

[DBM JOINT CIRCULAR NO. 99-6, November 13, 1999]

GUIDELINES IMPLEMENTING EXECUTIVE ORDER NO. 109 WHICH DIRECTS ALL NATIONAL GOVERNMENT AGENCIES TO REVERT CERTAIN ACCOUNTS PAYABLE TO THE CUMULATIVE RESULT OF OPERATIONS OF THE NATIONAL GOVERNMENT

1.0 PURPOSE

- 1.1 To prescribe guidelines and procedures relative to the reversion of accounts payable (A/Ps), pursuant to E.O. No 109; and,
- 1.2 To provide the guidelines required in the release of funds for legitimate obligations that may arise after the reversion of A/Ps.

2.0 COVERAGE

This Circular shall cover all National Government Agencies and Government Owned or Controlled Corporations maintaining a General Fund and Special Account in the General Fund. It shall apply to A/Ps of all funds except Fiduciary Funds which shall continue to be maintained for as long as the purpose for which such funds have been created/given have not been accomplished and Foreign Assisted Projects (FAPs) for the duration of the said project.

3.0 GENERAL GUIDELINES

- 3.1 All documented A/Ps of all funds which have remained outstanding for two (2) years, shall be reverted to the Cumulative Result of Operations — Unappropriated (CROU), except on-going capital outlays projects.
- 3.2 Documented A/Ps, which have been determined to be revertible as of the date of this Joint Circular should be reverted to the CROU on or before the end of 1999.
- 3.3 All undocumented A/Ps, regardless of the year they were incurred, shall immediately be reverted to the CROU.
- 3.4 Payables covered by unliquidated cash advances, prepayments and deposits shall be reviewed and appropriate adjustments accordingly taken in the books of accounts in accordance with accounting and auditing rules and regulations.
- 3.5 All FAPs-A/Ps which have remained outstanding for two (2) years after the completion date of the project per loan/grant documents, shall be reverted to the CROU.
- 3.6 All FAPs-A/Ps falling under direct payment scheme of loan availment shall be

reviewed by the agencies concerned for purposes of requesting the issuance of a Non-Cash Availment Authority from the DBM pursuant to the provisions of DBM-COA-DOF Joint Circular No. 2-97 dated March 21, 1997.

3.7 All A/Ps that were reverted to the CROU and which have been determined to be legitimate shall be charged against the appropriate lump-sum provided for the purpose.

3.8 A Special Allotment Release Order (SARO) shall be issued for reverted and legitimate claims for which the actual transactions i.e., delivery of goods and services, have already been completed. The SARO to be issued shall have the following conditions:

3.8.1 It shall be effective only during the year it is issued;

3.8.2 It shall be treated as a "specific transaction release document" which can not be re-issued. Thus, if for any reason the SARO for the reverted claim was not obligated during the year it was released, there can be no re-issuance of a SARO for the same purpose; and,

3.8.3 It cannot be realigned for whatever other purpose.

3.9 Subsidiary ledger accounts shall be used to identify allotments, obligations, and liquidations pertaining to reverted claims and shall be presented in the Trial Balance as short extension of the respective general ledger accounts. These sub-accounts are as follows:

0-90-400 Appropriations Allotted, Reverted Claims

0-82-400 Obligations Incurred, Reverted Claims

0-83-400 Obligations Liquidated, Reverted Claims

4.0 PROCEDURAL GUIDELINES

4.1 Agencies shall review and analyze all their recorded Payable Accounts (from account 8-81-100 to account 8-81-900). Documented A/Ps under Capital Outlays, that remained outstanding for two years or more, but meet the following conditions may not be reverted immediately:

4.1.1 On-going construction projects with at least 15% overall accomplishment as of September 30, 1999; and,

4.1.2 Said on-going construction project shall be completed by December 31, 2000.

4.2 The corresponding Journal Voucher (JV) shall be prepared to revert to CROU, all A/Ps that remained outstanding for two years which do not fall under abovementioned category. A copy of this JV certified correct by the Chief Accountant and supported by a List of A/Ps reverted, with corresponding Request for Obligation of Allotments Number (ROA No.) and amounts due each payee, shall be submitted to DBM and COA.

4.3 All A/Ps that were reverted to the CROU pursuant to Section 1 of Executive