



Republic of the Philippines  
CIVIL AVIATION AUTHORITY OF THE PHILIPPINES

08 APR 2021

MEMORANDUM CIRCULAR NO. 13-2021

**POLICY ON TRANSFER AND ACCEPTANCE OF ASSETS/PROPERTIES TO CAAP**

**I. GENERAL STATEMENT**

By virtue of Section 35 (l) of Republic Act No. 9497, the Civil Aviation Authority of the Philippines (CAAP) is authorized to plan, design, acquire, establish, construct, improve, maintain and repair necessary aerodrome and other air navigation facilities.

Furthermore, Section 4 of the Special Provisions of the Department of Transportation – Office of the Secretary's budget in the General Appropriations Act mandates that "the amount appropriated herein for the construction of various airports and navigational facilities, and acquisition of navigational equipment shall be recorded in the books of accounts of the DOTr and **transferred to the Civil Aviation Authority of the Philippines** as equity contribution of the National Government in accordance with Section 14 of Republic Act No. 9497."

Likewise, some facilities of the Department of National Defense-Philippine Air Force have been transferred to CAAP for conversion to civilian use.

Thus, there is a need to prescribe a policy to regulate the process for the transfer and acceptance of assets/properties to the Authority.

**II. SCOPE**

This Memorandum Circular shall apply to all airports and air navigation facilities (including structures, buildings, utilities and improvements) as well as equipment being transferred by external government agencies to CAAP whether in the Head Office or the Area Centers. This MC shall **NOT** apply to the transfer of land and land improvement assets, which shall be covered by a separate Memorandum Circular.

Likewise, the MC shall only apply to existing assets/properties that have sufficient supporting documents; the transfer of recorded assets that can no longer be physically located or do not have sufficient documentation shall be addressed on a case-to-case basis.

**III. DECLARATION OF POLICIES**

Section 1. Offices Primarily Responsible – The following Services/Offices shall be primarily responsible for managing, coordinating, and monitoring the property transfer process for the corresponding assets/properties, to wit:

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Service/Office	Assets/Properties
Administrative and Finance Service (through the Supply Division)	<ul style="list-style-type: none"><li>- Furnitures and Fixtures</li><li>- Office Equipment</li><li>- Motor Vehicles</li></ul>
Aerodrome Development and Management Service (ADMS)	<ul style="list-style-type: none"><li>- Infrastructure (buildings, airport runways and taxiways, aprons, hangar, etc.)</li><li>- Aerodrome equipment (e.g. baggage carousels, chiller systems, etc.)</li><li>- Temporary facilities and service vehicles used in connection with projects</li></ul>
Air Navigation Service (ANS)	<ul style="list-style-type: none"><li>- Air navigation facilities</li><li>- Electrical equipment (i.e. generators)</li><li>- Communications, Navigation and Surveillance (CNS) equipment</li></ul>
Air Traffic Service (ATS)	<ul style="list-style-type: none"><li>- Air traffic control towers</li><li>- Communications, Navigation and Surveillance (CNS) equipment as appropriate</li></ul>
Business Continuity Management Group (BCMG)	Disaster response and rescue equipment
CAAP Security and Intelligence Service (CSIS)	Security equipment (e.g. X-ray machines, scanners, etc.)
Corporate Planning Office (through the Management Information Systems Division)	Information and communications technology equipment (computers, printers, scanners, etc.)
Flight Standards Inspectorate Service (through the Office of the Flight Surgeon and Aviation Medicine)	Medical equipment

The aforementioned offices shall be responsible for coordination with the Source Agency for matters such as but not limited to: submission of required documents, scheduling of joint inspection, preparation of reports/punch lists, monitoring of concerns and issues, etc.

The aforementioned offices shall likewise be responsible for coordinating with other CAAP Services/Offices/Units for any activities required to effectuate the **complete** transfer of the properties and assets. These activities include but are not limited to: convening of joint inspection team, recording in the books of accounts, records management of pertinent documents, property management (e.g. issuance of Property Acknowledgement Receipt), etc.

**Under no such circumstance shall Area Centers inspect, accept and record assets in its book of accounts without the knowledge and involvement of the Head Office.** All activities related to the transfer of properties must be coordinated with the Head Office.

Section 2. Joint Inspection – All assets/properties being transferred from other government agencies to CAAP must undergo joint inspection, with representatives from the Source Agency as well as the Head Office and Area Centers of CAAP.

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The convening of the joint inspection team shall be spearheaded by the Office Primarily Responsible identified in Section 1. The convenor shall also be responsible for extending invitations to the Internal Audit Service and resident COA Auditors of CAAP and the Source Agency as observations to the inspection and acceptance activities.

In the case of transfer of properties/assets involving multiple Services/Offices, the Corporate Planning Office (through the Asset Management Division) shall be responsible for convening the joint inspection team and monitoring/coordinating its activities.

Upon the conduct of the joint inspection and upon resolution of any items identified in the punch list, the Office Primarily Responsible shall issue a memorandum recommending the signature of the Director General on the Property Transfer Report.

