



PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS
(National Headquarters Philippine Coast Guard)
139 25th Street, Port Area
1081 Manila

NHQ-PCG/CG-4

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**MEMORANDUM CIRCULAR
NUMBER 05-23**

**GUIDELINES AND PROCEDURES IN THE MANAGEMENT
OF PCG WAREHOUSE**

I. REFERENCES:

- a. PNP Memorandum Circular Nr 2017-070 dated 18 November 2017;
- b. COA Circular No. 2015-007 dated 22 October 2015;
- c. RA No. 9514 dated 19 December 2008;
- d. Presidential Decree 1445 dated 11 June 1978;
- e. Presidential Decree 1096 dated 19 February 1977; and
- f. Presidential Decree 856 dated 23 December 1976

II. RATIONALE:

This Memorandum Circular provides the guidelines and procedures to be undertaken by warehouse personnel to protect the items stored in the PCG warehouse from pilferage, damage, undue deteriorations and losses. Its provisions shall apply to all warehouse and storage facilities of the PCG and all warehouse personnel.

III. PURPOSE:

This memorandum circular prescribes the policy, procedures and covers the following subject areas to be followed in the formation and management of material storage, supply, and operations:

1. To provide comprehensive policy on warehouse management;
2. Optimizing storage process on warehouse operations;
3. To determine specific duties and responsibilities of personnel in charge of warehouse administration;
4. Instructions for the Storage Space Management Report;
5. PCG quality control and reliability management of supplies and equipment within PCG supply activities; and

6. Information concerning sources regarding identification, control and utilization of shelf life items.

IV. DEFINITION OF TERMS:

- a. Control System – the process of coping with changes or problems in warehouse management. It relates to the feedback and corrective action function of the warehouse management system. By monitoring what actually happens and making the necessary changes, control makes the adjustments which allow operations to achieve the objectives that were laid down in the plan.
- b. Damages – problems that are caused by a mistake, wrong action, etc. In warehousing, they are caused by wrong placement of materials, unbalanced stacking, and unsystematic release procedures (not following FIFO methods, etc).
- c. Delivery Receipt – is a document prepared by the supplier upon delivery of merchandise to the client.
- d. First-In, First-Out (FIFO) principle – an asset management and valuation method in which the assets/goods/items produced or acquired first are used by or issued of first to the PCG end-users.
- e. Inbound Storage and Outbound Decision Rules – these rules determine which products arrive in what quantities, where these should be stored and how many personnel, equipment, and transport is needed to process the products and orders.
- f. Losses – unrecoverable and usually unanticipated and non-recurring removal of, or decrease in, an item of supplies or equipment.
- g. Pallet – a portable platform upon which materials are placed to facilitate handling and storage of unit load or smaller quantities of material with equipment such as forklift, trucks, transporters, and cranes. Material is usually placed manually for mechanical handling throughout the complete cycle of storage and issue operations.
- h. Inventory – an itemized list of supplies or property on-hand containing the designation or description of each specific item with valuation.
- i. Pilferage – the theft of part of the contents of a package. It may also include theft of the contents but leaving the package, perhaps resealed with bogus contents.
- j. Purchase Order – is a written authorization from a buyer to acquire goods or services. The document authorizes a supplier to deliver to the buyer at the price, quality level, delivery date, and certain other terms specified in the agreement
- k. Requisition and Issue Slip (RIS) – The RIS shall be used by the Requisitioning Office to request supplies/goods/equipment/property carried in stock and by the Supply and/or Property Division/Unit to issue the items requested.

- l. Stocking – the process of filling the warehouse shelves and displays with equipment and material.
- m. Storage – the holding and keeping of supplies for future use, ready for issue at any given time.
- n. Storage Management – proper use of storage space and material, handling equipment, proper grouping of activities for a straight line flow, and the attaining of maximum productivity of personnel, with four (4) important techniques namely: planning, directing, coordinating, and controlling.
- o. Strategic Planning – an organization’s process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy.
- p. Tactical Planning – a systematic determination and scheduling of the immediate or short term activities required in achieving the objectives of strategic planning.
- q. Undue deterioration – the downgrading of the effectiveness or physical characteristics (color, appearance, consistency, odor, etc.) of the supplies, materials, and equipment due to negligence by the warehouse personnel.
- r. Warehouse – a PCG facility for the storage and handling of goods, materials, and equipment.
- s. Warehouse Clerks – receive, store, stockers, distribute inventory, count inventory, and mail clerks. They ensure inventory and other materials are stored in a secure location away from loading area.
- t. Warehouse Coordinators – are responsible for coordinating the movement of inventory between shipping and the warehouse. They are generally responsible for entering inventory data into the PCG information system. In the receiving cycle, warehouse coordinators reconcile shipping receiving reports with PCG purchase orders to ensure that End-User deliver all necessary product in working order.
- u. Warehouse Director – sets warehouse policies and analyses logistics and operations data to maximize productivity. The director reviews financial data to determine how efficiently the PCG is using its materials and equipment. The director also examines logistical reports to make decisions about product and inventory procurement methods.
- v. Warehouse Managers – oversee individual warehouse operations. They manage warehouse clerks and coordinators, staffing, training, and continuing professional development. Warehouse managers conduct periodic inventory counts to ensure the accuracy of records. They establish and monitor security procedures to maintain the safety of warehouse equipment and inventory. They ensure that the warehouse operations comply with all necessary regulations and interact with the director of logistics with management on warehouse issues.

- w. Warehousing – the performance of physical function covering receipt, storage, and issue of supplies. The process or act of positioning and placing items (boxes, pallets, packages, loads, etc.) in an area set aside for holding such items or staging items for shipment.
- x. Warehouse Equipment – those equipment used for delivery, assembling, maintenance, and materials handling equipment like warehousing racking systems, forklift, trucks, warehouse tractors, hand trucks, conveyors, other manipulation equipment, and transport equipment.
- y. Warehouse Management – refers to the general framework in management of warehouse which includes the facility and its configuration in relation to the stored items; the security and safety parameters; the processes involved in the operations especially in obtaining, organizing and release of the items; and the human resources necessary to run the warehouse.

