

27-098-E-95

Consuelo Daez

1,000.00

CO

2/26/1997

4007224

27,448-A-95

Fatima Flauta

1,000.00

CO

7/15/1997

4007204

982

Imelda Laña

2,000.00

AR

10/3/97

6674968

2591

Hermenigildo I. Marasigan

24,000.00

CO,AR

10/3/97

6674969

2591

Hilda Gura

24,000.00

CO,AR

2/11/99

6674997

428

Dorena Lacarama-Canlog

2,000.00

AR

3/9/99

Election Case

Bonifacio Tejada

10,960.00

CO,AR

3/10/99

Election Case

Bonifacio Tejada

3,000.00

CO,AR

10/26/00

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-

98-01 to 02

Bonifacio Tejada

38,000.00

CO,AR

10/26/00

-

98-01 to 02

Bonifacio Tejada

7,760.00

CO,AR

11/7/00

10650678

00-32

Quirico Cano

10,000.00

CO

12/29/00

10650677

5330

Merlita M. Garcia

6,000.00

AR

2/7/02

6674994

37048-37111

Yolanda Bel

10,000.00

AR

6/24/02

14459157

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103-262-G-2001

Shellane Sampiton

5,000.00

AR

8/28/03

16605229

32806-1385 to 32810-1385

Cayetano Pomares

105,000.00

CO

10/14/03

10650660

43,212-99

Reynaldo Angel

3,000.00

AR

11/14/03

14459163

13,526-02 to 13,531-02

Marilou Arellano

12,000.00

CO

11/14/03

14459174

13,619-02 to 13,631-02

Gina J. Mutulani

26,000.00

CO

11/14/03

14459175

13,651-02 to 13,664-02

Dalisay J. Nayona

28,000.00

CO

11/14/03

14459193

13,874-02

Ramonita Nadela

10,000.00

CO

11/17/03

14459170

13581-02 to 13584-02

Janeth Fuentes

8,000.00

CO

3/5/04

18801151

5716

Judy Ann Lamban Vitudio

10,000.00

AR

3/22/04

4007245

4878

Gomesio Gatawan

20,000.00

AR

5/31/04

16605230

14,076-02

Ramuel Abellera

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2,000.00

AR

TOTAL

P410,938.00 =========

c.5. the details and supporting documents of the following Fiduciary Fund withdrawals from LBP Savings Account No. 2731-0018-15:

DATE

AMOUNT

DATE

AMOUNT

01/20/00

P 5,739.00

06/23/03

P 2,000.00

07/12/00

4,921.00

06/30/03

3,000.00

03/12/02

18,000.00
6,000.00

08/09/02

7,000.00

08/28/03

84,000.00

04/08/03

4,000.00

03/02/04

2,000.00

TOTAL

P 136,660.00

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c.6. the passbook for Fiduciary Fund (FF) account with PNB, Kidapawan City Branch with Savings Account No. 42112 (from 39933) from April 1993 up to the time of its closing.

c.7. the passbooks, bank statements or account ledgers for the following Fiduciary Fund (FF) accounts:

(a) LBP, Kidapawan City Branch with Savings Account No. 17402523-1 from January 1994 to January 31, 2000

(b) LBP, Kabacan Branch with Savings Account No. 2731-0018-15 from its opening to January 20, 2000;

c.8. an inventory list indicating the case number, name of litigant, OR number, amount, date of collection, date of court order, date of withdrawals of all confiscated and forfeited cash bonds from April 1993 to May 2004 and proofs that the same were remitted either to the GF or JDF.

c.9. court orders authorizing the withdrawal of the Sheriffs' Trust Fund with Civil Case No. 260 and Fiduciary Fund with Civil Case No. 56, amounting to P4,124.81 and P1,218.00, respectively, which were withdrawn from PNB Savings Account No. 41579 on January 7, 1994, and proofs of remittance to GF of the P45.31 interest earned relative thereto.

