

NO # 44 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 OFFICERS-IN-CHARGE OF IRRIGATION SYSTEMS; CORPORATE AUDITOR AND CHIEF CORPORATE ACCOUNTANT; CASHIERS AND COLLECTING OFFICERS; AND ALL OTHERS CONCERNED
National Irrigation Administration

SUBJECT : Department Order No. 20-73, dated June 14, 1973, of the Honorable Secretary of Finance

For the information and guidance of all concerned, quoted hereunder is Department Order No. 20-73, dated June 14, 1973 of the Honorable Secretary of Finance as "Concurred In" by the Commissioner of the Budget, the Auditor General and the President, Philippine National Bank.

DEPARTMENT ORDER NO. 20-73

TO : All National Collecting Officers
The Treasurer of the Philippines and Treasury Fiscal Examiners
The President of the Philippine National Bank and PNB Branch Managers, Auditors and Agents
Municipal, City and Provincial Treasurers
City, Provincial and Bureau Auditors and Others Concerned.

SUBJECT : Reorganizing a revised system of remitting national collections in the Bureau of the Treasury thru direct deposits with PNB branches and agencies.

1. GENERAL PROVISIONS

1. Purpose.

The revised rules and procedures contained in this order is primarily aimed at further expediting the inflow of national collections from the various points of collections to the Bureau of the Treasury as well as strengthening the banking system of the country.

2. Applicability.

This order applies to all government departments, agencies, corporations and others concerned in depositing national collections in all PNB branches and agencies for credit to the account of the Treasurer of the Philippines.

3. Summary Reference to Procedural Revisions.

a. Remittance Advice, General Form No. 14- - This form, as revised, shall be used when remitting national collections thru PNB to the credit of the Treasurer of the Philippines.

b. Debit Voucher, Form PNB- - This form, for charging the Treasurer's Account incident to uncollectible items, has been revised in order to enable the PNB to execute the documents directly and immediately charge the Treasurer's Account.

c. Debit Advice, Form PNB- - This form shall be used in charging the Treasurer's Account with the PNB branch for any and all transfers by wire daily to PNB Head Office of deposits made by national collecting officers.

d. Credit Advice, Form PNB- - This form shall be used in crediting the Treasurer's Account with the PNB Head Office for any and all transfers by wire made daily by PNB branches or agencies.

4. Definitions of Certain Terms Used in this Order.

a. Depository. - This term refers to all PNB branches, agencies, sub-branches and extension offices in the entire archipelago.

b. Depositor. - This term refers to all government officers collecting national collections for the account of the Treasurer of the Philippines, otherwise known as national collecting officers.

c. Cash items. - This term includes treasury warrants, postal money orders, checks, bank drafts and the like.

d. Treasury Fiscal Examiner. - The term refers to the deputies of the National Treasurer assigned in every province in the Philippines, charged with the primary function of examining the books, accounts and other financial records of national collecting officers and local government treasurers for the purpose of ascertaining the correct and full amount of national revenues collected and seeing to it that the same are deposited without unreasonable delay to the PNB.

e. National Collections. - The term refers to all collections accruing to the National Government.

II. DEPOSITS FOR CREDIT TO THE ACCOUNT OF THE TREASURER OF THE PHILIPPINES

1. Where Deposits Shall Be Made.

Unless otherwise authorized, national collecting officers shall deposit funds with the nearest PNB branch or agency or directly with the Bureau of the Treasury, Main Office.

2. Frequency of Deposits and Number of Remittance Advice.

a. Frequency of Deposits. - The deposit of all funds received for the credit of the Treasurer of the Philippines shall be made daily by national collecting officers stationed in the place where the PNB branch is located. For those stationed elsewhere, deposits shall be made weekly or at any time their collections reach P500.00.

Depositors shall limit their deposits to one each day. It may be necessary, therefore, for depositors to set a "cut-off" hour in connection with the preparation of deposits for the day. All collections received after that hour may be deposited on the following day.

b. Number of Remittance Advice. - As a general rule, only one remittance advice shall be prepared for each deposit on any given day. Exception to this rule will be observed by national collecting officers under the following condition only:

1. Where separate remittance advices are necessary for accounting purposes as when the depositor is depositing for the account of two or more offices.