V. POLICIES:

A. Warehouse Requirements and Budget Allocation:

1. General Policy:

- a. The Office of the Deputy Chief of Coast Guard Staff for Logistics, CG-4 shall program a yearly budget for the construction and/or repair of all PCG warehousing facilities;
- b. The Office of the Deputy Chief of Coast Guard Staff for Comptrollership, CG-6 shall program a budget for the purchase of warehouse lots in case the need arises;
- c. The Office of the Deputy Chief of Coast Guard Staff for Maritime Communications, Weapons, Electronics and Information System, CG-11 shall program the information and communications technology (ICT) of the warehouse for data base, inventory, tracking, etc.;
- d. The Office of Coast Guard Motorpol shall provide Land Mobility Vehicle for the pick-up and distribution of equipment and material from supplier to the warehouse and accountable office;
- e. The Office of the Deputy Chief of Coast Guard Staff for Intelligence, CG-2 shall program security system of the warehouse, to include security survey inspection to prevent intrusion;
- f. All construction and repair projects shall be undertaken in accordance with RA No. 9184 and other pertinent rules and regulations;
- g. All PCG warehouse infrastructures shall be based on design, scope of works, and cost estimates prepared by the Coast Guard Infrastructure Development Service; and

- h. All warehouse infrastructure projects shall conform to the approved development plan from the Office of the Commandant, Philippine Coast Guard through the office of Deputy Chief of Coast Guard Staff for Logistics, CG-4.

2. Design:

- a. The warehouse shall conform to the standards set by PD 1096 otherwise known as the National Building Code of the Philippines; Presidential Decree No. 856 otherwise known as the Code on Sanitation of the Philippines; Republic Act 9514 otherwise known as "The Fire Code of the Philippines of 2008 ";
- b. The warehouse shall be designed with proper ventilation, signages, and adequate space to ensure the quality of goods and equipment;
- c. Doors, external and internal windows shall be secured with locking devices. Logistics Officer, Ready Store Division and Supply Accountable Officer from the Office of CGLSC/FLMC will have each key and padlock. All doors shall have three (3) different padlocks; and
- d. Sufficient parking space may also be considered to facilitate easy and quick loading and unloading of goods.

B. Human Resources

1. The Coast Guard Logistics Systems Command (CGLSC) shall be the Warehouse Director and shall assign warehouse personnel such as the Warehouse Manager, Warehouse Coordinator, and Warehouse Man/Warehouse Clerk for all PCG Warehouse.
2. The Office of Deputy Chief of Coast Guard Staff for Logistics, CG-4, is responsible for updating warehouse policy and putting warehouse regulations into practice such as conducting seminars/workshops.
3. The PCG warehouse personnel shall be given periodic internal training covering warehouse activities which shall include records keeping and reporting, physical safety and security, internal security, IT security, maintenance and housekeeping, fire safety and risk management; and
4. All PCG personnel rendering duties at warehouse must have eligibilities/trainings and covered by the PCG Staffing Pattern.

C. Physical Safety and Security Requirements

PCG warehouse shall incorporate the following safety and security criteria:

1. Safety:

- a. The Warehouse Director, shall ensure that stipulations on the mandatory Occupational Safety and Health Standard as provided for

Article 162, Chapter II (Occupational Safety and Health Standards), Book Four of the Labor Code of the Philippines are adhered to;

- b. The Warehouse Director, shall also make sure that Rule 1060 (Premises of Establishments) of the Occupational Safety and Health Standards Order (As Amended, 1989) by the Department of Labor and Employment of the Philippines is complied with; and
- c. The Warehouse Coordinator shall implement the following Basic Safety Measures:
 - i. Any loose or damaged flooring or other tripping hazards that need repair shall be reported to the Warehouse Manager;
 - ii. Box cutters or other sharp tools shall not be left lying around;
 - iii. Cords and wires shall be kept out off the floor;
 - iv. Items shall not be left in aisles, on the floor, or stacked insecurely on flat surfaces;
 - v. Empty pallets shall be stored in specifically designated storing/stocking area in the warehouse;
 - vi. Access to exposed or open loading dock doors shall be blocked; and
 - vii. Stack height shall be limited to six feet.

2. Interior Fencing:

High value items should be stored in a separate area of the warehouse with added security features in place. The Warehouse Clerks should segregate PCG merchandise from other merchandise within its warehouse. It is preferred that such segregation be in the form of a physical barrier (a separate room, vault or fenced-in area), instead of merely a demarcation (lines painted on the floor). The warehouse should be equipped with camera surveillance and alarms. In segregating goods, physical barriers such as separate rooms, fences or other room dividers should be used.

3. Guarding System including Security Staff:

- a. There shall be a strategic placement of guarding system and other security measures to prevent and detect attacker/potential risk and unauthorized person in the PCG warehouse. The Warehouse Manager through his Warehouse Coordinator should ensure implementation and supervision of the system by looking into the following areas:
 - i. Guard's duties and responsibilities;

- ii. Selection, employment and deployment criteria;
 - iii. Security related training and education;
 - iv. Proper wearing of warehouse uniform;
 - v. Supervision, evaluation and monitoring;
 - vi. Communication and other equipment for guard duty;
 - vii. Official log book shall at all times be maintained. Entries therein shall be checked and verified by the Warehouse Clerk at the end of each business day as part of the monitoring process; and
 - viii. Background investigation to personnel performing guard duty.
- b. The personnel enter or exit shall be monitored;
 - c. There shall be a detail of sentinel in shifts, and tactical disposition of personnel; and
 - d. The eleven general orders for sentries that apply to interior guard duty shall be memorized and complied by every member of the guard. It must be posted to the warehouse guarding post as a constant reminder to the personnel on duty.
4. Anti-Intrusion Alarm System, CCTV cameras, and Biometric Fingerprint Door Lock System shall be installed.
- a. The warehouse shall be equipped with an anti-intrusion alarm system and all access points (doors, windows, etc.) shall be connected to it. The alarm system should have a backup power in case of power loss, or wireless backup in case of telecommunication system failure. Access to the control room and the alarm system itself shall be highly and selectively restricted;
 - b. Alarm systems and video surveillance cameras with high resolution and motion sensor shall be utilized to monitor premises and prevent unauthorized access to load handling and storage areas. Retrieval of recorded activities shall be maintained for a reasonable period. Round-the-clock security measures shall be established to thwart theft and pilferage;
 - c. Preventive maintenance for all alarms and video cameras shall be scheduled on a quarterly basis. Records of all maintenance must be kept. Although sophisticated cameras can record even without adequate lighting, most models require adequate illumination in order to deliver a clear picture. Thus, illumination must be considered when installing cameras to restricted areas (warehouse, packing area, loading area);

- d. The Warehouse Coordinator shall ensure that all surveillance cameras and all its equipment are working and in good condition. In case of damage or if one of the cameras is not properly working, the Warehouse Clerk shall immediately report the same to the Warehouse Manager, and the same shall be immediately fixed and/or replaced;
- e. As an additional deterrent, signs should be posted throughout the premises, stating: "This facility is equipped with a video surveillance system. You are subject to recording";
- f. Posting the number and/or pictures of employees working in the packing/loading departments allows a security guard or supervisor to more accurately identify unauthorized individuals who may be present; and
- g. The security staff member monitoring the cameras should consistently evaluate the activity within restricted areas. If suspicious activity occurs, or there is an unaccounted coverage in the number of staff/personnel, the security personnel shall investigate and shall make a report to the Warehouse Manager.

