

**[DOE CIRCULAR NO. 94-11-07, November 24,
1994]**

**GUIDELINES FOR THE RESOLUTION OF THE AUDIT EXCEPTIONS
AND FINAL ASSESSMENT OF GOVERNMENT SHARE**

In order to effectively enforce collection of the assessed government share pursuant to Section 24 of RA 7638 in the exploration, development and production of coal by coal contractors under a Coal Operating Contract with the government through the Department of Energy (DOE), the following guidelines are hereby issued for the resolution of the audit exceptions and final assessment of government share:

A

**Determination of the Final Assessment of
Government Shares and Validation of Expenses
as Recoverable Costs**

1. The contractor shall be given thirty (30) days from receipt of the audit report to contest the validity of the DOE audit assessment and exceptions, otherwise, the assessments and exceptions becomes final.
2. Should the contractor seasonably contest the validity of the assessments and exceptions, it shall have sixty (60) days from the date of the contested assessments and exceptions within which to submit to the DOE all pertinent documents, records and/or data in support of its claims. In such an event the enforcement of the DOE assessments and exceptions shall temporarily be suspended.
3. The DOE shall within sixty (60) days from the date of submission of the pertinent documents, records and/or data resolve the contested assessments and exceptions whose findings thereon shall become final and executory.

B

Remittance of the Assessed Government Share

1. The assessed government share shall be promptly remitted within thirty (30) days from the date of receipt by the contractor of the DOE's final assessment including the 14% interest per annum which shall be computed starting on the first day following the end of the calendar year covered by the audit.
2. In the event the contractor fails to remit the assessed government share within thirty (30) days from the date of receipt of the DOE's final assessments, the contractor's COC shall be suspended or cancelled as warranted and the unsettled account shall be referred to the Office of the Solicitor General for appropriate legal action.

This Circular shall take effect immediately.

Adopted: 24 Nov. 1994