3. Sorting and Listing of Items for Deposit to PNB Branches and Agencies:

PNB branches and agencies will give immediate credit in the Treasurer's Account for items received during normal banking hours. General requirements to be observed by depositors for sorting and listing items deposited with PNB are:

a. Cash items shall be sorted into the following groups:

Group I. Treasury Warrants

Group II. Postal Money Orders

Group III. Items drawn on banks located in the same place as the PNB with which the deposit is made.

Group IV. Items drawn on other banks or what is known as cut-of-town checks.

b. A separate adding machine tape shall accompany each of the foregoing groups of items. The several group totals shall be recapitulated on a separate tape together with the amount of currency and coin included in the deposit, to show the total amount appearing in the Remittance Advice. Each group total listed shall be identified by the numeral designating that group as indicated above.

4. Depositor's endorsement on cash items deposited.

Depositors shall endorse checks & money orders (including those drawn to the order of the Treasurer of the Philippines) and treasury warrants drawn on the Treasurer of the Philippines for deposit with the PNB branch or agency for credit to the account of the Treasurer of the Philippines, as follows:

Date

For deposit to the Account
of the Treasurer of the
Philippines under Remittance
Advice No. _____ dated

Signature
Name, Title &
Station of Depositor

5. Postage, Registration and Other Expenses Incurred in Mailing

Deposits.

Postage, registration and other expenses shall not be deducted from the amount of the deposit. These expenditures shall be borne by the agencies concerned.

6. Preparation of Remittance Advice by Depositor.

All deposits for credit to the account of the Treasurer of the Philippines shall be accompanied by a remittance advice. The remittance advice shall be accomplished in six (6) copies and shall bear a control number. They shall be consecutively numbered indicating therein the fiscal year in which the deposit was made and the number of deposits made during the fiscal year, as follows:

74 - 1 will refer to the first deposit of the collecting officer during fiscal year 1974;

74 - 31 means the 31st deposit during fiscal year 1974;

75 - 1 connotes the first deposit made during fiscal year 1975; etc.

If the deposit includes treasury warrants, checks and other cash items, the rule in listing and sorting under II-3 of this order shall be observed.

7. Validation of Remittance Advices by PNB branches or agencies.

The depository shall validate the remittance advice after verifying if the sum total of the cash and cash items deposited by the depositor agree with the totals appearing in the remittance advice. Should there be any cash items found to be defective upon receipt of the remittance advice, the PNB branch shall dishonor it outright, mark the cash items returned in the listing, make adjustments on the lower portion of the remittance advice and validate only the net amount as adjusted.

In branches where there are validating machines, the validation number shall be imprinted on the upper right hand corner of the remittance advice. However, in branches where there are none, the validation shall be stamped with a rubber stamp containing the teller number, name of branch or agency and the date of deposit, to be authenticated by the teller's initial, also on the upper right hand corner of the remittance advice.

The validation number or rubber stamp of the branch or agency as the case may be, shall be indicated at the back of every cash item deposited under that remittance advice for facility in tracing it back in case it will be dishonored.

8. Distribution of Copies of Remittance Advices.

After the deposit has been made, the copies of the remittance advices shall be distributed as follows:

- | | | |
|------------|---|--|
| Original | - | to be retained by the PNB branch for submission to the Bureau of the Treasury (National Cash Accounting Division) thru the PNB Head Office (Accounting Department) |
| Duplicate | - | to be retained by the PNB branch for its file |
| Triplicate | - | to be retained by the PNB branch for submission to the Treasury Fiscal Examiner assigned to the province where the PNB branch is located. |

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- Quadruplicate - to be returned to the depositor for submission to his Agency Chief Accountant with his monthly report of collections.
- Quintuplicate - to be returned to the depositor for submission to his auditor.
- Sextuplicate - to be returned to the depositor for his file

9. Uncollected and Lost Cash Items in Deposits for credit to the account of the Treasurer of the Philippines

Any cash item not honored for any reason by the bank on which it is drawn will be handled in accordance with the debit voucher procedure covered below:

a. Use of Debit Voucher. - A new debit voucher, Form PNB- is prescribed to be used for dishonored items. The PNB branches or agencies shall prepare and execute the prescribed debit voucher form and charge the amount of the dishonored item (a) to the account of the Treasurer of the Philippines, without delay.

