

[EXECUTIVE ORDER NO. 109, June 10, 1999]

DIRECTING ALL NATIONAL GOVERNMENT AGENCIES TO REVERT CERTAIN ACCOUNTS PAYABLE TO THE CUMULATIVE RESULT OF OPERATIONS OF THE NATIONAL GOVERNMENT AND FOR OTHER PURPOSES

WHEREAS , Republic Act No. 3526 and Presidential Decree No. 1445 provide that the Commission on Audit may revert to the Unappropriated Surplus of the General Fund – now called Cumulative Result of Operations – any unliquidated balance of accounts payable which has been outstanding for two years or more and against which no actual claim, administrative or judicial, has been filed or which is not covered by perfected contracts on record, save for the unliquidated balances of accounts payable in trust funds as long as the purposes for which the funds were created have not been accomplished;

WHEREAS , Executive Order No. 228, series of 1970, provides that all accounts payable and unliquidated obligations, two years old or over, and/or other undocumented accounts payable irrespective of age are required to be reverted to the Unappropriated Surplus, save for the unliquidated balances of accounts payable in trust funds as long as the purpose for which the funds were created have not been accomplished;

WHEREAS , under Memorandum Order No. 181, series of 1988, all agencies were directed to revert their 1985 and prior years accounts payable, be they documented or undocumented, as well as their 1986 and 1987 undocumented accounts payable to the unappropriated surplus of the General Fund with the exception of trust funds;

WHEREAS , despite the aforementioned law and issuances, it has been observed that there still remains a proliferation of dormant and outstanding accounts payable in the books of accounts of agencies;

WHEREAS , these prior years' accounts payable hamper national government efforts to establish a more realistic cash program;

WHEREAS , in view of the various competing demands on existing government financial resources, there is a need to determine the actual cash requirements for accounts payable which are due and demandable;

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA , President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order and direct:

SECTION 1. Reversion of Accounts Payable. All 1995 and prior years documented accounts payable and all undocumented accounts payable regardless of the year they were incurred shall be reverted to the Cumulative Result of Operations of the National Government. Henceforth, all documented accounts payable which have remained outstanding for two years shall be reverted to the Cumulative Result of