

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
**BUREAU OF INTERNAL REVENUE**  
Quezon City

December 4, 2002

**REVENUE MEMORANDUM ORDER NO. 36-2002**

**SUBJECT:** Extraction/Salvaging of Reusable Parts of Obsolete/  
Unserviceable Information Technology (IT) Equipment

**TO :** All Internal Revenue Officials and Others Concerned

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**I. OBJECTIVES**

This Order is issued to:

- A. Maximize the use of reusable parts of IT equipment prior to their disposal.
- B. Establish policies and procedures on the extraction and safekeeping of reusable parts of obsolete/unserviceable IT equipment.
- C. Define and delineate the responsibilities of various offices concerned.

**II. POLICIES**

- A. Procedures on the return and disposal of unserviceable IT equipment shall be in accordance with RMO Nos. 27-99 and 35-2000.
- B. All IT equipment certified as obsolete/unserviceable shall be subject to further inspection/evaluation of offices mentioned in Item II.C to determine if there are still reusable parts that can be extracted for future use.
- C. The following offices shall be responsible in the conduct of joint inspection and extraction/salvaging of still useful parts of obsolete/unserviceable IT equipment:

**For National Office**

- Systems Support Division of Information Systems Operations Service (SSD-ISOS)
- Property Monitoring and Control Section – General Services Division (PMCS-GSD)
- Representative from Inspection and Acceptance Committee

### **For Regional and District Offices and Large Taxpayers District Offices**

- Property Section of Administrative Division (PS-AD)
  - Computer Operations, Network and Engineering Division (CONED) of Revenue Data Center (RDC) concerned
  - Representative from the Regional Inspection and Acceptance Committee
- D. Extraction/salvaging of parts that are reusable/functional shall be done simultaneously with the conduct of joint inspection of the returned obsolete/unserviceable IT equipment.
- E. A record of IT equipment/unit where the extracted parts have been obtained shall be maintained by PMCS-GSD and PS-AD of Regional Office to ensure that history of the extracted/salvaged IT parts is properly monitored.
- F. Extracted/salvaged IT parts shall be issued to end users through a Requisition and Issue Slip (RIS) duly signed by the Head of Office of the requesting personnel and approved by Chief, GSD/Administrative Division of Regional Office. The accountable officer/user shall indicate in the RIS the property number of the equipment where the requested extracted parts shall be installed. A copy of the trouble ticket issued by SSD-ISOS/CONED-RDC shall also be attached to RIS to support and confirm the necessity of the request.
- G. The Warehousing and Distribution Section of General Services Division (WDS-GSD)/ General Services Section of Administrative Division (GSS-AD) of Regional Office shall safekeep, issue and monitor the distribution of the extracted/salvaged parts of IT equipment.

## **III. PROCEDURES**

### **A. Accountable Officer/User**

1. Accomplish Request for Inspection/Certification (I/C) Form for Obsolete and Unserviceable IT Equipment (Annex A) and forward to SSD-ISOS for National Office and concerned RDC for Regional Offices, RDOs, and LTDOs.
2. Acknowledge receipt of duly signed Certification of Obsolescence/ Unserviceability from Assistant Commissioner, ISOS/RDC Head.
3. Return unserviceable/obsolete IT equipment thru the office head with letter request and General Form No. 12 - Inventory and Inspection Report of Unserviceable Property, (Annex B) to PMCS-GSD/PS-AD.

4. Receive the Receipt for Returned Items Form (Annex C) for the returned IT equipment.
5. Request for the available parts of IT equipment from WDS-GSD/GSS-AD using the Requisition Issue Slip (RIS) (Annex D), when needed.
6. Forward the RIS with attached Trouble Ticket evidencing the necessity of the request to WDS-GSD/GSS-AD.
7. Surrender the damaged IT part/s together with the Waste Materials Report (Annex E) to WDS-GSD/GSS-AD and receive the requested IT part/s.