Based on the validation number or rubber stamp of the depository indicated at the back of every cash item deposited by the depositor, the depository can trace back the data needed in accomplishing the debit voucher aside from the name, title, and station of the depositor. The debit voucher shall be accomplished in six (6) copies and distributed as follows:

- Original - to be forwarded to the Bureau of the Treasury (NCAD) thru PNB Head Office to support the charge in the Treasurer's account.
- Duplicate - to be retained by the PNB branch for its file
- Triplicate - to be forwarded to the Treasury Fiscal Examiner assigned to the province where the PNB branch is located.
- Quadruplicate - to be forwarded to the Bureau of the Treasury (NCAD) thru PNB Head Office for submission to the Chief Accountant of the agency affected.
- Quintuplicate - to be forwarded to the depositor for submission to his Auditor.
- Sextuplicate - to be forwarded to the depositor with the dishonored items for his file and action.

If a dishonored item is not recovered by the depository, a notification to the depositor to that effect, citing the reason the cash item was not returned, shall accompany the copies of the debit voucher.

b. Depositors shall:

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1. Upon receipt of a dishonored item from the depository, adjust their accounts and proceed at once to collect the amount as though no cash item had been received.
2. If a cash item is lost (whether before or after deposit), adjust their accounts and immediately request the drawer to stop payment on said cash item.
3. Process for deposit, as new business, the new cash items, corrected cash items or cash received in consequence of 1 and 2 above.
4. Identify these new cash items or the corrected cash items, or cash as the case maybe as re-deposits in the new set of remittance advices that will accompany these deposits.

III. SUMMARY OF REMITTANCES AND STATEMENTS OF ACCOUNTS OF THE TREASURER OF THE PHILIPPINES

1. Preparation, Distribution and Reconciliation.

a. A daily summary of remittances, duly supported by remittance advice, shall be prepared by the PNB branches or agencies. It shall confirm the amount of the telegraphic transfers made by wire during a given day. This daily summary shall be accomplished in four (4) copies and distributed as follows:

- Original - to be forwarded to the Bureau of the Treasury (NCAD) with supporting documents thru the PNB Head Office, (Accounting Department)
- Duplicate - To be forwarded to the PNB Head Office for its file
- Triplicate - to be retained by PNB branches or agencies for its file
- Quadruplicate - to be forwarded to the Treasury Fiscal Examiner with supporting documents

At the end of each month, these depositories shall furnish the Bureau of the Treasury (NCAD) with a monthly bank statement containing the transactions affecting the account of the Treasurer of the Philippines during the month which will serve as a ready reference, should any questions arise in the future.

b. A daily statement of account of the Treasurer of the Philippines shall be prepared by the PNB Head Office which shall be the basis for the Bureau of the Treasury (NCAD) to reconcile its books of accounts with the PNB. The Bureau of the Treasury shall prepare a reconciliation statement at the end of the month and send the original to the PNB Head Office.

2. Basis for accounting by the Bureau of the Treasury (NCAD)

Upon receipt of the daily summary of remittances, the Bureau of the Treasury (NCAD) shall verify same against the supporting documents and make the necessary journal entries in its books of accounts. Likewise, all credit advices issued by the PNB Head Office corresponding to transfer of funds from PNB branches or agencies to their Head Office as well as debit vouchers issued for dishonored items shall be taken up in its books of accounts.

IV. TRANSFERS OF FUNDS FROM
PNB BRANCHES TO PNB HEAD OFFICE

1. Transfer of funds and cost of cables

The PNB branches or agencies shall transfer by wire (collect) daily to its Head Office the total amount of deposits made by national collecting officers for credit to the account of the Treasurer of the Philippines. Based on these telegraphic transfers, the PNB Head Office shall issue a credit advice in favor of the Treasurer of the Philippines. The cost of cables shall be chargeable against the PNB Head Office account of the Treasurer of the Philippines.