5. Locking Devices:

- a. The Warehouse Coordinator shall be responsible for making sure that all doors and windows are locked after the last employee leaves for the day; and
- b. If the facility relies on swipe key cards or other electronic locks, records of door openings should be maintained for at least six months.

6. Lighting

- a. Adequate lighting shall be provided inside and outside the facility particularly the entrances and exits, load handling and storage areas;
- b. Instead of installing a light fixture above each entry point, a warehouse shall use flood lights aimed at the exterior that illuminate the entire building complex; and
- c. The lighting system shall be checked on a daily basis by security personnel on patrol. All maintenance records shall be kept. Outside lighting should be controlled by a "dusk to dawn sensor" that automatically switches "on" when illumination levels decrease (storms, dusk, etc.) This type of lighting is one of the most energy efficient.

7. Restricted Areas:

Identification of restricted areas and posting of appropriate markings for areas designated as Limited or Exclusion in conspicuous place. The additional security measure is labelled as Restricted Areas.

8. Identification and Control of Visitors:

- a. Visitors must have an appointment letter/memorandum prior to visit "No walk-in guests/visitors are allowed.";
- b. Visitors shall be required to surrender his/her company or government issued Identification Card and Firearms to the sentinel/guard on duty in exchange for a Visitor's Pass;
- c. All PCG Personnel shall always be in appropriate and duly prescribed UOD and with proper personnel identification tag when transacting business. For security reason, guard duty may ask for additional identification;
- d. All PCG Uniformed and Non-Uniformed Personnel are required to wear the personnel identification tag while inside the PCG warehouse;
- e. Color coding of the visitor control tags:
 - i. Red (white background): for civilian guest and visitors; and
 - ii. Navy Blue (white background): For PCG personnel and NUP who do not have the required personnel identification tag.
- f. Access coding of the visitor control tag (civilians only):
 - i. Visitor control identification tag allows a civilian visitor or guest to visit a specific area of a PCG warehouse. It does not in any way permit the bearer to roam around within the general premises of the same;
 - ii. To regulate movements, the visitor control identification tag shall contain access code corresponding to the specific area he/she may be allowed entry; and
 - iii. Civilian visitors/guests shall at all times be accompanied by a warehouse staff.
- g. Visitors shall be registered and accounted in entering and leaving the warehouse. A visitor control log book shall be accomplished daily by duty guards, sentinel or receptionist and must be inspected by the Warehouse Manager/Warehouse Coordinator. It shall contain the following details:

- i. Name of Visitor;
 - ii. Purpose of Visit/Business;
 - iii. Time-In;
 - iv. Time-Out; and
 - v. Signature of Visitor
- h. Wearing of reflective vests and safety shoes are required at all times; and
- i. Picture taking of civilian visitors/tourists inside warehouse premises is PROHIBITED. Warehouse Clerk shall ensure that the visitors/tourists are well-informed of such prohibition. Signage shall be put in various conspicuous places all around the premises.

9. Packing and Loading Areas:

- a. The packing area (the area where finished products are put into shipping cartoons) and the loading area (the area where shipping cartoons are loaded onto the conveyance or into a container) shall be accessible to authorized warehouse personnel only;
- b. No one shall be allowed to enter these restricted areas unless they have authorization;
- c. Both the packing and loading areas shall be closed off to all transit activities. Access to these zones must be restricted to prevent this type of unauthorized foot-traffic;
- d. No package, material, merchandise or equipment should be authorized to ingress and egress without proper inspection and documentation. Authority for safekeeping and storage must come from the Warehouse Manager; and
- e. Packages and other materials should be deposited to the access guards with corresponding sequential numbered tag.

10. Fire Fighting Facilities and Supplies:

- a. The warehouse shall be equipped with the latest fire detection and alarm system and fire-fighting equipment such as Smoke Detectors, Sprinklers, and Fire Extinguishers to protect both the personnel manning the warehouse and the goods/equipment being stored from damage due to fire;
- b. Warehouse personnel shall have an orientation on fire prevention awareness and existing emergency plan which includes:

- i. Emergency procedures including sounding the fire alarm, evacuating, controlling/extinguishing the fire, shutting down equipment, and immediately inform the fire department and the like;
 - ii. The appointment and organization of personnel to carry out fire safety duties;
 - iii. The holding of fire drills (at least annually); and
 - iv. The maps showing the type, location and operation of building fire emergency systems (including sprinkler, electrical panels, fire hose cabinets, fire extinguishers, and primary and alternate exits and the like).
- c. Fire prevention can be achieved by:
- i. Storing goods safely and in designated areas only;
 - ii. Practicing good housekeeping and notifying the Warehouse Manager if areas are observed to be cluttered with storage or rubbish;
 - iii. Keeping combustibles away from potential ignition sources and heat producing gas or electric appliances such as coffee makers, toaster ovens and stoves; and
 - iv. Using electricity safely. Electrical circuits should not be overloaded by improper use of power strips, extension cords, and appliances or by other means.
- d. Fire Exits and Exit Lights:

There shall be at least two separate means of egress and ingress, as remote from each other as practicable. At least one means of exit which can be readily opened, not subject to locking at any time, and not dependent on any power-operated doors except where the design of the power-operated doors may be opened manually in case of power failure to permit exit travel. (Rule 10. Fire Safety Measures, RA 9514).

11. First Aid Kit:

The warehouse shall be provided with First Aid Kit and warehouse employees must have basic knowledge on how to use it.

D. Storage Management

1. The designated Warehouse Clerks, under the supervision of the Warehouse Coordinator, shall render proper handling procedure and use storage aids to preserve and maintain serviceability of stocks;

2. The designated Warehouse Clerks, under the supervision of the Warehouse Coordinator, shall ensure optimized utilization of warehouse space and maintain storage support areas like spaces for office, receiving, shipping, issuing, preservation, packaging, and packing;
3. The Warehouse Director, Warehouse Manager, Warehouse Coordinator, and Warehouse Clerks shall acquaint themselves with the approved storage layout to determine what, how, when and where items shall be stocked;
4. Items shall be arranged and stockpiled according to similarity, popularity, size, weight, quantity and characteristics;
5. The "First In, First Out" principle shall be practiced;
6. The Warehouse Coordinator and the Warehouse Clerks shall ensure that proper identification tags/markings of each item as well as location tags are affixed to ensure accurate and systematic accounting of stocks;
7. There should be a classification of every item in the warehouse as to its serviceability. Brand new items should not be mixed with unserviceable item and Beyond Economical Repair (BER) items;
8. There should be a separate area for storage of BER items;
9. BER items should be marked to facilitate identification and be included in the Inspection and Inventory Report of Unserviceable Property (IIRUP) for disposal of properties and equipment; and
10. The warehouse should not be utilized for safekeeping of records and other materials from any PCG Offices/Units. It should be utilized only for storage of procured goods.

