



September 10, 2018

**DIVISION MEMORANDUM**


No. 603, s. 2018

**REMINDING THE FIELD OF THE SUBMISSION OF PROPERTY INVENTORY FORM TO THE GSIS TOGETHER WITH THE REQUIRED GSIS FORM NO. L-680-3-013(revised May 1984) SIGNED BY THE SCHOOL HEADS AND THE DIVISION ACCOUNTANT**

- 1.) A Division Memo No. 410, s. 2018, dated June 26, 2018 was disseminated to the field, enclosing COA Circular Number 2018-002 dated May 31, 2018, w/ annexes requiring the filed the submission of Property Inventory Form duly accomplished, (copy at the Div. Memo 410 & COA Circular is enclosed).
- 2.) Upon submission to the GSIS the partial copies of the Property Inventory Form (PIF) from the District, it was not accepted due to the reason that there was no attached GSIS Form No. L-680-3-013(revised May 1984) signed by the School Head and the Division Accountant, hence, submission by individual School Head is required, copy furnished the office of the Division Office, Commission On Audit and the Supply Section.
- 3.) It is advised that COA Circular No. 2018-002, dated May 31, 2018 must be acted immediately. Attention is invited to the Guidelines serforth at the said COA Circular particulary Sections 5.3 to 5.6. The most important point is Section 5.5 & 5.6 Failure on the part of the agency officials concerned and the GSIS to submit & receive respectively, the documents mentioned herein, as well as failure of the GSIS underwriting officials to assess the premium due within the time frame herein prescribed, SHALL AUTOMATICALLY CAUSE THE SUSPENSION OF THE PAYMENT OF THEIR SALARIES until they shall have complied the requirements of RA No. 656 and its implementing rules & regulations, as well as the provisions of the circular.

Section 5.6 states that no appropriation authorized to the General Appropriations act shall be available to pay the salary of any official or employee who violates the provisions of this circular, without prejudice to any disciplinary action that may be instituted against such official or employee.

- 4.) Immediate and widest dissimation and compliance is enjoined.
- 5.) Be guided accordingly.

  
**RHEA MAR A. ANGTUD, Ed.D., CESO VI**  
Schools Division Superintendent

Sept 10, 2018

D-20  
Washington

DIV. WASHINGTON

NO. \_\_\_\_\_, D. 2018

REMINDING THE FIELD OF THE  
SUBMISSION OF PROPERTY INVENTORY FORM  
TO THE GIS TOGETHER WITH THE REQUIRED GIS  
FORM NO. L-680-3-013 (REVISED 5/84) SIGNED BY  
THE SCHOOL HEAD AND THE DIVISION ACCOUNTANT

① A Div. Memo NO. 410, S. 2018, dated June 26, 2018  
was ~~issued~~ disseminated to the field,  
enclosing COA Circular Number 2018-002 dated  
May 31, 2018, <sup>with annex</sup> requiring the field the  
submission of Property Inventory form duly  
accomplished, ~~and~~ (copy of said Div. Memo 410 &  
COA Circular <sup>is</sup> enclosed)

② Upon submission to the GIS the partial  
copies of the Property Inventory Form (PIF)  
from the District, it was not accepted  
due to the reason that there was no  
attached GIS Form No. L-680-3-013 (rev. 5/84)  
signed by the School Head and the Div.  
Accountant, hence, submission by individual School  
Head is required, copy furnished for office of  
the Division <sup>of</sup> Commission on Audit and  
the Supply Section.



③ It is advised that COA Circular No - 2018 - 002, dated May 31, 2018 must be acted immediately. Attention is invited to the Guidelines set forth in the said COA Circular particularly sections 5.3 to 5.6. The most important point <sup>in section</sup> 5.5 & 5.6 failure on the part of the agency officials concerned and the GES to submit & receive respectively, the documents mentioned herein, as well as failure of the GES underwriting officials to assess the premiums due within the time frame herein prescribed, SHALL AUTOMATICALLY CAUSE THE SUSPENSION OF THE PAYMENT OF THEIR SALARIES UNTIL THEY SHALL HAVE COMPLIED THE REQUIREMENTS OF RA NO. 656 and its IMPLEMENTING RULES & REGULATIONS, AS WELL AS THE PROVISIONS OF THIS CIRCULAR.