2. Daily Zero balance in all PNB branches and agencies

The Philippines National Bank Head Office shall see to it that the daily zero balance of the account of the Treasurer of the Philippines in all its branches and agencies, be maintained at all times.

V. OTHER MATTERS

1. Closing of the deposit account presently maintained and opening of a new deposit account for the Treasurer of the Philippines in PNB branches and agencies.

The present deposit accounts of the Treasurer of the Philippines with the PNB branches and agencies shall be closed as of June 30, 1973.

The Treasurer of the Philippines or his duly authorized representative shall open a new deposit account for the Treasurer of the Philippines in all PNB branches or agencies on July 1, 1973. It shall be the responsibility of the Treasury Fiscal Examiner to furnish the PNB branches or agencies in the province where he is assigned with a list of national collecting officers who are to make direct deposits with the said PNB branches or agencies.

2. Closing of the Cash Book of the Treasury Field Cashier

Before the close of business hours of June 29, 1973, all Treasury Field Cashiers charged primarily with receiving remittances of national collections in the provinces before the effectivity of this order, shall balance their cash books and all the cash and cash items on hand on that day shall be deposited intact with the PNB branch before the close of banking hours of the same day. The cash book shall then be closed and submitted to the Provincial or City Auditor concerned for audit. After it is audited, it shall be surrendered to the Bureau of the Treasury (NCAD) for safekeeping. Any and all cash items dishonored after the cash book shall have been closed shall be chargeable against the Treasurer's Account with the PNB Head Office.

3. Examination of Books and Accounts

The Regional Fiscal Examiners, Treasury Fiscal Examiners and other officials or employees of the Bureau of the Treasury who may be designated by the Treasurer of the Philippines are hereby authorized to examine the books, accounts and financial records of national collecting officers and local government treasurers for the purpose of ascertaining the correct and full amount of national revenues collected and taking steps that the same are deposited without unreasonable delay to the nearest PNB branch or agency.

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The Treasury Fiscal Examiner shall maintain a subsidiary record of deposits made by all national collecting officers under his jurisdiction, using the copies of remittance advices furnished him by the PNB branches in his province as source document.

4. Liability for non-compliance

Failure to comply with the requirements of this order shall subject the responsible officer/employee to appropriate criminal and/or administrative action.

5. Repealing Provisions

All existing rules and regulations inconsistent herewith are hereby revoked or modified accordingly.

6. Effectivity

This order shall take effect July 1, 1973.

(SGD.) CESAR VIRATA
Secretary of Finance

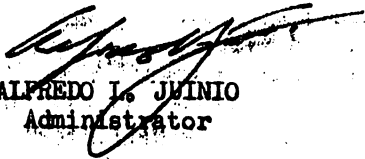
CONCURRED IN:

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

(SGD.) ISMAEL MATHAY, SR.
Auditor General

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

Strict observance of the aforesaid Department Order by all concerned is hereby enjoined.


ALFREDO I. JUINIO
Administrator

June 27, 1973
LET-6/27/73



General Form No. 10 (B)
Revised July 1, 1953
PERMITTING AGENCY
Advice No.
Remittance Letter

Period of Collection		Date Remitted
Agency to be Credited		Agency Code
Revenue		Area Code
Deposited to the Account of		Account No. 010-40388
Name, Title and Station of Collecting Officer		Signature of Party Making Deposit

To be filled up by the Bureau of the Treasury (BOD)		PHILIPPINE NATIONAL BANK
Date Received	Control Number	Branch/Agency
NATURE OF COLLECTIONS & FUND CLASSIFICATION (Section B)		Dr. Code
COMPOSITION OF DEBITS (Section B)		

Particulars	Amount	No. of Items	Amount
1. General Fund			
a) Excise Taxes			
b) License & Business Taxes			
c) Income Taxes			
d) Import Duties			
e) Others			
2. Other Receipts (Classified)			
3. Extra-Gov. Sales of Goods/Services			
4. Return of Cash Advances/Overpayments			
5. Return of Advances			
6. Fund Transfers			
7. Other (Specify)			
Total Cash -			

Adjusted for Total
and returned to the
"Bureau of the Treasury"
and returned to the
Bureau of the Treasury

Approved: _____
Special Agent in Charge
Bureau of the Treasury
Date: _____