E. Receipt, Issuance and Disposal of PCG Property and Equipment

1. Receiving of Property and Equipment:
 - a. In receiving items, it will be unloaded by the proponent/supplier to the designated receiving area in the warehouse. The items shall be inspected to make sure that:
 - i. All items are on clean pallets or container;
 - ii. Pallets, as primary interface of unit load and an essential component to warehousing, must be provided for deliveries at all times.
 - iii. Cases or packages are not damaged;
 - iv. No evidence of any toxic or non-food items that could contaminate the stocks being received;

- v. The quantity, name, and lot numbers stated on the delivery documents and Purchase Order (PO) are the same;
 - vi. The Receiving Log shall contain Received Date, Purchase Order, Stock Card, Description, Lot Number, Quantity Received, Supplier, Serial Number and Part Number (PN); and
 - vii. Warehouse keys are handled properly.
2. Issuance - For Emergency Issuances (in extreme cases) based on the instruction of the CPCG where supplies and/or equipment are being released and received by the end-users without Supply Directives and proper Requisition Issue Slip (RIS)/Property Transfer Report (PTR), the following procedures shall be observed:
- a. Warehouse Manager shall issue corresponding Supply Directives within the day upon released of the supplies and/or equipment to the end-user;
 - b. Upon receipt of the Supply Directive, the Warehouse Manager should prepare and sign the corresponding RIS/PTR within the day upon the released of supplies and/or equipment to the end-users;
 - c. Within five days, the Supply Accountable Custodian of the receiving unit shall formally sign the RIS/PTR of the supplies and equipment; and
 - d. In cases where the supplies and/or equipment were received by authorized PCG personnel other than the PCG Supply Custodian/Warehouse Coordinator of the receiving unit shall, within five days, formally receive and sign the corresponding RIS/PTR.
3. Disposal of Unserviceable and/or Beyond Economical Repair (BER) Equipment/Properties shall be in consonance with Circular Nr 06-19 dated 20 May 2019 entitled: "Disposal of PCG Properties and Utilization of the Income Derived Therefrom."
4. Semi-annual inspections of warehouse items are recommended to avoid stocking expired items.

VI. RECORDS, FORMS AND REPORTS TO BE PREPARED AND/OR MAINTAINED:

The following records, forms and reports are prescribed for use:

- A. **Stock Card (SC)** (Annex A) – shall be used to record all receipts and issues of supplies and the balance in quantity at any time. It shall be maintained by the Supply Accountable Officer (SAO)/ Responsible Supply Accountable Officer

(RSAO) for each item in stock. The IAR, RIS, PO and DR serve as the original sources of information for making entries on the card.

- B. **Supplies Ledger Card (SLC)** (Annex B) – shall be used to record materials received, issued and the balance both in quantity and amount at any time. It shall be maintained by the CGASO/Accounting Office for each kind of supplies and materials. The IAR, RIS, RSMI, PO and DR serve as the original sources of information for making entries on the card.
- C. **Requisition and Issue Slip (RIS)** (Annex C) – shall be used by the end-user to request issue of supplies and materials that are carried on stock. It is also used by the Ready Store Division, CGLSC to indicate availability or non-availability of items requisitioned and/or to record issues of item/s requisitioned.
- D. **Purchase Request (PR)** (Annex D) – shall be used by the end-user to request for the purchase of inventory or item/s not available on stock. It shall be the basis of preparing the PO.
- E. **Purchase Order (PO)** (Annex F) – shall be used by the Supply Division/Unit/Office to support the purchase of property, supplies and materials, etc. It shall be issued to the selected supplier indicating, among other information, the specifications, quantities, and agreed prices of property, supplies and materials to be purchased.
- F. **Report of Supplies and Materials Issued (RSMI)** (Annex G) – shall be prepared by the SAO/ RSAO based on the RIS and shall be used by the CGASO/Accounting Office as basis in preparing the JEV to record the supplies and materials issued.
- G. **Waste Materials Report (WMR)** (Annex H) – shall be used by the SAO/RSAO to report all waste materials such as destroyed spare parts and other materials considered scrap due to replacement.
- H. **Report on the Physical Count of Inventories (RPCI)** (Annex I) – shall be used to report the physical count of supplies by type of inventory as at a given date. It shows the balance of inventory items per card and per count and shortage/overage, if any. These include the semi-expendable property wherein the issue is covered by ICS.
- I. **Inspection and Acceptance Report (IAR)** (Annex J) – shall be used for inspection and acceptance of purchased and delivered property, supplies and materials.
- J. **Report of Accountability for Accountable Forms (RAAF)** (Annex K) – shall be prepared by the Accountable Officer to report on the movement and status of accountable forms in his/her possession. The accountable forms include those with or without face value.
- K. **Inventory Custodian Slip (ICS)** (Annex L) – shall be prepared upon issue of semi-expendable property covered by approved RIS.

VII. PROCEDURES DETAILS:

A. Procedures in the Receipt, Inspection, Acceptance and Recording of Deliveries of Inventory Items:

Area of Responsibility	Seq. No.	Activity	Documents
START		Delivery of Inventory Items	
Supply Unit/Office/Implementing Unit/Office	1	Signs "Received" portion of the original and Copy 2 of the Delivery Receipt (DR). Files the original and returns Copy 2 of the DR to the Supplier.	DR
Technical Inspection and Acceptance Committee (TIAC)	2	Prepares Inspection and Acceptance Report (IAR) in four (4) copies. Forwards Copies 1-3 of IAR, original of DR, and photocopy of approved PO to the Property Inspector for inspection of deliveries	4 copies of IAR, Original DR, and Approved PO
Technical Inspection and Acceptance Committee (TIAC)	3	<p>Inspects and verifies items as to quantity and conformity to specifications based on the DR and approved PO. If delivery is not in conformity to the specifications or delivery is incomplete, indicates notation on the IAR that the deliveries are not in conformity to specifications and/or terms agreed under the approved PO and returns the Copies 1-4 of IAR, original of DR, and photocopy of approved PO to the SAO and from SAO forward to Supply Division/Unit/Office.</p> <p>If delivery is in order, indicates the date of inspection, places "√" in the box for "Inspected, verified and found in order as to quantity and specifications", and signs the "Inspection" portion of the IAR. Retains Copy 2 of IAR and forwards Copies 1, 3 and 4 of IAR, original of DR and photocopy of PO to the SAO for acceptance of goods delivered.</p>	<p>4 copies of IAR, Original DR, and Approved PO</p> <p>1, 3 and 4 copies of IAR, Original DR, and Approved PO</p>
Supply Accountable Officer	4	For deliveries not conforming to specification and/or terms of the PO, receives Copies 1, 3 and 4 of IAR, original of DR and photocopy of PO.	1, 3 and 4 copies of IAR, Original DR, and