- to SECURE confirmation from LBP for the missing deposit slips and unvalidated deposits:

· Missing Deposit Slips

Judiciary Development Fund (JDF)

General Fund (GF)

Sheriff's General Fund (SGF)

Period of Collection

Amount

Period of Collection

Amount

Period of Collection

Amount

Dec.-93

P 308.00

Oct.-93

P 279.20

Jul.-94

P 44.00

Aug.-94

1,806.00

Feb.-94

31.40

Jan.-99

748.00

Nov.-94

2,543.00

Nov.-94

299.70

May-99

60.00

Dec.-94

1,029.50

Dec.-94

235.50

Sept.-02

36.00

Jan.-95

5,000.00

Jan.-95

1,930.00

Apr.-03

16.00

Feb.-96

98,510.36

Jul.-95

265.80

May-03

48.00

Jul.-96

3,900.00

Sept.-95

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678.00

Jul.-03

44.00

Sept.-96

8,836.90

Feb.-96

65,730.90

Oct.-03

8.00

Oct.-96

3,981.90

Aug.-97

2,163.00

Nov.-03

44.00

Dec.-96

5,935.50

Nov.-97

3,297.30

Jul.-97

5,813.10

May-99

527.10

Apr.-98

29,317.00

Aug.-99

721.30

Jul.-98

4,955.30

Nov.-99

1,219.00

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Sept.-98

8,034.50

Dec.-99

1,606.00

Oct.-98

5,992.70

Sept.-02

8,168.57

Nov.-98

22,653.60

Apr.-03

3,251.70

May-99

10,371.86

May-03

5,849.20

Jun.-99

4,411.80

Jul.-03

1,710.60

Jul.-99

4,599.00

Aug.-03

215.20

Oct.-99

6,695.00

Nov.-99

4,342.50

Dec.-99

4,907.00

Nov.-01

11,689.96

Total

P255,634.98

P98,179.47

P 1,048.00

=========

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========

· Unvalidated Deposit Slips

JDF

GF

SGF

SAJF

DATE

AMOUNT

DATE

AMOUNT

DATE

AMOUNT

DATE

AMOUNT

02/15/94

P 150.00

01/09/02

P 215.00

05/10/99

P 4.00

03/22/04

P2,177.30

02/15/94

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5,518.00

02/05/02

989.60

10/2001

4.00

03/24/04

1,234.60

02/14/94

3,109.80

04/01/02

359.10

01/10/02

8.00

04/21/04

15.00

05/18/94

100.00

01/10/02

12.00

04/06/04

1,176.00

05/18/94

4,133.20

02/05/02

28.00

05/03/04

287.80

06/06/94

2,206.00

03/08/96

6,000.00

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02/2000

4,165.00

04/19/00

17,482.00

12/27/02

6,416.80

TOTAL

P49,280.80

P1,563.70

P56.00

P4,890.70

- to SHOW proofs of other valid withdrawals that were not presented in the course of the audit; and

- to RESTITUTE his shortages for the following judiciary funds:

Fund

Amount of Shortage

JDF

327,463.89

GF

93,574.07

SGF

1,108.00

SAJF

5,042.50

FF

1,572,793.33

TOTAL

P1,999,981.79

These amounts may change depending on the compliance with the above directives. Any excess payment that may result from his compliance will be refunded to him, and any deficiency, if ever, will be added to the above-mentioned accountabilities.

- to SUSPEND, effective immediately, Clerk of Court Hermenegildo I. Marasigan pending resolution of this

administrative matter.

- to DIRECT the Manager of the LBP, Kidapawan City Branch, and LBP, Kabacan Branch, to produce within fifteen (15) days from notice the bank statements or account ledgers of Savings Account No. 17402523-1 from January 1994 to January 31, 2000 and Savings Account No. 2731-0018-15 from its opening to January 20, 2000, respectively.

