

**[ EXECUTIVE ORDER NO. 87, August 13, 2019 ]**

**DIRECTING THAT ALL ACCOUNTS PAYABLE WHICH REMAIN  
OUTSTANDING FOR TWO YEARS OR MORE IN THE BOOKS OF  
NATIONAL GOVERNMENT AGENCIES BE REVERTED TO THE  
ACCUMULATED SURPLUS OR DEFICIT OF THE GENERAL FUND,  
OR THE CUMULATIVE RESULT OF OPERATIONS OF THE  
NATIONAL GOVERNMENT**

**WHEREAS**, Republic Act No. 3526, entitled "An Act Authorizing the Reversion of Unliquidated Balances of Accounts Payable Outstanding for Two Years or More" and Presidential Decree No. 1445 (s. 1978) or the "Government Auditing Code of the Philippines," authorize the reversion to the Unappropriated Surplus of the General Fund of the National Government, of accounts payable which have remained outstanding for at least two years and for which no actual claim has been filed, and accounts payable which are undocumented or not covered by perfected contracts on record;

**WHEREAS**, despite the laws and issuances on the reversion of accounts payable, various agencies continue to accrue prior years' accounts payable in their respective books of accounts;

**WHEREAS**, to facilitate the preparation of transparent, accountable and realistic disbursement and annual expenditure programs, the accounts payable from prior years need to be reexamined and kept at manageable levels, and the actual cash requirements therefor need to be ascertained;

**WHEREAS**, the existence of prior years' accounts payable in the books of accounts of agencies unnecessarily immobilizes public funds, hampers efforts to determine the actual financial condition of the national government, and hinders effective resource planning and allocation;

**NOW, THEREFORE, I, RODRIGO ROA DUTERTE**, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

**Section 1. Reversion of Documented Accounts Payable.** All documented accounts payable for fiscal year 2016 and years prior thereto shall be reverted to the Accumulated Surplus or Deficit of the General Fund, or the Cumulative Result of Operations of the National Government. Henceforth, all documented accounts payable which remain outstanding for at least two years, for which no actual administrative or judicial claim has been filed, shall be subject to automatic reversion.

**Section 2. Treatment of Undocumented Accounts Payable.** All accounts payable which are undocumented or not covered by perfected contracts on record, regardless of the year in which they were incurred, shall automatically be reverted.