Warehouse Clerk/ Stock Card Keeper	5	<p>Returns the items to the supplier and requires the latter to comply with the agreed specifications and/or terms of the PO.</p> <p>For deliveries in order, indicates the date of acceptance, places "√" in the box for "Complete as to quantity and specifications" or "Partial (pls. specify quantity)", and signs the "Acceptance" portion of the IAR. Stores the items delivered for issue to the Requisitioning Office.</p> <p>Forwards Copy 3 of IAR and photocopy of PO to the Warehouse Clerks/ Stock Card Keeper for recording in the SCs.</p> <p>Note: Distribution of the IAR shall be as follows:</p> <p>Original – Supply Unit/Office/ Implementing Unit/Office (to be attached to the DV, together with the original DR)</p> <p>Copy 2 – Technical Inspection and Acceptance Committee</p> <p>Copy 3 – CG Supply Accountable Office</p> <p>Copy 4 – Accounting Division</p>	<p>Approved PO</p> <p>SLC, SC</p>
		Maintenance of SLC	
Accounting Division	6	Records receipt of delivered/accepted goods and posts necessary information to the SLC based on the Copy 4 of IAR, copy of PO and DR.	Copy 4 of IAR, copy of PO and DR
END			

B. Procedures in the Requisition and Issue of Inventory Items

Area of Responsibility	Seq. No.	Activity	Documents
START			
Requesting Office	1	<p>Prepares Requisition and Issue Slip (RIS) in three (3) copies.</p> <p>Note: The RIS shall be distributed as follows:</p> <p>Original – Ready Store Division, CGLSC Copy 2 – Requesting Office Copy 3 – SAO Copy 4 – Accounting Division</p>	4 copies RIS
Requesting Office	2	Fills up all the necessary information except for the 'Issue' column. Initials in the "Requested by" portion and forwards the RIS to authorized official for review.	4 copies RIS
Ready Store Division	3	<p>Determines the reasonableness of the quantity and nature of item/s being requested and ensures that the same does not exceed the planned usage for the period. Indicates a "√" in the 'Stock Available? Yes' column, if item/s being requisitioned is/are available on stock, or "X" in the 'Stock Available? No' column if not available. If item/s requisitioned is/are available, approve the item/s requisitioned, indicates the quantity issued in the 'Issued-Quantity' column and any remarks in the 'Issued Remarks' column, and signs the "Issued by" portion. If item/s requisitioned is/are not available, returns the RIS to the Requisitioning Office and endorsed to the Head of Office.</p>	4 copies RIS
Ready Store Division	4	Signs the "Approved by" portion of the RIS.	4 copies RIS
Requesting Office	5	Receives the approved RIS and proceed to warehouse for the withdrawal of items.	4 copies RIS

Ready Store Division	6	Receives RIS from Requesting Personnel. Reviews and verifies the completeness of information and withdrawal of inventory items requested.	4 copies RIS
Requesting Office	7	Receives supplies requested and signs in the "Received by" portion of the RIS.	4 copies RIS
Ready Store Division	8	Issued the items to the Requesting Office and sign the issued by	Copy 4 of RIS
Ready Store Division	9	Files permanently in numerical order the Copy of RIS and temporarily the originals of RIS for the preparation of Report of Supplies and Materials Issued (RSMI). Ensures the completeness of the RIS	Copy 3 of RIS
SAO	10	Prepares the RSMI in two (2) copies at the end of the day.	RSMI
	11	Signs the "Certify" portion of the RSMI.	
SAO	12	Forwards to the Accounting Division/Unit the original copy of RSMI together with original RIS. Files Copy 2 of RSMI.	RIS and RSMI
Accounting Division	13	Receives the original copy of RSMI and original RIS. Checks and verifies the completeness of information. Retrieves SLC from file and fills up the "To be filled up in the Accounting Division" portion of RSMI. Records the RSMI in the SLC and signs in the "Posted by/date" portion.	RIS and RSMI
END			

VIII. GUIDELINES:

1. Creation of the Warehouse Inspection Committee

The Commandant, Philippine Coast Guard shall create a Committee on Inspection and a Secretariat to be known as the PCG Warehouse Inspection Committee and PCG Warehouse Inspection Committee Secretariat composed of the following:

a. Composition of Warehouse Inspection Teams:

PCG Warehouse Inspection Committee:

Commander, Coast Guard Logistics Systems Command	-Chairperson
DCCGS for Logistics, CG-4	-Vice Chairperson
DCCGS for Comptrollership, CG-6	-Member
DCCGS for Maritime Communications, Weapons, Electronics and Information System, CG-11	-Member
Commander, CG Procurement Service	-Member
Commander, CG Legal Service Representative	-Member
Commander, CG Intelligence Force	-Member
Supply Accountable Officer (SAO)	-Member

PCG Warehouse Inspection Committee Secretariat:

Commander, Staff for Logistics, CGLSC	-Head Secretariat
Chief of Facility and Maintenance Division, CG-4	-Asst. Head Secretariat
Asst. Supply Accountable Officer (SAO)	-Member, Secretariat

b. The PCG Inspection Committee shall handle the inspection activities of Manila/Cavite Area.

c. The Chairperson shall spearhead the inspection of warehouse/storage rooms focusing on physical safety and security, human resource and internal security, data base management and IT security, record keeping and reporting system, warehouse management training, and maintenance and housekeeping.

d. Similarly, on the Regional/District level, the Commandant, Philippine Coast Guard also create a Committee on Inspection composed of the following:

Coast Guard Districts Warehouse Inspection Committee:

Commander, CG District	-Chairperson
Deputy Commander, CG District	-Vice Chairperson
Chief of Staff, CG District	-Member
Cognizant Staff	-Member
D-4, CG District	-Member
OIC Legal Service	-Member
Commander, Coast Guard Intelligence Group	-Member

Coast Guard District Warehouse Inspection Committee Secretariat:

Chief, Logistics and Finance Management Center	-Head Secretariat
District Supply Officer	-Member, Secretariat

2. General Maintenance and Housekeeping (please refer to Annex "A") – There shall be a general maintenance and housekeeping guidelines anchored on the concept of best practices on cleanliness, safety, accessibility, and readiness to emergency.