- to ISSUE a Hold Departure Order against Atty. Hermenegildo I. Marasigan to prevent him from leaving the country. [emphases ours]

On the same day, the Court issued a Hold Departure Order against the respondent.[5]

The respondent filed an Omnibus Motion to Extend Time to Comply and to Defer and/or Lift the Order of Suspension dated October 26, 2005.[6] He alleged that since January 2005, he had been relieved as accountable officer of the RTC, Kabacan, North Cotabato; hence, he could not immediately comply with the Court's directives. He claimed that in good faith, he entrusted to the cash clerk, Rebecca Necesito, the court collections, remittances and financial reports. He found out later that the reports were missing. He asked for the lifting of his suspension, expressing apprehension over its adverse effects on his children during the Christmas season as they were expecting to receive gifts from him.

In his Compliance dated December 15, 2005,[7] the respondent made the following submissions/explanations on the Court's directives:

1. The interest earnings of the FF deposits from April 1993 to May 2004.

He was not aware of these interest earnings until the latter part of 1997. He entrusted the handling of the FF to Necesito who was a recommendee of the then incumbent judge of the court. Necesito failed to present to him the FF deposit slips and other documents pertaining to the interest.

2. The missing official receipts and missing cancelled official receipts.

The retrieval of the missing official receipts had become impossible because of their unsystematic handling by Necesito. He added that the Office of the Clerk of Court had not been provided with a vault or steel cabinet, or a strong locker for the safekeeping of the official receipts and other accountable forms.

3. The missing FF withdrawal documents.

He attached copies of court orders and acknowledgement receipts to his Compliance. He particularly explained that he could not comply with the Court's directives in Election Case No. 98-02; after receiving the amount of P15,000.00, the then Executive Judge requested that the official receipts be cancelled and the amount be used to pay for the revisors' honorarium, as agreed upon by the parties.

4. The FF withdrawals from Land Bank of the Philippines (LBP) Savings Account No. 2731-0018-15.

They were supported by court orders and withdrawal slips scrutinized and signed by the Executive Judge. Other documents were untraceable because they were lost while in the custody of the cash clerk.

5. The missing passbook for the Philippine National Bank (PNB) FF account.

He closed the account, but the PNB retained the passbook. When he requested for a photocopy of the passbook, he was informed that it was disposed of pursuant to bank policy.[8]

6. The missing LBP passbook.

The passbook for Savings Account No. 17402523-1 could not be submitted as there was a pending request with

the bank's Technology Department for the reprinting of the account.[9] However, he attached certified true copies of the bank ledger pertaining to LBP Savings Account No. 2731-0018-15.[10]

7. Inventory of confiscated cash bond.

He submitted the inventory.[11] There was no formal turnover of accountability from Espinosa; hence, he could not explain the withdrawal of the amounts corresponding to the Sheriff Trust Fund in Civil Case Nos. 50 and 260. After a review, however, he found no withdrawal orders which occurred in 1994.

8. Missing and unvalidated deposit slips.

The audit team's findings on the missing and unvalidated deposit slips are not meritorious. Except for a few missing deposit slips, the deposit slips were attached to the court's financial report, which was sent to the Financial Division of the Supreme Court. He submitted photocopies of deposit slips in his files.[12] Further, the collections for February 1996 in the amount of P98,410.36 for the JDF and P65,506.90 for the General Fund were in manager's checks.

9. Directive regarding the unvalidated deposit slips.

He noted that the 1990 to 1996 collections were deposited at the LBP-Kidapawan Branch. He attached copies of deposit slips for these.[13] On the requirement that he show proof of other valid withdrawals that were not presented in the course of the audit, he explained that all valid withdrawals were presented to the audit team which even borrowed the records.

10. Directive to restitute the shortages.

He maintained that the shortages were highly improbable, considering that he was being audited by the Commission on Audit from time to time. He cited the audit covering the period of January 1, 2001 to October 8, 2003 where no shortage was found.[14] The same thing is true with the audit for the period of October 10, 2003 to May 30, 2005.[15]

Lastly, the respondent tried to rationalize the unsystematic and inconsistent manner the court's funds were handled and administered. He disclosed that he was appointed in 1993 with no accounting and bookkeeping experience. For this reason, he assigned to Necesito the task of keeping the official receipts and other accountable forms. He expected Necesito to adopt a system of keeping the accountable forms, but she failed to comply with his reminders in this respect, thus resulting in the loss of the accountable documents.

