

Republic of the Philippines  
PAMBANSANG PANGASIWAAN NG PATUBIG  
(National Irrigation Administration)  
Lungsod ng Quezon

MC # - 39 - S. 1973

MEMORANDUM CIRCULAR

TO : ALL HEADS OF DEPARTMENTS AND STAFFS; REGIONAL, PROVINCIAL AND PROJECT IRRIGATION ENGINEERS; HEADS OF SPECIAL PROJECTS; IRRIGATION SUPERINTENDENTS AND/OR OFFICER-IN-CHARGE OF IRRIGATION SYSTEMS; CORPORATE AUDITOR AND CHIEF CORPORATE ACCOUNTANT; DISBURSING OFFICERS; AND ALL OTHERS CONCERNED  
National Irrigation Administration

SUBJECT : Department Memorandum Circular No. 11-73, dated May 9, 1973, of the Honorable Secretary of Finance as Amended by Department Memorandum Circular No. 18-73, dated June 11, 1973.

For the information and guidance of all concerned, quoted hereunder is Department Memorandum Circular No. 11-73, dated May 9, 1973 of the Honorable Secretary of Finance as "Concurred In" by the Auditor General, Commissioner of the Budget, President, Philippine National Bank and President, Philippine Veterans Bank:

DEPARTMENT MEMORANDUM CIRCULAR NO. 11-73

TO : All Heads of National Government Bureaus, Offices, and Agencies, Self-Governing Boards and Commissions Regional/Field Offices, and State Colleges and Universities, the Presidents of the Philippine National Bank and the Philippine Veterans Bank, Chief Accountants, Disbursing Officers, Auditors, and all Others Concerned.

SUBJECT : Discontinuance of Individual Bureau or Agency Checking Accounts and Establishment of TREASURY CHECKING ACCOUNT FOR AGENCIES.

I. PURPOSE

This Circular is issued to implement the provisions of Letter of Instructions No. 61 of the President of the Philippines to the Secretary of Finance dated March 5, 1973 which directs the immediate transfer of the balances of agency checking accounts to the account of the National Treasury and the use of one checking account, "Treasury Checking Account for Agencies" in order to reduce: (1) idle cash balances held by the various National Government Bureaus, Offices and Agencies, Self-Governing Boards and Commissions and State Colleges and Universities; and,

- (2) borrowings at high interest or discount rates which the National Government is compelled to resort to so as to meet the cash draw-downs occasioned by the periodic withdrawals of the aforementioned various bureaus, offices, agencies, etc. of the National Government.

II. STATEMENT OF POLICIES

Pursuant to Letter of Instructions No. 61, checking accounts of all Agencies, Bureaus and Offices, Self-Governing Boards and Commissions as well as Regional/Field Offices and State Colleges and Universities shall be closed effective at the close of the banking hours on June 30, 1973. The bank balances thereof shall be transferred to the "Treasury Checking Account for Agencies".

The transfer shall be effected by the banks with which checking accounts have been maintained by the National Government Agencies or Offices. All outstanding checks and other charges against the transferred bank balances shall be chargeable against the "Treasury Checking Account for Agencies".

Effective July 1, 1973 all disbursement not exceeding P5,000.00 which were previously being paid by checks drawn against the individual agency checking accounts may be covered by checks drawn against the "Treasury Checking Account for Agencies". Checks drawn against this new checking account shall be encashable in the bank branch or agency where the Disbursing Officer is accredited by the Treasurer of the Philippines, although they may be deposited in any bank.

Withdrawals by agencies from the "Treasury Checking Account for Agencies" shall be made by the use of a specially designed check (Sample Form attached as Annex "A") which shall be printed by the banks concerned for the stock of the National Treasury. The blank checks shall be requisitioned from the Bureau of the Treasury by the Head of Office or his duly authorized representative. The checks shall be prepared with 3 carbon copies on plain bond paper (field offices with 4 carbon copies), which shall be distributed as follows:

Check	- for payee
1st copy	- for the Bureau of Treasury (NCAD)
2nd copy	- for Agency Accounting Division
3rd copy	- for Agency disbursing officer
4th copy	- for the regional/field office accounting unit of the Agency

A carbon copy of the checks issued shall be submitted daily to the Bureau of the Treasury with the Report of Checks Issued and Cancelled (Sample Form attached as Annex B). Agencies with large volume of checks issued shall submit them in batches of not more than 100 pieces. Regional/field offices shall submit daily a carbon copy of the checks issued with the Report of Checks Issued and Cancelled directly to the Bureau of the Treasury, furnishing its Central Office a copy of the Report.