3. Record Keeping and Reporting through Warehouse Database Management System – For purposes of this MC, there should be a Warehouse Database Management System (please see Annex “B”).

IX. LIABILITY CLAUSE:

Failure to comply with this Memorandum Circular, upon due notice and hearing, warrants the imposition of administrative penalties or sanctions, as may be allowed by PCG Code of Conduct or existing laws, rules and regulations. Provided however that the imposition of administrative penalties or sanctions is without prejudice to possible prosecution under applicable civil and criminal laws.

X. REPEALING CLAUSE:

Provisions of existing PCG issuances which are inconsistent with this MC, in whole or in part, are deemed repealed, set aside, amended or modified accordingly.


XI. EFFECTIVITY:

This Memorandum Circular shall take effect fifteen (15) days after publication of the Coast Guard Adjutant.

BY COMMAND OF COAST GUARD ADMIRAL ABU:

OFFICIAL:

JOEVEN L FABUL
CG COMMO
Chief of Coast Guard Staff


CHARITY G COPIACO
CG CDR
Coast Guard Adjutant
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- Annex A – General Maintenance and Housekeeping
- Annex B – Record Keeping and Reporting through Warehouse Database Management System
- Annex C – Warehouse Structure
- Annex D – Organizational Chart
- Annex E – Stock Card (SC)
- Annex F – Supplies Ledger Card (SLC)
- Annex G – Requisition and Issue Slip (RIS)
- Annex H – Purchase Request (PR)
- Annex I – Purchase Order (PO)
- Annex J – Report of Supplies and Materials Issued (RSMI)
- Annex K – Waste Material Report (WMR)
- Annex L – Inspection and Acceptance Report (IAR)
- Annex M – Inventory Custodian Slip (ICS)

GENERAL MAINTENANCE AND HOUSEKEEPING

Building maintenance is the totality of all actions that keep a building functioning effectively. This principle is the core of the following general maintenance and housekeeping guidelines which are anchored on the concept of best practices on cleanliness, safety, accessibility, and readiness to emergency.

1. General Maintenance and Housekeeping measures shall be observed in all PCG warehouse as follows:
 - a. Ensure that flooring surfaces are non-slippery and free of pits and dents;
 - b. Report loose or damaged flooring or other tripping hazards that need repair;
 - c. Do not leave box cutters or other sharp tools lying around;
 - d. Keep cords and wires off the floor;
 - e. Clean all spills immediately;
 - f. Do not leave items in aisles, on the floor, or stacked insecurely on flat surfaces;
 - g. Do not block extinguishers, sprinklers or fire exits;
 - h. Create designated areas to store empty pallets and limit stack height to six feet;
 - i. Buy enough trash bins to avoid debris accumulation and employee walk time;
 - j. Make sure someone is in charge of emptying trash bins regularly;
 - k. Block access to exposed or open loading dock doors;
 - l. Permit access to above-floor racks and shelves only if portable ladders or appropriate lifting devices are available;
 - m. Ensure that daily and timely cleaning procedure is observed;
 - n. Avail of pest control services;
 - o. Conduct a Safety Audit;
 - p. Train personnel in handling goods or items stored in the warehouse;
 - q. Before entering the warehouse, personnel must wear their personal protective gear such as, but not limited to gloves, face mask, plastic helmets, goggles, or other garments or equipment designed to protect the person's body from injury;
 - r. Installation of a Ventilation System in all PCG Warehouse to maintain a certain temperature inside;
 - s. Engineering Service to come up with a standard structural design of a warehouse and/or storage; and
 - t. Observe waste segregation in the disposal of trash (RA 9003).
2. Cleanliness:
 - a. Daily and timely cleaning procedure shall be strictly observed;
 - b. The warehouseman/warehouse maintenance team shall ensure that flooring surfaces are non-slippery and free of pits and dents;
 - c. All spills shall be cleaned immediately not only to keep the warehouse in a spick-and-span state but to avoid accidents;
 - d. To avoid debris accumulation and save employee walk time, enough trash bins shall be put in place;
 - e. Warehouseman on duty shall regularly empty trash bins; and
 - f. Availing of professional pest control services.

3. Accessibility:

Access to above-floor racks and shelves shall only be permitted if portable ladders or appropriate lifting devices are available.

4. Readiness to Emergency:

- a. To determine whether safety policies are properly implemented and to identify areas in which policy effectiveness needs to be improved, a "Walk Around Safety Audit" shall be conducted quarterly in conjunction with the Warehouse Inspection to be conducted by the Inspection Committee;
- b. The Warehouse Manager shall ensure that the safety and security criteria stipulated in this Memorandum Circular are met; and
- c. Smoke detectors, extinguishers, sprinklers or fire exits shall be kept unobstructed.

RECORD KEEPING AND REPORTING THROUGH WAREHOUSE DATABASE MANAGEMENT SYSTEM

1. Records Automation and Data Base Security:

- a. Recording of "Items to be kept in the Warehouse" shall be automated for safekeeping, and easy access and retrieval by authorized personnel;
- b. Automated systems must use individually assigned accounts that require a periodic change of password;
- c. IT security policies, procedures and standards must be in place and provided to employees in the form of training; and
- d. A system must be in place to identify the abuse of IT including improper access, tampering or altering of database. All system violators must be subject to appropriate disciplinary actions for abuse.

2. Minimum Requirements:

To be able to fully utilize and maintain the Warehouse Management System (WMS), concerned unit must have the following minimum requirements:

- a. At least 6 System units;
- b. At least 12 Radio Frequency Data Communication (RFD);
- c. At least 9 Bar code label applications;
- d. At least 6 WMS License;
- e. At least 6 location labels;
- f. At least 6 trained administrators;
- g. At least 6 trained encoders; and
- h. Electric power source.

3. Users and Administrators:

Authorized PCG personnel who are given access to WMS are categorized as Users and Administrators. Only those identified under these two (2) categories are allowed to access:

- a. The authorized Officers are identified as users of WMS. These PCOs are given access for purposes of viewing the graphical user interface (GUI) for their appreciation as a tool in their assessment and analysis for decision making.
- b. Only authorized and certified personnel shall be designated as Administrators. These are the only personnel who are given access and authority to encode all property, equipment owned by the PCG into the WMS.