**B. Systems Support Division of Information Systems Operations Service (SSD-ISOS)/CONED of Revenue Data Center (RDC) Concerned**

1. Conduct physical assessment of specified IT equipment based on Inspection/Certification Form submitted.
2. Determine whether the equipment involved is already obsolete/unserviceable.
3. Mark/tag the identified obsolete/unserviceable IT equipment that has still usable parts.
4. Have the certification portion of the I/C Form signed by ACIR, ISOS/RDC Head declaring that the IT equipment inspected is obsolete/unserviceable.
5. Upon request, conduct joint inspection with PMCS-GSD/PS-AD and representative of Inspection and Acceptance Committee on the returned obsolete/unserviceable IT equipment and extract all parts that are still useful/functional.
6. Upon request of user for repair of IT equipment, conduct inspection and provide accountable officer/user copy of Trouble Ticket if replacement of the damaged part of IT equipment is needed.
7. Conduct repair upon availability of the requested replacement part/s.

**C. Property Monitoring and Control Section of General Services Division (PMCS-GSD)/Property Section of Administrative Division (PS-AD) of Regional Office**

1. Record items received from accountable officer/user.
2. Prepare and issue the Receipt for Returned Items Form for the surrendered IT equipment.
3. Transfer accountability of returned items to Chief, General Services Division/Chief, Administrative Division, Regional Office.
4. Store/safekeep surrendered unserviceable IT equipment for future disposal.
5. Classify and segregate each item by condition of equipment based on the evaluation of SSD-ISOS/RDC.
6. Request SSD-ISOS/CONED-RDC and the representative from Inspection and Acceptance Committee for the conduct of joint inspection of the returned obsolete/unserviceable IT equipment and extraction/salvaging of parts that are still useful/functional.
7. Prepare List of Extracted Parts (Annex F) in four copies to be distributed as follows:

|                      |   |                                                    |
|----------------------|---|----------------------------------------------------|
| Original             | - | PMCS-GSD/PS-AD                                     |
| 2 <sup>nd</sup> copy | - | WDS-GSD/GSS-AD                                     |
| 3 <sup>rd</sup> copy | - | Disposal Committee<br>(attachment to I & I Report) |
8. Turnover all extracted working parts of obsolete/unserviceable IT equipment together with the 2<sup>nd</sup> copy of List of Extracted Parts to WDS-GSD/GSS-AD for storage.
9. Request Disposal Committee to conduct inspection on the unserviceable/obsolete IT equipment. **(Note: Pertinent documents such as I&I Report and the 3<sup>rd</sup> copy of List of Extracted Parts shall be provided for inspection).**
10. Follow procedures per Item D.2.6 to D.2.13 of RMO 27-99 (Updated Guidelines and Procedures on the Disposal of Unserviceable Property).
11. Receive from WDS-GSD/GSS-AD the copy of Waste Materials Report and the damaged part of IT equipment for future disposal.

**D. Warehousing Distribution Section of General Services Division (WDS-GSD)/General Services Section of Administrative Division (GSS-AD) of Regional Office**

1. Receive from PMCS-GSD/PS-AD of RRs the extracted parts of IT equipment for storage together with the 2<sup>nd</sup> copy of List of Extracted Parts.
2. Issue the extracted working parts of IT equipment to requesting office (accountable officer/user) as per approved RIS and require them to surrender the waste material or the damaged IT part together with the Waste Materials Report.
3. Maintain a record/logbook of the receipt and distribution of extracted/salvaged reusable/working parts. (Note: Stock card shall also be prepared for proper monitoring).
4. Forward copy of Waste Materials Report and the damage part of IT equipment to PMCS-GSD/PS-AD for future disposal.

**IV. REPEALING CLAUSE**

All revenue issuances or portions thereof inconsistent herewith are hereby repealed or amended accordingly.

**V. EFFECTIVITY**

This Order shall take effect immediately.

(Original Signed)  
**GUILLERMO L. PARAYNO, JR**  
**Commissioner of Internal Revenue**

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Fn: sstmd/extraction-rmo  
LBM/mbe