Section 3. Recording in Book of Accounts – The transferred assets shall be recorded in the book of accounts of the Area Center concerned. However, all documents related to the transfer of assets shall be coursed through the Accounting Division of the Head Office prior to transmittal to the Area Center concerned.

The following documents must be secured by the appropriate Accounting unit concerned prior the recording of the assets in its book of accounts:

- Journal Entry Voucher (JEV) from Source Agency
- Certificate of Acceptance
- Certificate of Project Completion
- Certificate of Project Turnover
- Acknowledgment Receipt and Custody of Completed Projects
- Acknowledgment Receipt and Custody of Temporary Facilities & Vehicles
- Property Transfer Report (PTR)

As stipulated in Section 1, Offices Primarily Responsible are accountable for securing these documents from the Source Agency. The offices are likewise enjoined to secure multiple original, signed physical copies of the same for the records and safekeeping of both the Head Office and the concerned Area Centers.

Section 4. Records Management – The Central Records & Archives Division (CRAD) shall maintain original, signed physical copies of the aforementioned documents for records and safekeeping. As an added security measure, the CRAD shall also scan and maintain electronic copies of all these documents in their custody.

Area Centers / Airports / Facilities are likewise not precluded from retaining original, signed physical copies of the same documents, provided that more than one (1) such copy is in the possession of the Authority. Furthermore, Area Centers and Airports must maintain both physical and electronic copies and shall maintain a database to track/record all such documents in their custody.

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In the case where the Authority only has one (1) original, signed physical copy of the same, the document shall be stored with CRAD while the Area Center / Airport / Facility concerned shall retain a Certified True Copy (CTC) issued by CRAD. In such cases, only the CRAD shall be authorized to issue Certified True Copies of the aforementioned documents.

Section 5. Inventory of Immovable Properties – The Asset Management Division (AMD) under the Corporate Planning Office shall be responsible for maintaining a database monitoring the status of ownership of the Authority's immovable properties. At a minimum, the said database shall identify which immovable assets are currently in the control and possession of CAAP, and which of these assets have been turned over and recorded in the book of accounts of the Area Center concerned.

In coordination with the Services, Area Centers and Airports, they shall also determine and monitor which immovable properties in CAAP-owned/controlled/designated facilities have not yet been recorded in its book of accounts and likewise have no corresponding documentation establishing the Authority's ownership.

In connection to the aforementioned duties and responsibilities, the CRAD, Area Centers and Airports are hereby instructed to grant the AMD access to their corresponding databases and documents

Section 6. Process – The transfer and recording of assets/properties shall observe the following process flow:

Responsible Office	Sequence No.	Activity
Source Agency	1	Transmits multiple copies of <b>Property Transfer Report (PTR)</b> and other documents to the Civil Aviation Authority of the Philippines (CAAP)
Office of the Director General (ODG)	2	Acknowledges receipt of the aforementioned documents and routes the same to the <b>Office Primarily Responsible</b> for appropriate action.
Office Primarily Responsible	3	Coordinates with the Source Agency and Area Center concerned for the convening of the joint inspection team. Extends invitation to Internal Audit Service and resident COA Auditors of Source Agency and CAAP to witness activities
Joint Inspection Team	4	Conducts joint inspection. Prepares punch list and/or memorandum recommending the signature of the Director General on the Property Transfer Report
ODG	5	Prepares memo to Source Agency for the transmittal of the signed PTR. Upon signature of Director General on the PTR and the transmittal memo, both are endorsed to the Source Agency

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Source Agency	6	Receives signed PTR and issues Journal Entry Voucher (JEV)
Office of the Director General	7	Acknowledges receipt of the JEV issued by the Source Agency and forwards the same to the Accounting Division
Accounting Division (AD)	8	Checks for completeness of documents; furnishes CRAD and AMD with copies of all documents <b>prior</b> to transmittal to the Accounting office of the concerned Area Center.
Area Center - Accounting	9	Receives one (1) copy of the signed PTR, the JEV from the Source Agency and other documents as available. Records the transferred asset in books of accounts and issues JEV. Furnishes CRAD, AD and AMD with copy of the JEV.
AD	10	Receives JEV issued by Area Center and prepares transmittal letter to Source Agency for signature of the Director General.
ODG	11	Signs and endorses transmittal letter and JEV from Area Center to the Source Agency.

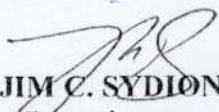
Section 7. Non-Compliance – Non-compliance with the aforementioned policies, rules and regulations shall be subject to disciplinary and/or administrative sanctions.

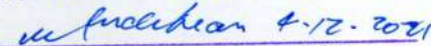
Section 8. Separability Clause –If any section or part of this Memorandum Circular is held unconstitutional or invalid, the other sections or provisions not otherwise affected shall remain in full force or effect.

Section 9. Superseding Clause – All CAAP issuances in conflict herewith are deemed superseded.

Section 10. Effectivity – This Circular shall take effect immediately upon issuance.

For strict compliance and immediate implementation.

  
**CAPT JIM C. SYDLONGCO**  
Director General

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