The "Treasury Checking Account for Agencies" shall be maintained in an amount sufficient to meet the daily disbursement of the various agencies. All checks paid against the checking account shall be submitted daily to the Bureau of the Treasury by the depository banks concerned.

Checking accounts being maintained by disbursing officers for cash advances received shall also be covered by this circular. Cash advances to disbursing officers, as a general rule, shall now be limited to payroll and petty cash expenses only, subject to existing rules and regulations.

#### Savings and Time Deposits

Savings and time deposits of agencies shall be transferred to the account of the National Treasury with the same banks. The savings account passbook shall be surrendered to the banks, thru the National Treasury, to effect the transfer of accounts. The certificates of time deposits, duly endorsed in favor of the Treasurer of the Philippines, shall likewise be surrendered to the National Treasury, which shall acknowledge receipt thereof, copy furnished the Auditor of the Agency concerned.

STATEMENT OF RESPONSIBILITIES

A. The Treasurer of the Philippines shall:

1. Request the depository banks to close the bank balances of the checking accounts of all National Government Bureaus, Offices and Agencies, Self-Governing Boards and Commissions, etc. and transfer such balances to the "Treasury Checking Account for Agencies" at the close of the banking hours on June 30, 1973. The depository banks shall furnish the respective agencies with debit advices closing the agency checking accounts, and the Bureau of the Treasury with credit advices transferring the bank balances of the agency checking accounts to the "Treasury Checking Account for Agencies".
2. Authorize depository banks to charge all outstanding checks and other charges of the closed individual checking account against the "Treasury Checking Account for Agencies".
3. Advise the depository banks concerned (main office) of the names and positions of the officials deputized by him to sign and countersign checks drawn against the "Treasury Checking Account for Agencies", and furnish the banks the specimen signature of the said officials.
4. Be responsible for the funding and reconciliation of the "Treasury Checking Account for Agencies" with depository banks.
5. Be responsible for the transfer of the savings and time deposit accounts of the individual agencies to his account.
6. The Treasurer of the Philippines and/or his authorized examiners are hereby authorized to examine the checking accounts of the deputized Disbursing Officers with a view to ascertain that the allotment ceiling and the pertinent accounting and auditing regulations are properly followed.

B. National Government Bureaus, Offices, and Agencies, and Self-Governing Boards and Commissions, etc. shall:

1. Submit to the Bureau of the Treasury and the depository banks concerned a Statement of Bank Reconciliation as of June 30, 1973 with the List of Outstanding Checks and a copy of the journal voucher closing the agency checking account.
2. Submit to the Treasurer of the Philippines the agency checking account numbers as well as the names, positions and specimen signature of the officials to be deputized to sign and countersign checks to be drawn against the "Treasury Checking Account for Agencies". The listing shall include those of the officials in the regional/field offices.
3. Control the disbursements of the Disbursing Officers under them in accordance with existing laws, rules, and regulations so as to be within the appropriation, allotment, or cash disbursements ceiling of the agency as the case maybe.

