

[DBM CIRCULAR LETTER NO. 99-2, January 15, 1999]

REVISED PROCEDURES IN THE PAYMENT OF ACCOUNTS PAYABLE

1.0 DBM shall issue a separate Notice of Cash Allocation (NCA) to facilitate payment of due and demandable Accounts Payable (A/Ps). A/Ps shall refer to prior years recorded unpaid obligations of the agency, (in this case, 1998 and before), for which goods and services have already been delivered and/or rendered, and, are thus ready for payment in accordance with existing accounting and auditing rules and regulations.

2.0 The NCA issued for A/Ps shall be for specific creditor intended to be paid and can not be used to pay the agencies' regular requirements including continuing appropriations. Thus, all national government agencies are required to open and maintain a separate MDS account, by fund, for A/Ps.

3.0 DBM shall schedule the release of NCAs for A/Ps on a monthly basis.

4.0 There shall be two (2) payment schemes for A/Ps, to wit:

4.1 Direct remittance to the account of creditors.

4.1.1 Under this system, the NCA/Advice of NCA issued (ANCAI) together with the list of creditors to be paid shall be issued by DBM to Government Servicing Bank (GSB)/concerned agency.

4.1.2 The agency shall authorize the GSB to debit its MDS account using the Advice to Debit Account (ADA) form within twenty four (24) hours after receipt of ANCAI. The ADA, which shall correspond to the total amount of NCA issued shall be supported by a list of creditors and the amounts due each creditor.

4.1.3 The creditors' accounts shall be credited by the GSB within twenty four (24) hours after receipt of the agency's notice.

4.1.4 The GSB shall ensure that the list of creditors to be paid as provided by the agency is consistent with the list of creditors which the DBM attached to the NCA issued.

4.2 Payment of creditors through MDS checks.

4.2.1 Under this system, the NCA/Advice of NCA issued (ANCAI) together with the list of creditors to be paid shall be issued by DBM to GSB/concerned agency.