

Quezon City

March 1, 2002

REVENUE MEMORANDUM ORDER NO. 4-2002

TO : The Regional Directors, Revenue District Officers of Computerized Sites, RDC Heads and Others Concerned

SUBJECT : Prescribing Policies, Guidelines and Procedures in the Implementation of Taxpayer Account Management Program (TAMP) Amending further certain provisions of RMO 22 - 2000 as amended by RMO 12 - 2001 affecting the Returns Compliance System (RCS) and the Total Registration Database Clean - up under the ITS Sustainability for Operations Project.

I. OBJECTIVES

- A. To institutionalize the Tax Account Management Program (formerly Adopt-A-Taxpayer Program) in the Operations Group
- B. To purify the Registration Database .
- C. To address issues obtaining at computerized RDOs affecting the ITS.

II. POLICIES

- A. The Taxpayer Account Management Program (TAMP) is similar to the Account Executive and Account Manager Concept in the Private Corporate environment which shall be part of performance measurement of the individual Revenue Officers (RO).
- B. Taxpayer Account Management Program shall focus on the top business taxpayers, whether individuals or non-individuals which accounts for at least 80% of District Collections.

- C. A Total Registration database clean-up is mandated not later than June 30, 2002.
- D. A Task Force shall be created thru a Revenue Special Order (RSO) to implement this Order and monitor performance of the computerized RDOs.
- E. The Task Force shall continue to implement the Program until such time that the Internal Audit Division (IAD) has developed the skills and staffing of the Division to sustain these audits.
- F. Computerized Metro Manila and Metro Cebu RDOs are classified as Large Districts.
- G. Other computerized RDOs outside the Metro area shall be classified in accordance with the Assessment Service classification as Large, Medium or Small Districts.
- H. Metro Districts shall initially be assigned the Top 1000 Taxpayers of the District from CBR list plus 10% or 100 Top Taxpayers taken from RPS list, but which are not appearing in the CBR list.
- I. Other Districts categorized as Medium districts shall be assigned 600 Top Taxpayers and 400 for small RDOs plus 10% (60 and 40 respectively) of the Top Taxpayers listed in the RPS list but not appearing in the CBR list.

III. PROCEDURES

A. For Taxpayer Account Management Program (TAMP)

- (1) The Revenue Data Centers (RDCs) shall generate the list of top taxpayers for all RDOs under their respective jurisdiction taken from the CBR system based on the total tax payments for all tax types of the taxpayers.

- (2) A similar list of top taxpayers shall also be generated by the RDC based on gross sales or revenues for all RDOs taken from the RPS listing.
- (3) Both lists shall be forwarded to the respective RDOs who shall prepare the recommended list of the Top Taxpayers of the RDO.
- (4) A matching shall be made and the Top Taxpayers from the RPS listing not appearing in the CBR list shall be recommended by the RDO for inclusion but in no case shall it be more than 10% of the total number of the taxpayers included in the CBR listing.
- (5) A final list from the two listings (CBR and RPS) shall be submitted by the RDO through their respective RDC's to the Task Force for approval.
- (6) Upon approval, the RDO shall equitably assign the selected Top Taxpayers (Accounts) to all the Revenue Officers (Managers) of the Assessment Section of the District.
- (7) Assignment to Group Supervisors / Revenue Officers will be submitted to the Task Force through the respective RDCs for upload into the systems database by the Systems Maintenance and Support Division (SMSD), Information Systems Development Service (ISDS). The list shall contain the following:
 - a. Name of Group Supervisor
 - b. Name of Revenue Officer
 - c. Name of Taxpayer (sequentially numbered)
 - d. TIN
- (8) Upon receipt of assignment of the selected Taxpayers for the TAMP, the Revenue Officer (TP Account Manager) shall prepare a Masterlist of the Top Taxpayer Accounts. (**Annex A**)
- (9) The Revenue Officer (Account Manager) shall monitor transactions of his assigned Taxpayers

after each tax deadline by filling up details of Monthly Monitoring Sheet (**Annex B**).

(10) The Revenue Officer and Group Supervisor shall be responsible in instructing his assigned Taxpayer on the following:

- a. A validation of all Registration Data
- b. Proper filling up of tax forms
- c. Duties and responsibility of the Taxpayer
- d. Update on relevant new issuance
- e. Use of correct branch code on each and every tax return and payment
- f. Tax Deadlines, among others

(11) A stopfiler list from the selected Top Taxpayers shall be generated by the RDC on a monthly basis and a reminder letter will be printed with the name of the assigned Revenue Officer and Group Supervisor. (**Annex C**) An attach list of all stopfiler open cases of the Top Taxpayers cumulative of all violations shall accompany the reminder letter. (**Annex C-1**)

(12) The reminder letter to the Taxpayer, which bears the Revenue Officer's and Supervisor's name, shall serve as the basis for contacting his Taxpayer to resolve Stopfiler Open Cases.