4. Control the preparation and release of the checks drawn against the "Treasury Checking Account for Agencies".
  5. Submit daily to the Bureau of the Treasury a carbon copy of the checks issued, original copy of the Report of Checks Issued and Cancelled and the adding machine tape used in totalling the amount of the checks drawn.
  6. Furnish a copy of the Report of Checks Issued and Cancelled to the depository banks concerned.
  7. Take charge of the proper recording and accounting of the checks issued as well as the reconciliation of outstanding checks with the Bureau of the Treasury.
  8. Surrender immediately the savings account passbooks and certificates of time deposits, duly endorsed, to the Treasurer of the Philippines.
- C Head Offices of Depository Banks shall:

1. Be responsible for the dissemination of the names, positions and specimen signatures of the officials of the various National Government Bureaus, Agencies and Offices, Self-Governing Boards and Commissions, etc. deputized by the Treasurer of the Philippines to sign and countersign checks to be drawn against the "Treasury Checking Account for Agencies" in order that the checks drawn could be cashed in the bank branch or agency concerned.
2. Submit daily the checks paid by it and by its branches and agencies to the Bureau of the Treasury with the bank statement.
3. Fund its branches in order that checks drawn against the "Treasury Checking Account for Agencies" (main office) are honored in the branches or agencies concerned.
4. Submit daily bank statement to the Bureau of the Treasury.

D. Auditors - shall continue to observe and enforce existing rules and regulations regarding disbursements by checks not inconsistent with the provisions of this Circular.

IV. EFFECTIVITY

This circular shall take effect immediately.

V. REPEALING PROVISIONS

All circulars, memoranda and/or instructions inconsistent herewith are hereby revoked or modified accordingly.

Date May 9, 1973

" CONCURRED IN;

(Sgd.) CESAR VIRATA  
Secretary of Finance "

(Sgd.) ISMAEL MATHAY, SR.  
Auditor General

(Sgd.) FAUSTINO SY-CHANGCO  
Commissioner of the Budget

(Sgd.) P. O. DOMINGO  
President  
Philippine National Bank

(Sgd.) ESTEBAN B. CABANOS  
President  
Philippine Veterans Bank"

Quoted hereunder is Department Memorandum Circular No. 18-73 which is an amendment to Department Circular No. 11-73:

June 11, 1973

**\*DEPARTMENT MEMORANDUM CIRCULAR NO. 18-73**

**TO :** All Heads of National Government Bureaus, Offices, and Agencies, Self-Governing Boards and Commissions, Regional/Field Offices and State Colleges and Universities, the Presidents of the Philippine National Bank and the Philippine Veterans Bank, Chief Accountants, Disbursing Officers, Auditors and all Others Concerned.

**SUBJECT :** Amendment to Department Memorandum Circular No. 11-73 regarding the establishment of the **TREASURY CHECKING ACCOUNT FOR AGENCIES**.

This circular is issued to amend Department Memorandum Circular No. 11-73 dated May 9, 1973 so as to lift the P5,000.00 limit of the amount of checks that may be issued, exclude from the purview of the circular certain trust funds and amend sub-paragraph 6, paragraph A of Title III so as to correct the Statement of Responsibilities of the Treasurer of the Philippines.

1. Paragraph 2 of Title II - STATEMENT OF POLICIES of the Department Memorandum Circular No. 11-73 is hereby modified to read as follows:

All disbursement which were previously being paid by checks drawn against the individual agency checking accounts may be covered by checks drawn against the "Treasury Checking Account for Agencies". Checks drawn against this new checking account shall be encashable in the bank branch or agency where the Disbursing Officer is accredited by the Treasurer of the Philippines, although they may be deposited in any bank. Checks exceeding P5,000.00 shall be countersigned by the Representative of the Auditor General concerned.

2. Paragraph 6 of Title II of the said circular is hereby amended by adding thereto the following:

Excepted from the purview of this paragraph are savings and time deposits of trust funds granted to national schools, colleges and universities, hospitals and institutions or agencies of the government, particularly grants from foreign foundations or institutions, which are covered by written agreements or conditions of grantors, or covered by statutes, that such funds are to be invested or deposited in banks to earn interest in order that the earnings therefrom shall be used for the purpose for which the funds were granted.

3. Sub-paragraph 6 of paragraph A of Title III - STATEMENT OF RESPONSIBILITIES of the Treasurer of the Philippines is amended to read as follows:

6. Examine or authorize his regional/treasury fiscal examiners to examine the disbursements made by the deputized Disbursing Officers in the regional/field offices of government bureaus and offices with a view to ascertain that the CASH DISBURSEMENTS CEILINGS allotted to them are not exceeded and the pertinent accounting and auditing rules and regulations are properly followed.