4. Primary Data:

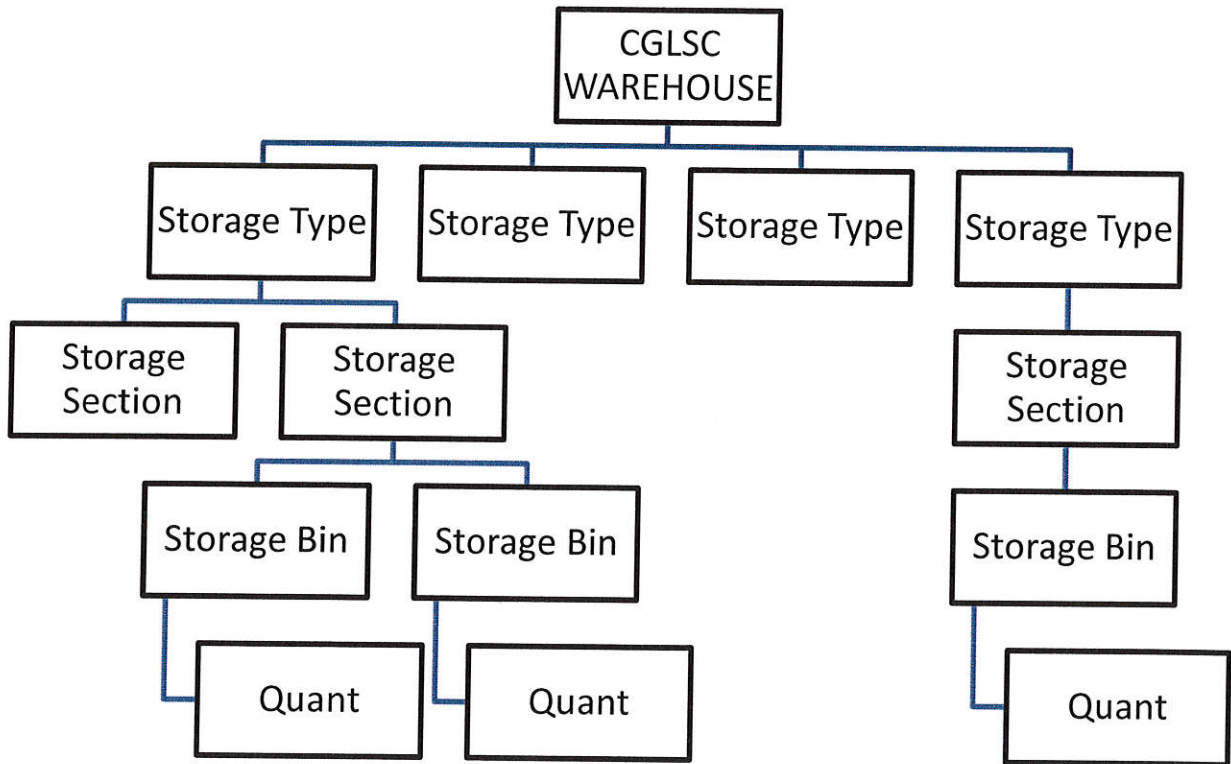
The primary data inputted into the WMS by the administrators shall be the approved or endorsed items that are purchased, donated and turned-in.

5. Encoding of Data:

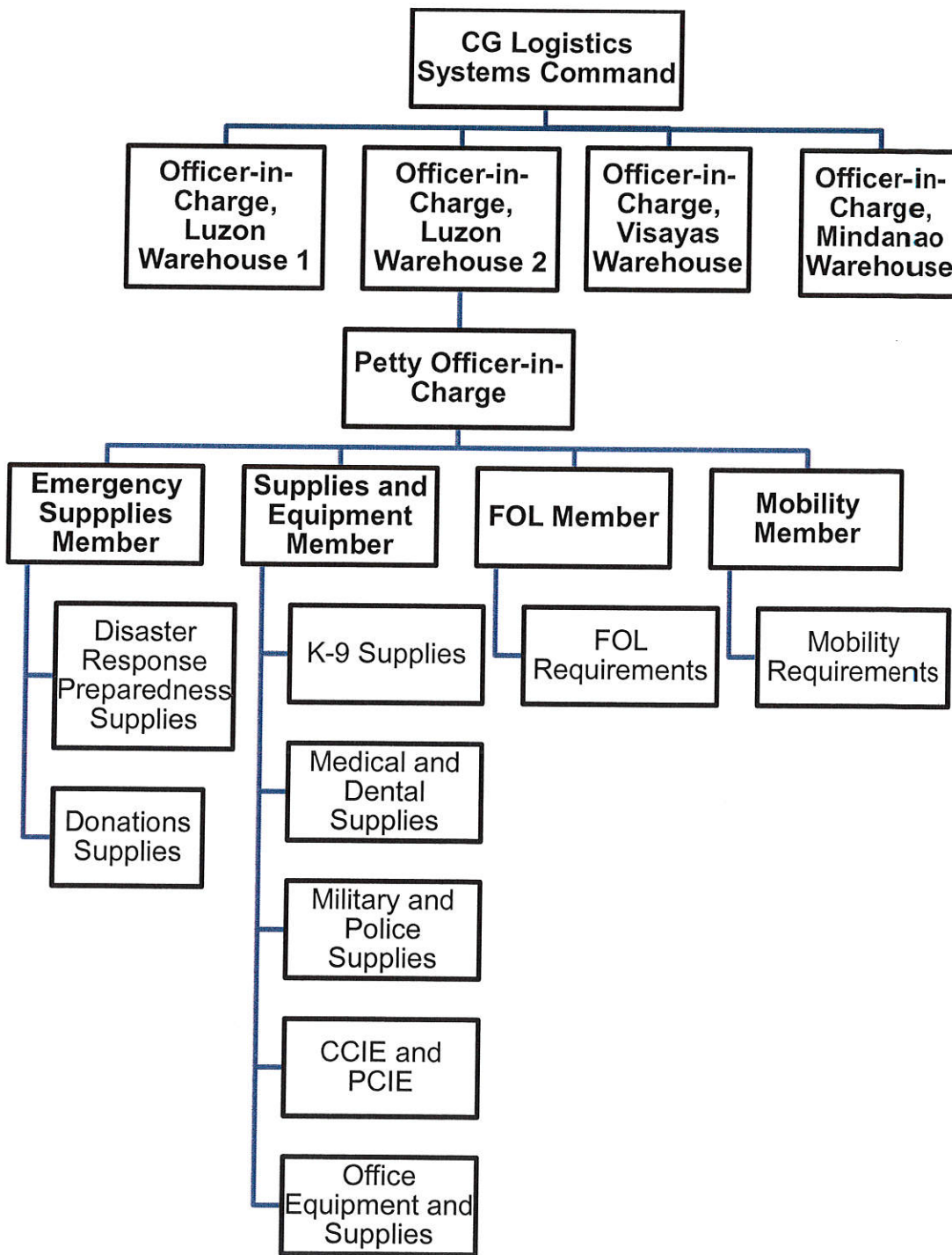
- a. The designated administrator shall enter the data contained in the SDS into the WMS;