Section 5.6 STATES THAT NO APPROPRIATION AUTHORIZED IN THE GENERAL APPROPRIATIONS ACT SHALL BE AVAILABLE TO PAY THE SALARY OF ANY OFFICIAL OR EMPLOYEE WHO VIOLATES THE PROVISIONS OF THIS CIRCULAR, WITHOUT PREJUDICE TO ANY DISCIPLINARY ACTION THAT MAY BE INSTITUTED AGAINST SUCH OFFICIAL OR EMPLOYEE.

④ Immediate and widest dissemination and compliance is enjoined.

⑤ Be guided accordingly.

Phoa. Mtn A. Angkor Wat  
CENOV

501



Republic of the Philippines  
**Department of Education**  
Region VII, Central Visayas  
**DIVISION OF CEBU PROVINCE**  
Cebu City



June 26, 2018

**DIVISION MEMORANDUM**

No. 410, s. 2018

**SUBMISSION OF PROPERTY INVENTORY FORM**

**To:** PSDS/District OICs  
Elementary/Secondary School Heads

1. Pursuant to COA Circular Number 2018-002 dated May 31, 2018 and Republic Act No. 656, otherwise known as the Property Insurance Law, the field is hereby required to submit to this Office a Property Inventory Form.
2. The form (attached herewith) must be accomplished by school. However, the Public Schools District Supervisors are enjoined to closely monitor the compliance of this Memorandum to be submitted on or before July 13, 2018 to Mr. Patricio Gonzaga, Supply Officer.
3. For your guidance and reference, a copy of COA Circular Number 2018-002 is hereto attached.
4. For widest and immediate dissemination and strict compliance.

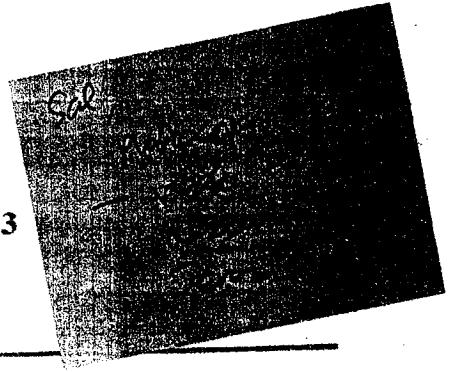
  
**DR. RHEA MARIA A. ANGTUD, Ed. D. CESO IV**  
Schools Division Superintendent

Putalan

DIS-7659A



Republic of the Philippines  
**COMMISSION ON AUDIT**  
**OFFICE OF THE AUDITOR**  
NGS-Cluster 5, Audit Group A, Team R7-13  
DepEd-Division of Cebu Province  
Sudlon, Lahug, Cebu City



June 7, 2018

**Dr. RHEA MAR A. ANGTUD, Ed. D., CESO VI**  
Schools Division Superintendent  
Department of Education  
Division of Cebu Province  
Sudlon, Lahug, Cebu City

Madam:

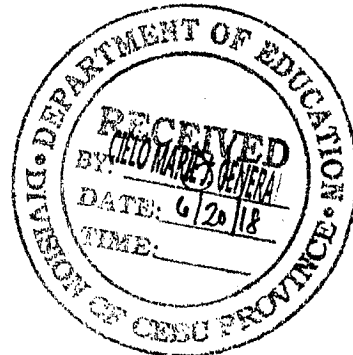
We are furnishing your Office a copy of COA Circular No. 2018-002 dated May 31, 2018 re: Guidelines prescribing the submission of the Property Inventory Form as basis for the assessment of general insurance coverage over all insurable assets, properties and interests of the government with the General Insurance Fund of the Government Service Insurance System.

For your information and guidance.

Very truly yours,

*Ruby Lee C. Belandres*

**RUBY LEE C. BELANDRES**  
State Auditor III  
OIC-Audit Team Leader





Republic of the Philippines  
**COMMISSION ON AUDIT**  
Regional Office No. VII  
Cebu City

**MEMORANDUM:**

**TO :** SUPERVISING AUDITORS  
OIC – SUPERVISING AUDITORS  
OIC – REGIONAL SUPERVISING AUDITORS  
AUDIT TEAM LEADERS  
This Region

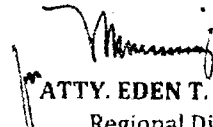
**SUBJECT :** Guidelines prescribing the submission of the Property Inventory Form as basis for the assessment of general insurance coverage over all insurable assets, properties and interests of the government with the General Insurance Fund of the Government Service Insurance System

