

**TOWNE & CITY DEVELOPMENT CORPORATION, PETITIONER,
VS. COURT OF APPEALS AND GUILLERMO R. VOLUNTAD
(SUBSTITUTED BY TOMAS VOLUNTAD AND FLORDELIZA ESTEBAN
VDA. DE VOLUNTAD) RESPONDE...**

G.R. No. 135043. July 14, 2004

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-135043/>

TINGA, J.:

Before us is a Petition for Review on Certiorari under Rule 45 assailing the August 12, 1998 Decision[1] of the Court of Appeals, Tenth Division, in CA-G.R. CV No. 50919.

Respondent Guillermo Voluntad (Guillermo) and petitioner Towne & City Development Corporation were both engaged in the construction business. From 1984 to 1985, Guillermo and petitioner entered into a contract for the (a) construction of several housing units belonging to or reserved for different individuals; (b) repair of several existing housing units belonging to different individuals; and (c) repair of facilities, all located at the Virginia Valley Subdivision, owned and developed by the petitioner. The total contract cost amounted to One Million Forty One Thousand Three Hundred Fifty Nine (P1,041,359.00) Pesos.

The parties agreed that Guillermo should be paid in full by petitioner the agreed contract cost upon completion of the project. In 1985, pending completion of the project, Guillermo was allowed by petitioner to occupy, free of charge, one of its houses at the Virginia Valley Subdivision.

After completing the construction and repair works subject of the contract, Guillermo demanded payment for his services.

When petitioner failed to satisfy his claim in full, Guillermo filed on April 30, 1990 a Complaint for collection against petitioner before the Regional Trial Court of Manila (RTC). The case was docketed as Civil Case No. 90-52880 and raffled to Branch 25 of the RTC. Guillermo alleged that petitioner paid him only the amount of P69,400.00, leaving a balance of P971,959.00 under the terms of their contract.[2]

In its Answer with Counter-claims (sic), petitioner averred that it had already paid Guillermo the amount of P1,022,793.46 for his services and that there was even an overpayment of P58,189.46. Petitioner further claimed that Guillermo is liable for unpaid rentals amounting to P66,000.00 as of June 1990 for his occupancy of one of the houses in Virginia Valley Subdivision since 1985.[3]

During the pre-trial of the case, the parties agreed to limit the issues to: (1) whether petitioner had paid Guillermo in full in accordance with their contract; (2) if payment in full had been made by petitioner, whether there was an overpayment on its part; and (3) whether either or both parties are entitled to attorney's fees.[4]

While the case was pending before the trial court, Guillermo passed away. Upon motion of respondents Tomas Voluntad and Flordeliza Vda. de Voluntad, the trial court issued an Order substituting them as plaintiffs in place of the deceased Guillermo.[5]

Guillermo did not adduce evidence, whether testimonial or documentary, as evidence-in-chief in view of the admissions made by petitioner in its Answer with Counter-claims[6] that indeed it entered into a contract with him and that it was obliged to pay him for his services. Petitioner, for its part, presented as its sole witness Ms. Rhodora Aguila (Ms. Aguila), its Corporate Secretary, to prove that it paid Guillermo for his services under the contract. She testified that she personally handed or delivered the cash or check payments to Guillermo, adding that Guillermo acknowledged payments with his signatures on the vouchers.[7] In rebuttal, Guillermo testified along with two employees of the Special Security System.

On December 29, 1994, the trial court rendered its Decision, the dispositive portion of which states:

“WHEREFORE, premises considered, judgment is hereby rendered, as follows:

- Ordering defendant to pay plaintiff the total sum of P715,228.50 representing defendant’s unpaid balance owing in favor of plaintiff, with 3% interest from the time of filing of the complaint until the full amount is satisfied;
- Ordering plaintiff to vacate the house occupied by him belonging to defendant;
- No pronouncement as to cost and attorney’s fees.

SO ORDERED.”[8]

Petitioner filed a Motion for Reconsideration on March 2, 1995, stressing that the lower court erred that it had not paid Guillermo’s claim in full.[9] The trial court denied the motion for lack of merit in its Order dated April 24, 1995.[10]

Consequently, on May 3, 1995 petitioner filed its Notice of Partial Appeal to the Court of Appeals insofar as the Decision ordered it to pay Guillermo the total sum of P715,228.50, which according to the lower court represented its unpaid balance, with interest thereon.[11]

On August 12, 1998, the appellate court rendered a Decision affirming the judgment of the lower court. The dispositive portion reads:

“ACCORDINGLY, finding no reversible error in the decision appealed from dated December 29, 1994, the same is hereby AFFIRMED in all respects. Costs against defendant-appellant.

SO ORDERED.”[12]

Hence, this Petition.