- b. The supervisor shall monitor the entry of data at WMS;
- c. In case of failure of entry, the other designated administrator will enter data into WMS;
- d. Use a device as an interface between the system and the item using either barcode scanner or RFID;
- e. The Operator shall scan or key enter the bar coded pallet ID to verify product, quantity and condition;
- f. In the entry of information, consider the stock keeping units (SKUs) that are handled and stored, e.g., weight, dimensions, case pack, automatic ID labels (bar codes, etc.), and inventory by location with manufacture date, lot code, etc. SKUs may include basic materials, fabricated parts, assemblies, and industrial and consumer finished goods, etc.; and
- g. Key enter the stage, cross dock, QC movement and put away. Include entry of warehouse storage locations, e.g., individual location number, picking sequence, type of use (picking, reserve storage, etc.), type of storage (each, case, pallet), location size or capacity, storage restriction (flammable, hazardous, high value materials, outdoor, etc.), etc., individual number, etc.

WAREHOUSE STRUCTURE



ORGANIZATIONAL CHART



REQUISITION AND ISSUE SLIP

Entity Name : _____ Fund Cluster : _____

Division : _____ Responsibility Center Code : _____
Office : _____ RIS No. : _____

<i>Requisition</i>				<i>Stock Available?</i>		<i>Issue</i>	
Stock No.	Unit	Description	Quantity	Yes	No	Quantity	Remarks

Purpose: _____

	Requested by:	Approved by:	Issued by:	Received by:
Signature :				
Printed Name :				
Designation :				
Date :				

PURCHASE REQUEST

Entity Name: _____ **Fund Cluster:** _____

Office/Section : _____	PR No.: _____	Date: _____
Responsibility Center Code : _____		

Stock/ Property No.	Unit	Item Description	Quantity	Unit Cost	Total Cost

Purpose: _____

<p>Requested by:</p> <p>Signature : _____</p> <p>Printed Name : _____</p> <p>Designation : _____</p>	<p>Approved by:</p> <p>_____</p> <p>_____</p> <p>_____</p>
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PURCHASE ORDER

Entity Name

Supplier : _____		P.O. No. : _____			
Address : _____		Date : _____			
TIN : _____		Mode of Procurement : _____			
Gentlemen: Please furnish this Office the following articles subject to the terms and conditions contained herein:					
Place of Delivery : _____			Delivery Term : _____		
Date of Delivery : _____			Payment Term : _____		
Stock/ Property No.	Unit	Description	Quantity	Unit Cost	Amount
(Total Amount in Words)					
<p>In case of failure to make the full delivery within the time specified above, a penalty of one-tenth (1/10) of one percent for every day of delay shall be imposed on the undelivered item/s.</p>					
<p>Conforme:</p> <p style="text-align: center;">_____ Signature over Printed Name of Supplier</p> <p style="text-align: center;">_____ Date</p>			<p>Very truly yours,</p> <p style="text-align: center;">_____ Signature over Printed Name of Authorized Official</p> <p style="text-align: center;">_____ Designation</p>		
Fund Cluster : _____			ORS/BURS No. : _____		
Funds Available : _____			Date of the ORS/BURS: _____		
<p style="text-align: center;">_____ Signature over Printed Name of Chief Accountant/Head of Accounting Division/Unit</p>			Amount : _____		

REPORT OF SUPPLIES AND MATERIALS ISSUED

Entity Name: _____

Serial No. : _____

Fund Cluster: _____

Date : _____

<i>To be filled up by the Supply and/or Property Division/Unit</i>					<i>To be filled up by the Accounting Division/Unit</i>			
RIS No.	Responsibility Center Code	Stock No.	Item	Unit	Quantity Issued	Unit Cost	Amount	
		Recapitulation:				Recapitulation:		
		Stock No.	Quantity			Unit Cost	Total Cost	UACS Object Code
I hereby certify to the correctness of the above information. _____ Signature over Printed Name of Supply and/or Property Custodian					Posted by: _____ Signature over Printed Name of Designated Accounting Staff			
					_____ Date			

WASTE MATERIALS REPORT

Entity Name : _____ Fund Cluster : _____

Place of Storage : _____ Date : _____

ITEMS FOR DISPOSAL						
Item	Quantity	Unit	Description	Record of Sales		
				Official Receipt		
				No.	Date	Amount
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
			TOTAL			

Certified Correct : _____	Disposal Approved : _____
_____ Signature over Printed Name of Supply and/or Property Custodian	_____ Signature over Printed Name of Head of Agency/Entity or his/her Authorized Representative

CERTIFICATE OF INSPECTION

I hereby certify that the property enumerated above was disposed of as follows:

Item _____ Destroyed
 Item _____ Sold at private sale
 Item _____ Sold at public auction
 Item _____ Transferred without cost to _____ (Name of the Agency/Entity)

Certified Correct: _____ Signature over Printed Name of Inspection Officer	Witness to Disposal: _____ Signature over Printed Name of Witness
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INSPECTION AND ACCEPTANCE REPORT

Entity Name : _____

Fund Cluster : _____

Supplier : _____	IAR No. : _____
PO No./Date : _____	Date : _____
Requisitioning Office/Dept. : _____	Invoice No. : _____
Responsibility Center Code : _____	Date : _____

<i>Stock/ Property No.</i>	<i>Description</i>	<i>Unit</i>	<i>Quantity</i>

<i>INSPECTION</i>	<i>ACCEPTANCE</i>
<p>Date Inspected : _____</p> <p><input type="checkbox"/> Inspected, verified and found in order as to quantity and specifications</p> <p>_____</p> <p>Inspection Officer/Inspection Committee</p>	<p>Date Received : _____</p> <p><input type="checkbox"/> Complete</p> <p><input type="checkbox"/> Partial (pls. specify quantity)</p> <p>_____</p> <p>Supply and/or Property Custodian</p>

INVENTORY CUSTODIAN SLIP

Entity Name: _____

Fund Cluster : _____

ICS No : _____

Quantity	Unit	Amount		Description	Inventory Item No.	Estimated Useful Life
		Unit Cost	Total Cost			

Received from:

Signature Over Printed Name

Position/Office

Date

Received by:

Signature Over Printed Name

Position/Office

Date