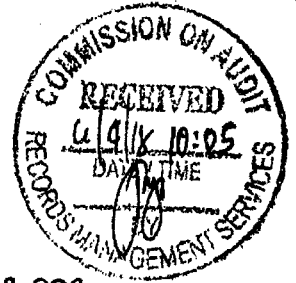
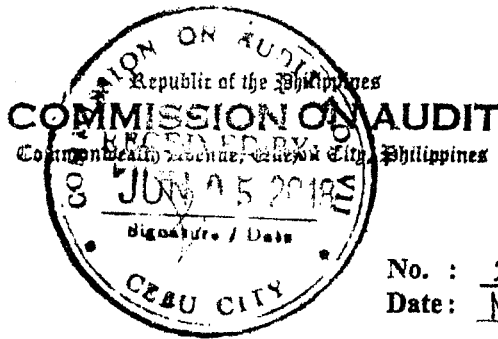
**DATE :** June 6, 2018

**FOR :**  Appropriate Action  Release  
 Comments/Recommendation  Information/Reference  
 Review/Evaluation  File  
 Compliance  Further Action (Return upon compliance)  
 Others

**REMARKS :** We are furnishing you a copy of COA Circular No. 2018-002 dated May 31, 2018, on the subject.

Please furnish your respective auditees a copy of the said Circular.

  
**ATTY. EDEN T. RAFANAN**  
Regional Director



No. : 2018-002  
Date: MAY 31 2018

**CIRCULAR**

**TO** : All Heads of Departments, Agencies, Bureaus, Commissions, Boards and Offices of the National Government; State Universities and Colleges; Government-Owned or Controlled Corporations; Local Government Units; Commission on Audit Directors, Supervising Auditors and Audit Team Leaders of the National, Local, and Corporate Government Sectors; and All Others Concerned

**SUBJECT** : Guidelines prescribing the submission of the Property Inventory Form as basis for the assessment of general insurance coverage over all insurable assets, properties and interests of the government with the General Insurance Fund of the Government Service Insurance System

**1.0 Rationale**

Republic Act (RA) No. 656, otherwise known as the Property Insurance Law, as amended by Presidential Decree (PD) No. 245, requires all government agencies (except municipal governments below first class category) to insure against any insurable risk their properties, assets, and interests with the General Insurance Fund (GIF), as administered by the Government Service Insurance System (GSIS).

It has come to the attention of this Commission that there are still properties owned by government agencies and their subsidiaries which are not insured with the GIF; or which are insured with private insurance companies or which, while covered by the GIF, are not insured adequately.

The non-compliance with the requirement denies the government adequate and reliable protection against any damage to or loss of its properties or assets and interests due to fire, earthquake, storm, or other fortuitous events/casualty. It also deprives the GSIS of substantial premium income that should have formed part of the GIF.

To enable the GIF to deliver the mandated services, it is necessary for the GSIS to obtain complete information on the inventory of assets and properties of all government agencies, including the latest appraised/market values determined by a third party or in-house appraiser in compliance with the accounting and other valuation standards adopted by the concerned agency.

**2.0 Purpose**

This Circular is being issued to assist in the implementation of the provisions of RA No. 656, as amended, on the insurance and bonding of risks on insurable government assets and properties with the GIF.



### 3.0 Coverage

This Circular shall cover all insurable government assets and other assets such as contracts, rights of action, and other insurable risks of government agencies, departments, bureaus, boards, commissions, state universities and colleges, local government units, government-owned or controlled corporations and their subsidiaries/affiliates, including all others in which these agencies or offices have an insurable risk or an insurable interest, such as but not limited to, loss or damage of the government assets.

It is only when such property or part thereof are not acceptable to the GIF that these may be insured with a private insurance company<sup>1</sup> at a cost most advantageous to the government, subject to the applicable provisions of the Revised Implementing Rules and Regulations of RA No. 9184 or the Government Procurement Reform Act.

Properties or assets, contracts or agreements, causes or rights of action, or other insurable interests of the Armed Forces of the Philippines, shall be bound by this Circular to the extent that they are acceptable to the GIF.<sup>2</sup>

### 4.0 Definition

For purposes of this Circular, the following terms are defined as follows:

- 4.1 **Property** includes vessels and craft, motor vehicles, machineries, permanent buildings, properties stored therein (i.e. furniture, fixtures, equipment, supplies and materials, etc.) or in buildings rented by the government, or properties in transit, the ownership of which had already passed to the government.
- 4.2 **Insurable Interests**, as defined in RA No. 10607 (PD No. 612, as amended), otherwise known as the Insurance Code, and Administrative Order No. 33 mean every interest in property, whether real or personal, or any relation, thereto, or liability in respect thereof, of such nature that a contemplated peril might directly damnify the insured.
- 4.3 **Insurable Value** refers to replacement cost or actual cash value of a building for which standard insurance policies provide indemnity cover. Insurable value is less than the appraised or market value of the property because it excludes the value of land on which the building stands. The formula for computing the insurable value is usually stated in the valuation clause of a policy document.
- 4.4 **Market Value** refers to the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, where the parties had each acted knowledgeably, prudently, and without compulsion.
- 4.5 **Appraised Value** is an appraiser's opinion of the current worth of a property based on factors such as area, location, improvements, and amenities.

