

[COA Circular No. 2015-001, January 29, 2015]

PRESCRIBING THE GUIDELINES AND PROCEDURES IN THE REVERSION TO THE GENERAL FUND OF ALL DORMANT CASH, UNAUTHORIZED ACCOUNTS, UNNECESSARY SPECIAL AND TRUST FUNDS AND RELATED ACCOUNTS, IN CONFORMITY WITH PERMANENT COMMITTEE JOINT CIRCULAR NO. 4-2012, DATED SEPTEMBER 11, 2012, IMPLEMENTING EXECUTIVE ORDER NO. 431, DATED MAY 30, 2005

Adopted: 29 January 2015

Date Filed: 10 April 2015

1.0 RATIONALE

Permanent Committee Joint Circular No. 4-2012 dated September 11, 2012, (Annex A) provides the rules and regulations implementing Executive Order No. 431 dated May 30, 2005, directing the reversion of all dormant accounts, unnecessary special and trust funds to the General Fund and for other purposes. Section 5.6 thereof provides that the Commission on Audit (COA) shall prescribe the necessary accounting entries and supporting documents for the transfer of the cash balances of unauthorized accounts to the National Treasury.

2.0 PURPOSE

This Circular prescribes the accounting guidelines and procedures in the reversion to the General Fund of all dormant cash balances, unauthorized accounts and unnecessary special and trust funds maintained by national government agencies (NGAs) with depository banks.

3.0 PROCEDURAL GUIDELINES

NGA WITH DORMANT CASH/UNAUTHORIZED ACCOUNTS AND UNNECESSARY SPECIAL AND TRUST FUNDS INCLUDING RECIPIENTS OF INTER-AGENCY FUND TRANSFERS

3.1 The Head of the Accounting Unit of the NGA shall conduct thorough analysis of the cash accounts, provide cash account mapping and/or group the cash accounts into the following:

- a) accounts pertaining to collections deposited/maintained with an Authorized Government Depository Bank (AGDB) which have remained inactive or those accounts with no transactions other than periodic bank charges based on the existing regulation of the Bangko Sentral ng Pilipinas;
- b) accounts or cash account balances maintained by agencies without

- specific authority or legal basis or specific purpose;
- c) accounts or cash account balances maintained by agencies with specific authority but deposited with non-AGDBs;
- d) cash accounts, special and trust funds maintained by government agencies with AGDBs but without valid claimants, or are no longer necessary for the attainment of the purposes for which said funds were established/received and/or the project implementation has been completed, terminated, cancelled or abandoned;
- e) cash balances intended to fund liabilities with valid claimants but payments are held in abeyance pending completion of certain requirements; and
- f) all other accounts similar to those cash balances enumerated in (a) to (e).

3.2 After the analysis, the concerned agency officials/personnel shall undertake the following:

- a) Evaluate all valid claims;
- b) Prepare Disbursement Voucher (DVL and the corresponding check for the settlement of valid claims;
- c) Determine the remaining balances of the cash in bank accounts enumerated in 3.1 as recorded in the books of accounts;
- d) In case of inter-agency fund transfer, confirm from the Source Agency (SA) the existing balance per books;
- e) Obtain the latest bank statements of the dormant accounts, prepare the bank reconciliation of all existing cash in bank balances and reconcile the balances per bank with the book balances;
- f) Evaluate the legal bases to determine if their continuing existence is still necessary; and
- g) Upon completion of steps (c) to (f), determine the proper disposition of all cash balances, based on the instruction from the Permanent Committee, as follows:
 - 1) prepare the DV and check for the withdrawal of the AGDB or non- AGDB cash account balances, and deposit to the NT;
 - 2) prepare the necessary Journal Entry Vouchers (JEVs) to record the reversion to the NT of the balances of the dormant accounts and unnecessary unused balances of special and/or trust funds; and
 - 3) return the unutilized balances to the SA/donors/financing entities in the case of grants or foreign-funded programs/projects wherein the attendant agreements require the return of unused balances.

3.3 In the books of the NGA, the entry for the remittance to NT shall be a credit to the Cash in Bank account and a debit to the related accounts/s.

3.4 The NGA shall submit, through their Audit Team Leader (ATL), the audited/verified copies of the JEVs on the remittance of dormant balances to the NT to the following:

- a) SA, if any, within 30 days after remittance;
- b) BTr, within 30 days after remittance, together with copies of validated remittance advices or deposit slips; and
- c) COA's Government Accountancy Sector (GAS), together with year-