He reiterated his disappointment over the lack of office equipment for the safekeeping of the documents; his requests in this regard received no favorable response from the OCA. This led him to obtain steel cabinets at his own expense. He also bewailed the OCA's failure to provide the court with calculators, cashbooks, and training for court personnel in the handling and safekeeping of court funds. He added that the loss of financial documents could partly be attributed to the four transfers of the court's offices since he assumed office. He stressed that had regular audits been conducted of the court's funds, the problem could have been avoided.

The respondent prayed for (1) the immediate lifting of his suspension; (2) the setting aside of the hold departure order; and (3) his immediate reinstatement.

The Court's Ruling

The Court has taken steps to minimize, if not eliminate, such irregularities in the handling of the collections of the courts. In OCA Circular No. 88-2007, issued on August 28, 2007, the Court adopted the guidelines proposed by the OCA for the payment of fees, and its modes and effect, thus, amending Section 1, Rule 141 of the Rules of

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Court. The Court has initially implemented the amendments in all collegiate courts and, as designated pilot testing areas, in all lower courts in the National Capital Region, and in Cebu City, Mandaue City and Lapu-Lapu City.[16]

In the present administrative case, it is clear that the respondent created the mess the audit team discovered in the management of the court's funds during the period of April 1993 to May 2004. Specifically, the audit team noted that a number of accountable documents (such as official receipts, deposit and withdrawal slips, cashbooks, and passbooks) were missing. These irregularities occurred because the respondent allowed them to happen; at the very least, his failure to supervise and monitor his subordinate already constituted gross negligence in the performance of his duties.

The respondent admitted that when he assumed office in 1993, he assigned to Necesito in good faith "the collections, remittances, financial reports and the accountable forms only to find out that some are already missing."[17] This is a highly irresponsible move. As clerk of court, the respondent is the court's accountable officer, not the cash clerk. No amount of good faith can relieve him of his duty to properly administer and safeguard the court's funds. As the Court said in an earlier case, clerks of court are officers of the law who perform vital functions in the prompt and sound administration of justice.[18] They are designated custodians of the court's funds, revenues, records, properties and premises.[19] They are liable for any loss, shortage, destruction or impairment of such funds and property.[20] We find the respondent liable for gross neglect of duty.

In Soria v. Oliveros,[21] the Court stressed that from the time the respondent accepted his appointment as clerk of court, he accepted the corresponding duties and responsibilities of the position. He should have developed an appropriate system so that he could efficiently attend to his tasks. As clerk of court, he is the court's chief administrative officer. He must show competence, honesty, integrity and probity since he is in charge of safeguarding the integrity of the court and its proceedings.

We thus find that the respondent miserably failed to perform his duties as clerk of court. Without doubt, he deserves to be sanctioned administratively for gross neglect of duty. He must be held liable for all the missing documents and the fund shortages.

Under Section 52(A)(1), Rule IV of the Uniform Rules on Administrative Cases in the Civil Service, gross neglect of duty is punishable by dismissal. Since the penalty of dismissal inherently carries with it forfeiture of retirement benefits under Section 58 of the same rule, the respondent's financial liability has to be satisfied through his leave benefits.[22]

WHEREFORE, premises considered, Clerk of Court Hermenegildo I. Marasigan, Regional Trial Court, Kabacan, North Cotabato, is hereby found LIABLE for gross neglect of duty and is DISMISSED from the service, with FORFEITURE of all leave credits and his retirement benefits with prejudice to re-employment in any government office, including government-owned and controlled corporations. The Financial Management Office, Office of the Court Administrator is directed to process the respondent's accrued leave credits, dispensing with the documentary requirements, and to remit the cash value of this benefit to the Fiduciary Fund Account of the Regional Trial Court, Kabacan, North Cotabato, to answer for his shortages.