<sup>1</sup> As provided by Republic Act No. 656

<sup>2</sup> Pursuant to Commission on Audit Decision No. 2016-290 dated October 19, 2016

4.6 Acquisition Cost is the amount paid or value given up to acquire a government asset.

## 5.0 Guidelines

5.1 Heads of government agencies shall direct the pertinent official under his/her supervision to:

- a. Secure directly from the GSIS GIF, all insurances or bonds covering properties, contracts, rights of action, and other insurable risks of their respective offices;
- b. Prepare the Property Inventory Form (PIF) listing of all the insurable properties and other assets, showing their latest appraised values/valuation, appraisal date, location, and other information (Annex A);
- c. Extract from the Report on the Physical Count of Property, Plant and Equipment, as well as from the Report on the Physical Count of Inventories, prepared in accordance with the provisions of the Government Accounting Manual, the data for the PIF pertaining to the insurable assets and interest of the government (excluding impaired properties for disposal);
- d. Cause ~~an~~ appraisal of the insurable properties and other assets of their respective offices. For this purpose, an in-house appraisal shall be sufficient if the property or insurable interest has a value of P10 million and below. Otherwise, an independent appraisal shall be necessary;
- e. Submit the consolidated PIF to the Supervising Auditor /Audit Team Leader and the GIF, GSIS, not later than April 30 of each year;
- f. Include in the agency annual budget the amount of premiums for the general insurance covering all insurable properties and other assets and ensure its payment to the GSIS; and
- g. Ensure centralized payment of insurance premiums of all assets/property, whether located in the Central/Head Office (C/HO) or Regional/District Offices, Branches and/or Operating Units (R/DOs/Bs/OU) in order to avoid double payment. The Head of the agency shall issue specific guidelines/instructions to the R/DOs/Bs/OU to submit their respective accurate and updated PIF for consolidation at the C/HO.

5.2 It shall be the responsibility of the officials of the GIF to validate/review the accuracy of the valuation of the properties reported in the PIF.

5.3 The Head of Agency, Accountant, Property Officer, Administrative Officer, Cashier, Treasurer, or any government official of the National Government Agencies/Local Government Units/Government-Owned or Controlled Corporations, who are responsible for the payment of the premiums prescribed, who refuses or habitually neglects to comply within the time

prescribed, shall be held liable for the payment of said premiums and shall pay to GSIS a fine of two per centum (2%) per month of said premiums from their due dates until received by the GIF, as provided for under Section 6(b) of RA No. 656.

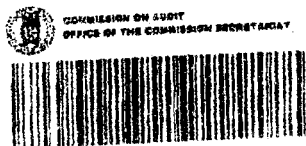
- 5.4 Likewise, the GSIS General Insurance Group officials and employees who neglected and failed to collect or accept payments of the said premiums or issue receipt therefor shall be liable for the said premiums and the penalty prescribed herein.
- 5.5 Failure on the part of the agency officials concerned and the GSIS to submit and receive, respectively, the documents and reports mentioned herein, as well as failure of the GSIS underwriting officials to assess the premium due within the timeframe herein prescribed, shall automatically cause the suspension of the payment of their salaries until they shall have complied with the requirements of RA No. 656 and its Implementing Rules and Regulations, as well as the provisions of this Circular.
- 5.6 No appropriation authorized in the General Appropriations Act shall be available to pay the salary of any official or employee who violates the provisions of this Circular, without prejudice to any disciplinary action that may be instituted against such official or employee.

#### 6.0 Repealing Clause

All circulars, memoranda, and other issuances inconsistent with this Circular are hereby repealed, amended, or modified accordingly.

#### 7.0 Effectivity

This Circular shall take effect after fifteen (15) days upon publication in a newspaper of general circulation.