This circular shall take effect immediately.

(SGD) CESAR VIRATA  
Secretary of Finance "

" CONCURRED IN;

(SGD) ISMAEL MATHAY, SR.  
Auditor General

(SGD) F. SY-CHANGCO  
Commissioner of the Budget

(SGD) P. O. DOMINGO  
President  
Philippine National Bank

(SGD) ESTEBAN B. CABANOS  
President  
Philippine Veterans Bank "

It is hereby directed that all parties concerned should act accordingly.

*Fol*  
ALFREDO E. JUINIO  
Administrator

June 19, 1973

RECEIVED  
GENERAL INVESTIGATION  
DIVISION  
U.S. DEPARTMENT OF JUSTICE

ANNEX "A"

TREASURER OF THE PHILIPPINES  
405:234: 010-45073

S11-3-

19

PAY TO THE  
ORDER OF

PESOS

SIGNATURE

COUNTER SIGNATURE

AGENCY	OFFICER	FUND	PROGRAM	PROJECT	EXPENSE	DETAIL	AMOUNT
08-10							
405							

PHILIPPINE NATIONAL BANK  
Manila

ENCASHABLE ALSO IN PNB

**AGENCY**  
**REPORT OF CHECKS ISSUED AND CANCELLED**

Date: July 2, 1973

AGENCY \_\_\_\_\_ NO. 1 - 74  
REGIONAL/FIELD OFFICE \_\_\_\_\_ BANK: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_

BATCH NO.	NO OF PIECES	CHECK SERIAL NO.	A M O U N T			
			TOTAL	GENERAL	SPECIAL	FIDUCIARY
1 - 7	100	4756-4859	P10,000.-	P 7,000.00	P3,000.00	
2 - 7	57	4860-4916	15,000.-	15,000.00		
T O T A L			P25,000.-	22,000.00	3,000.00	
LESS: CANCELLED CHECKS (PREVIOUSLY REPORTED AS ISSUED)			1,000.-	870.00	130.00	
N E T - - - - -			P 24,000.-	P21,130.00	P2,870.00	

**LIST OF CANCELLED CHECKS**

a. PREVIOUSLY REPORTED AS ISSUED	<u>AMOUNT</u>
1. 4650	P 544.50
2. 4721	325.50
3. 4749	<u>130.00</u>
	<u>P 1,000.00</u>

**B. NOT REPORTED AS ISSUED (SPOILED):**

1. 4758
2. 4790
3. 4852
4. 4858

SUBMITTED BY:

DISBURSING OFFICER

ENCIS: (1) Carbon copy of the checks issued.  
(2) Adding machine tape used in totalling the amount of checks issued.

(6)



## I N S T R U C T I O N S

### (Report of Checks Issued and Cancelled)

- 1) This report shall be prepared daily by the Disbursing Officer or his duly authorized representative.
- 2) This shall be prepared in five copies (6 copies in field offices) to be distributed as follows:
  - 1 copy (original)      -For the Bureau of the Treasury (NCMB)
  - 1 copy                    -for the depository bank
  - 1 copy                    -for the Auditor
  - 1 copy                    -for the Accounting Division
  - (2 copies in Field Offices
    - 1 copy for the Field Accounting Unit
    - 1 copy for the Head Office Accounting Division
  - 1 copy                    -for the Disbursing Officer
- 3) This report shall be numbered consecutively for one fiscal year. As given in the example (Annex A) - No. 1-74.
  - 1    - represents the first report prepared for the fiscal year 1973-74.
  - 74   - represents FY 1973-1974
- 4) Batch numbering shall be consecutive for one month. As given in the example (Annex A) - Batch No. 1 - 7.
  - 1    - represents the first batch of duplicate checks to be submitted to the Bureau of the Treasury during the month of July.
  - 7    - represents the month of July (For August the first batch shall be numbered 1-8)
- 5) Serial Number of cancelled checks shall be listed for control purposes by the Bureau of the Treasury.
- 6) The adding machine tape used in totalling the amount of the checks drawn shall accompany this report.