Hermenegildo I. Marasigan is directed to RESTITUTE the amount of One Million Seven Hundred Forty-Seven Thousand Seven Hundred Fifteen Pesos and Two Centavos (P1,747,715.02), representing the amount of shortages as stated in the Report dated October 7, 2008 of the Office of the Court Administrator, hereby summarized as follows:

Fund

Amount of Shortage

JDF

P 327,463.89

GF

93,574.07

SGF

1,108.00

SAJF

5,042.50

FF

1,320,526.56

TOTAL

P1,747.715.02

The Court hereby declares the forfeiture of all the respondent's accrued leave credits whose monetary value shall be applied to the amount ordered to be restituted. The Legal Office, Office of the Court Administrator is directed to file the appropriate cases against the respondent for the recovery of the remaining shortages not covered by the monetary value of the respondent's accrued leave credits.

Further, the Court hereby DIRECTS the Office of the Court Administrator to SUBMIT, as required in OCA Circular No. 88-2007, the written report on the pilot testing of the amended rule and its implementing guidelines, for the Court to determine whether the check payment system should now be adopted in all courts, within ninety (90) days from notice.

SO ORDERED.

Corona, C.J., Carpio, Leonardo-De Castro, Brion, Peralta, Bersamin, Del Castillo, Abad, Villarama, Jr., Mendoza, Sereno, Reyes, and Perlas-Bernabe, JJ., concur.
Velasco, Jr., J., no part.
Perez, J., no part., acted as Court Ad.

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[1] Rollo, pp. 365-375.

[2] Id. at 1-18, dated August 15, 2005.

[3] Id. at 72-77.

[4] Id. at 78-88.

[5] Id. at 89-99.

[6] Id. at 122-123.

[7] Id. at 143-151.

[8] Annex "Y" of the respondent's Compliance.

[9] Annex "Z" of the respondent's Compliance.

[10] Annexes "AA" to "AA-17" of the respondent's Compliance.

[11] Annexes "M," "O," "V" and "W" of the respondent's Compliance.

[12] Rollo, pp. 214-221.

[13] Id. at 223-230.

[14] Annex "PPP" of the respondent's Compliance.

[15] Annex "QQQ" of the respondent's Compliance.

[16] SUBJECT: GUIDELINES IN THE IMPLEMENTATION OF SECTION 1 OF RULE 141 OF THE RULES OF COURT, AS AMENDED

Pursuant to the Resolution dated April 17, 2007 in A.M. No. 04-2-04-SC amending Section 1 of Rule 141 of the Rules of Court, the following guidelines for the payment of fees, its modes and effects are hereby adopted:

SECTION 1. Payment of Fees. - Upon filing of any initiatory pleading, all prescribed fees such as but not limited to filing fees accruing to the Judiciary Development Fund and Special Allowance for the Judiciary Fund, and other fees accruing to the Legal Research Fund, Victim Compensation Fund and Mediation Fund, shall be paid in full, provided that, in petitions for rehabilitation under the Interim Rules of Procedure on Corporate Governance, filing fees in excess of One Hundred Thousand Pesos (P100,000.00) may be paid on a staggered basis, subject to the provisions of Section 2 hereof, in accordance with the schedule provided under the Resolution of the Court in A.M. No. 04-2-04-SC dated September 19, 2006.

SEC. 2. Modes of Payment. - The filing fees may be paid in cash or check, as follows:

(a) Cash Payment:

(1) Fees not accruing to the Judiciary Development Fund or Special Allowance for the Judiciary Fund such as but not limited to the Legal Research Fee, Victim Compensation Fee, Mediation Fee, and Cadastral Fee.

(2) Initial deposit of One Thousand Pesos (P1,000.00) to defray actual travel expenses in the service of summons, subpoena and other court processes.

(b) Cash or Check Payment:

(1) Fees accruing to the Judiciary Development Fund amounting to Five Thousand Pesos (P5,000.00) or less.

(2) Fees accruing to the Special Allowance for the Judiciary Fund amounting to Five Thousand Pesos (P5,000.00) or less.

(c) Check Payment:

(1) Fees accruing to the Judiciary Development Fund exceeding Five Thousand Pesos (P5,000.00).

(2) Fees accruing to the Special Allowance for the Judiciary Fund exceeding Five Thousand Pesos (P5,000.00).