  
**MICHAEL G. AGUINALDO**  
Chairperson

  
**JOSEFA. FABIA**  
Commissioner

**NAME OF AGENCY**  
Address of Agency  
**PROPERTY INVENTORY FORM**  
As of \_\_\_\_\_

Name of Office \_\_\_\_\_  
Address \_\_\_\_\_  
Region \_\_\_\_\_

Classification/Type (1)	Item Description (2)	Nature of Occupancy (schools, offices, hospital, etc.) <sup>1</sup> (3)	Location (4)	Date Constructed/ Acquired/ Manufactured (5)	Property No./ Other Reference <sup>2</sup> (6)	Valuation		Date of Appraisal (9)	Remarks (10)
						Acquisition Cost/ Insurable Interest <sup>2</sup> (7)	Market/ Appraisal/ Insurable Interest <sup>2</sup> (8)		
<b>PART I - PROPERTY, PLANT AND EQUIPMENT, AND INVENTORIES</b> (Please enumerate with appropriate account classification)									
<b>PART II - OTHER INSURABLE INTERESTS</b>									
<b>(a) Rights of Action</b>									
<b>(b) Other Insurable Interests</b>									
<b>PREPARED and CERTIFIED CORRECT:</b>					<b>APPROVED:</b>				
Head, Inventory Committee					Head of Agency				
Date					Date				

<sup>1</sup> For buildings and other structures, please indicate the nature or type of occupancy of the Government property whether: schools, offices, clinics, hospitals, laboratories, public markets, car parks, terminals, residential, and other information which are important basis for the pricing of the property and in determining the amount of the premium to be paid to the GSIS.

<sup>2</sup> For insurable interests other than Property.

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**Annex A**  
**Instructions for filling up the PIF**

Column	Description
1	<p><b>Classification</b></p> <p>This column shall contain the general/major classification of the property as it is classified in the financial statements. Example: Buildings, Machinery and Equipment; Motor Vehicle, etc.</p> <p>Please refer to the Government Accounting Manual and the Chart of Accounts for the general/major classification of property.</p> <p><b>Type</b></p> <p>This column shall also contain the specific description of the property, i.e. Machinery, Office Equipment, Information and Communications Technology Equipment.</p> <p>For both classification and type and its description, please refer to the Government Accounting Manual and the Chart of Accounts for the general/major classification of property.</p>
2	<p><b>Item Description</b></p> <p>This column shall indicate a more specific and detailed information of the property, i.e. the brand or make, size/dimension of the property, capacity, etc. of the property.</p>
3	<p><b>Nature of Occupancy</b></p> <p>This column is for buildings and other structures, which indicates the nature or type of occupancy of the Government property whether: schools, offices, clinics, hospitals, laboratories, public markets, car parks, terminals, residential, and other information which are important basis for the pricing of the property and in determining the amount of the premium to be paid to the GSIS.</p>
4	<p><b>Location</b></p> <p>This column shall indicate where the property is located, installed or constructed. It shall indicate the whether it is in the Central/Head or Regional Offices, Branches and Operating units and their addresses.</p>
5	<p><b>Date Constructed/ Acquired/Manufactured</b></p> <p>Indicate in this column the date of construction/acquisition and manufacture of the property which is important for the determination of the depreciation, depreciated cost, and the insurable amount.</p>
6	<p><b>Property No./Other Reference</b></p> <p><b>Property Number</b> indicated in this column pertains to the identifying number assigned by the Supply and/or Property Division/Unit corresponding to the RPCPPE, Acknowledgement Receipt of Equipment, Inventory Custodian Slip, Property Stickers, and other reference.</p>

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Column	Description
	<p><b>Other Reference</b> shall be indicated in this column for insurable interests other than Property. It may refer to Contract Reference Number, Purchase Order Number and the like.</p>
7	<p><b>Acquisition Cost/Insurable Interest</b></p> <p>Acquisition Cost/ Insurable Interest pertains to the cost/value as defined in Paragraph 4 hereof.</p>
8	<p><b>Market/Appraisal/ Insurable Interest</b> pertains to the cost/value as defined in Paragraph 4 hereof.</p>
9	<p><b>Date of Appraisal</b></p> <p>The date of the appraisal to be indicated in this column pertains to the date the appraisal was conducted by the in-house or independent appraiser pursuant to Paragraphs 1 and 5.1.b hereof.</p>
10	<p><b>Remarks</b></p> <p>Indicate other information which are important for and will facilitate the determination of the depreciation, depreciated cost, and the insurable amount of the property and the amount of premium to be paid to the GSIS.</p>