(13) Assignment of stopfiler case shall be done automatically on a monthly basis, however under exceptional cases, the RDO maybe allowed to assign cases on-line.

(14) Exit Criteria for the next set of Top Taxpayers for the program shall be released to the RDO after meeting the minimum KPIs for RPS, CBR and RCS (Stopfiler) for at least four (4) consecutive weeks.

B. For Total Registration Database Clean-up

An alarming suspense rate for CBR and RPS and unresolved Stopfiler cases has been monitored indicating a need for total clean-up in the Registration database in all computerized Revenue District Offices.

Following are the top errors encountered in the Registration System from transactions of taxpayers:

1. CBR System – Top 10 Errors

ERROR CODE	DESCRIPTION
UR	TIN unregistered in RDO
IC	Invalid TIN Check digit
DB	Different Branch Exists
IF	Invalid Form Type
NB	Tax Type not for Branch
UT	Unregistered Tax Type
LI	Invalid Drawee Bank
BT	Blank TIN
NC	Null Return Period Component
LD	DTL Amt not Equal to Type A

2. RPS – Top 10 Errors

ERROR CODE	DESCRIPTION
1015	TIN Unregistered in RDO
1000	No Value/Invalid REG Value
2003	Incorrect Amended Flag
3021	Previous Return not yet Filed
1002	Tax Type not Registered
2002	Filer is not the Nominated FIL
3022	Previous Return Required but I
3085	Required Tax Amount is

	Empty
1017	TIN Exists with Different Branch
2011	Invalid Form Type/Return Period

The RDOs shall focus their registration clean-up on the above stated errors, to an acceptable level.

Registration Error Report (**Annex D**) shall be accomplished by the Taxpayer Account Manager (Revenue Officer / Group Supervisor).

IV. KEY PERFORMANCE INDICATORS (KPI's)

The following KPI's for purposes of the Sustainability Project and the Registration Clean-up by June 30, 2002 are as follows:

A. Suspense Rates for Top Taxpayers (Sustainability Standard)

- a. CBR - less than 1%
- b. RPS - less than 5%

B. Returns Compliance System (Stopfiler)

- 1. Case Closure - 80%

Formula:
$$\frac{\text{No. of Cases Closed}}{\text{No. of Cases Assigned}} \times 100$$

- 2. Collection from Stopfiler Cases closed

C. Multiple / Identical TIN Clean - up by RDOs

- 1 Non - individual - 100%
- 2 Individuals - 80%

V. REPORTING REQUIREMENT

- A. Weekly monitoring of KPIs for all activities covered by this RMO shall be generated by their respective RDC's every Monday and forwarded to the Task Force for consolidation.
- B. The weekly consolidated report prepared by the Project Manager shall be submitted to the DCIR, Operations Group who is also the Project Director, ITS Sustainability Project for Operations and copy furnished the following:
 - 1. Deputy Commissioner, Information Systems Group
 - 2. Assistant Commissioner, Large Taxpayers Service
 - 3. Regional Directors, Computerized Regions
 - 4. Revenue District Offices, Computerized RDOs
 - 5. RDC Heads
 - 6. Members of the Task Force
- C. Performance of each RDO shall be ranked in the weekly-consolidated report to highlight performance and effectiveness.
- D. Quarterly Group Supervisors evaluation report on the performance of each Revenue Officer on stopfiler case closure and collection shall be generated.
- E. Weekly Progress report on the Total Registration Database Clean - up shall be submitted by the RDO to the Task Force thru their RDCs for consolidation and evaluation on the following: (as of _____)

1. Resolution of Multiple/Identical TIN:

- a. Non - Individual

a.1

Balance	_____
Resolved	_____
Pending	_____

b. Individual

b.1

Balance _____
Resolved _____
Pending _____

2. CBR System Error Resolution

Error Code	Description	Open Cases	Resolved	Pending

3. RPS Error Resolution

Error Code	Description	Open Cases	Resolved	Pending

VI. EFFECTIVITY

This Order takes effect immediately.

(Original Signed)
RENÉ G. BAÑEZ
Commissioner of Internal Revenue