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Check payments may be in the form of personal, company or manager's check, provided that, if the amount exceeds Fifty Thousand Pesos (P50,000.00), it shall be paid in manager's check.

SEC. 3. When payment is made in check. - All checks shall be crossed. No postdated, altered, or third-party check shall be accepted. Only checks in the account name of the lawyer (or law firm) or the party (individual or corporate) filing an action shall be accepted.

The fees accruing to the Judiciary Development Fund or the Special Allowance for the Judiciary Fund shall be paid in separate checks payable to the "SUPREME COURT, JUDICIARY DEVELOPMENT FUND ACCOUNT" or to the "SUPREME COURT, SPECIAL ALLOWANCE FOR THE JUDICIARY FUND ACCOUNT," respectively. The docket number, title of the case, and the court where the case was filed shall be indicated in the dorsal/back portion of the check.

The official receipts issued for payment by check shall be stamped with the following notation: "PAYMENT CREDITED ONLY UPON CHECK BEING CLEARED." The official receipts shall reflect accurately the name of the party on whose behalf the payment is made, the docket number and title of the case, the amount paid in words and in figures, the check number, the name of the bank and the branch where the checking account is maintained. The official receipt must be duly signed by the Clerk of Court. Pending clearance of the check, the Clerk of Court retains the official receipt and issues a certified true copy thereof of the payor.

SEC. 4. When check is dishonored. - Upon receipt of the notice of dishonor of the check from the depository bank by the Supreme Court, the Fiscal Management and Budget Office (FMBO) shall inform in writing the Clerk of Court concerned within five (5) days from receipt of the notice of dishonor. In multiple-sala courts, the Clerk of Court shall inform in writing the Branch Clerk of Court where the case was raffled of the dishonor of the check within twenty-four (24) hours from receipt of the notice.

The court shall forthwith issue an order dismissing the case, in consonance with Section 3 of Rule 17. Upon the dismissal of the case, the official receipt is automatically considered cancelled. No motion for reconsideration of the order of dismissal shall be entertained. The dismissal of the case shall be without prejudice to the filing of a case against the drawer of the dishonored check.

SEC. 5. Duty of the Clerk of Court, Officer-in-Charge or Accountable Officer. - The Clerk of Court, the Officer-in-Charge in the Office of the Clerk of Court, or the duly authorized accountable officer designated in writing shall strictly observe the procedural guidelines in the collection of fees accruing to the Judiciary Development Fund and the Special Allowance for the Judiciary Fund, provided under Amended Administrative Circular No. 35-2004 dated August 20, 2004.

SEC. 6. Submission of Monthly Report. - The Clerk of Court shall accomplish a Monthly Report of Dismissed Cases due to Dishonored Checks using Form LF-1 x x x to be submitted to the Accounting Division, Financial Management Office, Office of the Court Administrator within ten (10) days after the end of each month, attaching thereto the certified true copies of the following documents:

(a) cancelled official receipts;
(b) deposit slips;
(c) monthly report of collection and deposits of check; and
(d) court orders dismissing the case.

In the Cashbooks and Monthly Reports of the Judiciary Development Fund and the Special Allowance for the Judiciary Fund, two sub-columns bearing the headings "Checks Received" and "Cleared as of (date)" shall be added under the column of "Official Receipt/Remittance Advice."

[17] Supra note 6, par. 7.

[18] Soria v. Oliveros, 497 Phil. 709 (2005); see also Re: Misappropriation of the Judiciary Fund Collections, 465 Phil. 24 (2004).

[19] Gutierrez v. Quitalig, 448 Phil. 469 (2003).

[20] Re: Initial Report on the Financial Audit Conducted in the Municipal Trial Court of Pulilan, Bulacan, A.M. No. 01-11-291-MTC, July 7, 2004, 433 SCRA 486.

[21] Supra note 18.

[22] Office of the Court Administrator v. Elsie C. Remoroza, Clerk of Court, Municipal Trial Court, Mauban, Quezon, A.M. No. P-05-2083, and Office of the Court Administrator v. Josefina Neri N. Alpajora, A.M. No. P-06-2263, September 6, 2011.

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