Petitioner submits that the “Court a quo committed reversible errors of law and/or acted with grave abuse of discretion” in not considering as proofs of payment the vouchers and other documentary exhibits, and in ignoring the ruling in *Philippine National Bank vs. Court of Appeals*,[13] although it was cited in the assailed decisions.[14]

The alleged errors, however, refer to the appreciation of evidence which the appellate and trial courts made. As such, they involve questions of fact of which the Court cannot take cognizance of. In the case of *Naguiat v. Court of Appeals*,[15] the Court said that there is a question of fact when a doubt or difference arises as to the truth or the falsehood of alleged facts, while there is a question of law when such doubt or difference refers to what the law is on a certain state of facts.

It must be emphasized that this Court is not a trier of facts, and under Rule 45 of the 1997 Rules of Civil Procedure, a petition for review to be given due course should raise only questions of law.[16] This rule finds

even greater application when the findings of fact of the trial court were affirmed by the Court of Appeals, as in this case.[17]

Neither does the present case fall under any of the recognized exceptions[18] to warrant a review of the assailed factual findings. Truth to tell, the findings of the Court of Appeals are amply supported by the evidence on record.

To skirt the procedural obstacle, petitioner insists that the issue of whether a voucher suffices as evidence of payment is a question of law. Significantly, petitioner claims that the appellate court's failure to consider the vouchers as proof of payment runs counter to our ruling in *Philippine National Bank (PNB) v. Court of Appeals*[19] that "the best evidence for proving payment is by evidence of receipts showing the same."

Fundamentally, however, petitioner's point raises a question of fact which is definitely out of place in a petition for review under Rule 45. The question of whether petitioner's vouchers bearing Guillermo's signature constitute adequate proof of payment of Guillermo's claim requires an examination of the vouchers and an inquiry into the circumstances surrounding petitioner's issuance thereof. Such are functions reserved for the trial courts and the Court of Appeals when reviewing findings of fact by the trial court. They are not functions of this Court.

The ruling in *PNB v. Court of Appeals*[20] is that while a receipt of payment is the best evidence of the fact of payment, it is, however, not conclusive but merely presumptive;[21] neither it is exclusive evidence as the fact of payment may be established also by parole evidence.[22] Contrary to petitioner's stance, the appellate court did not disregard but instead took into account the ruling in the cited case. This may easily be confirmed by reviewing the factual predicates on which the ruling was handed down.

In the cited case, private respondent Flores purchased from petitioner PNB and its Manila Pavilion Unit, two (2) manager's check worth P500,000.00 each, paying a total of P1,000,040.00, the extra P40.00 representing the service charge. PNB issued a receipt for the amount. On the following day, Flores presented the checks at PNB Baguio Hyatt Casino unit, but PNB initially refused to encash the checks. Eventually, it agreed to encash one of the checks. However, it deferred payment of the other check until after Flores agreed that it be broken down to five (5) checks of P100,000.00 each. Moreover, PNB refused to encash one of the five (5) checks until after it shall have been cleared by its Manila Pavilion Hotel Unit. The PNB Malate Branch, to which Flores made representations upon his return to Manila, refused to encash the last check. So, Flores filed a case for collection, plus damages.

PNB admitted that it issued a receipt for P1,000,040.00 but at same time countered that the receipt is not the best evidence to prove how much Flores actually paid for the purchase of its manager's checks. So, according to PNB, the issue was not what appears on the receipt but how much money Flores paid to PNB which, also according to PNB, allows the presentation of evidence aliunde.

This Court held:

Although a receipt is not conclusive evidence, in the case at bench, an exhaustive review of the records fails to disclose any other evidence sufficient and strong enough to overturn the acknowledgment embodied in petitioner's receipt(as to the amount of money it actually received.)([23]

. . . .

Having failed to adduce sufficient rebuttal evidence, petitioner is bound by the contents of the receipt it issued to Flores. The subject receipt remains to be the primary or best evidence or "that which affords the greatest certainty of the fact in question."([24]

In the case at bar, petitioner has relied on vouchers to prove its defense of payment. However, as correctly pointed

out by the trial court which the appellate court upheld, vouchers are not receipts.

It should be noted that a voucher is not necessarily an evidence of payment. It is merely a way or method of recording or keeping track of payments made. A procedure adopted by companies for the orderly and proper accounting of funds disbursed. Unless it is supported by an actual payment like the issuance of a check which is subsequently encashed or negotiated, or an actual payment of cash duly receipted for as is customary among businessmen, a voucher remains a piece of paper having no evidentiary weight.[25] (Emphasis supplied).

A receipt is a written and signed acknowledgment that money has been or goods have been delivered,[26] while a voucher is documentary record of a business transaction.[27]

The references to alleged check payments in the vouchers presented by the petitioner do not vest them with the character of receipts. Under Article 1249 of the Civil Code,[28] payment of debts in money has to be made in legal tender and the delivery of mercantile documents, including checks, “shall produce the effect of payment only when they have been cashed, or when through the fault of the creditor they have been impaired.”

From the text of the Civil Code provision, it is clear that there are two exceptions to the rule that payment by check does not extinguish the obligation. Neither exception is present in this case. Concerning the first, petitioner failed to produce the originals of the checks after their supposed encashment and even the bank statements although the supposed payments by check were effected only about 5 years before the filing of the collection suit. Anent the second exception, the doctrine is that it does not apply to instruments executed by the debtor himself and delivered to the creditor.[29] Indubitably, that is not the situation in this case.

Petitioner also relied upon the testimony of its Corporate Secretary, Rhodora Aguila. Again, the issue about the credibility of said witness involves a question of fact which is a definite incongruity in petitions for review, as in the case before us. In any event, the Court of Appeals convincingly debunked the testimony.[30]

All told, the Court finds no reason to disturb the findings of the Court of Appeals which affirmed in toto the trial court’s Decision.

WHEREFORE, the Petition is DENIED. The assailed Decision of the Court of Appeals is AFFIRMED. Costs against the petitioner.

SO ORDERED.

Puno, (Chairman), Quisumbing, Austria-Martinez, and Callejo, Sr., JJ., concur.

[1] Penned by Justice Teodoro P. Regino and concurred in by Justices Quirino D. Abad Santos, Jr. and Conrado M. Vazquez, Jr.

[2] RTC Record, p. 3.

[3] Id. at 10-11.

[4] Pre-Trial Order dated January 17, 1991. Id. at 34-35.

[5] RTC Records, p. 228.

[6] Rollo, p. 35.

[7] Id. at p. 40.

[8] RTC Records, pp. 294-295.

[9] Id. at 301-305

[10] Id. at 314-316

[11] Id. at 321-322.

[12] Rollo, p. 42.

[13] G.R.No. 116181, 326 Phil. 326; 335 (1996).

[14] Rollo, p. 13.

[15] G.R. No. 118375, October 3, 2003.

[16] Sec. 1, Rule 45. In the case of *Naguiat v. Court of Appeals*, G.R. No. 118375, October 3, 2003, the Court said that there is a question of law in a given case when doubt or difference arises as to what the law is on a certain state of facts; while there is a question of fact when doubt or differences arises as to the truth or the falsehood of alleged facts.

[17] *Duremdes v. Duremdes*, G.R. No 138256, November 12, 2003; *Vda. De Roxas v. Court of Appeals*, G.R. Nos. 62642 and 64728, 227 Phil. 72 (1986) citing *Legaspi v. Court of Appeals*, G.R. No. L-45510, 226 Phil. 25 (1986).

[18] The Court declared in the case of *Pastor v. PNB*, G.R. No. 141316, November 20, 2003, that there are exceptional circumstances that may compel the Court to review the findings of fact of the Court of Appeals, which as summarized in a line of cases are as follows: (1) when the inference made is manifestly mistaken, absurd or impossible; (2) when there is grave abuse of discretion; (3) when the finding is grounded entirely on speculations, surmises or conjectures; (4) when the judgment of the Court of Appeals are based on misapprehension of facts; (5) when the findings of fact are conflicting; (6) when the Court of Appeals in making its findings went beyond the issues of the case and the same is contrary to the admissions of both appellant and appellee; (7) when the findings of the Court of Appeals are contrary to those of the trial court; (8) when the findings of facts are conclusions without citations of specific evidence on which they are based; (9) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties and which if properly considered would justify a different conclusion; and (10) when the findings of fact by the Court of Appeals are premised on the absence of evidence and are contradicted by the evidence on record.

[19] *Supra* note 13.

[20] *Supra* note 13.

[21] Id. at 335.

[22] Id. at 336.

[23] Id. at 335.

[24] Id. at 337.

[25] CA Decision, Rollo, pp. 33-42.

[26] *PNB v. Court of Appeals*, *supra* note 13 citing *Sibal, Jose Agaton R.*; *Philippine Legal Encyclopedia*, 1986, pp. 829-83011.

[27] *Webster's Third New International Dictionary* (1993), p. 2565.

[28] See also *Belisaro v. Natividad*, 60 Phil. 156 (1934); *Villanueva v. Santos*, 67 Phil. 648 (1939).

[29] *Compañia General de Tabacos v. Molina*, 5 Phil. 142 (1905); *National Marketing Corp. v. Federation*, 49 SCRA 271 (1973).

[30] CA Decision, August 12, 1998, Rollo, p. 40.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.