



Republika ng Pilipinas  
**Pambansang Pangasiwaan ng Patubig**  
(NATIONAL IRRIGATION ADMINISTRATION)  
Lungsod ng Quezon

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OUR REFERENCE:

*John 2000*

**MEMORANDUM CIRCULAR**

M.C. 02 s. 2000

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**TO :** THE DEPUTY ADMINISTRATOR, ASSISTANT MINISTRATORS,  
DEPARTMENT/STAFF MANAGERS, REGIONAL /OPERATIONS  
/PROJECT MANAGERS, PROVINCIAL IRRIGATION OFFICERS,  
IRRIGATION SUPERINTENDENTS, ADMINISTRATIVE  
/FINANCE MANAGERS AND ALL OTHERS CONCERNED

**SUBJECT:** Guidelines Implementing Executive Order No. 109 which Directs All  
National Government Agencies to Revert Certain Accounts Payable to  
the Cumulative Results of Operations of the National Government

Quoted hereunder in full is DBM-COA Joint Circular No. 99-6 November 13,  
1999 for the information and guidance of all concerned, viz:

**"Department of Budget and Management  
Malacanang, Manila**

**JOINT CIRCULAR NO. 99-6  
November 13, 1999**

**FOR :** All Heads of Departments, Bureaus, Offices; Managing  
Heads of Government Owned or Controlled Corporations;  
Chiefs of Financial and Management Services; Budget  
Officers; Chief Accountants/Heads of Accounting Units;  
COA Directors/Auditors and Others Concerned

**SUBJECT :** 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

determined to be legitimate shall be charged against the appropriate lump-sum provide 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 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 cannot 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 accomplishments 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 above mentioned category. A copy of this JV certified correct by the Chief Accountant and supported by a list of A/Ps

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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 Order No. 109, may be considered for payment upon determination, thru administrative processes, of the existence, validity and legality of the claims, subject to the following procedures:

4.3.1 The claimants shall take the initiative to file request with the agency concerned.

4.3.2 The claimants shall submit pertinent documents such as: approved contracts; proof that services had been rendered; proof that assets and other properties had been delivered; projects have been completed and accepted by the agency and other documentation to prove the validity and legitimacy of their claims.

4.3.3 Upon establishment of the proof of validity to settle the claim, the agency head shall request for the issuance of SARO from DBM. The request shall be supported by the following:

- a. Certified copy of the specific JV showing that the A/P had been reverted to the CROU; and,
- b. Justification for the non-payment of the claims during the past years.

4.3.5 The SARO and Notice of Cash Allocation chargeable against the appropriate lump-sum fund shall be released by the DBM after which the agency shall process the payment of claims.

## 5.0 ACCOUNTING ENTRIES

Accounting entries pertinent to the provisions of this Circular is hereto attached as Annex A,

## 6.0 APPLICABILITY

This Circular shall have a continuing application. Henceforth, agencies shall pay only those A/Ps which are outstanding for less than two (2) years, except those pertaining to exemptions as mentioned in this Circular.

## 7.0 SANCTIONS

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Failure of the officials and employees concerned with the provisions of this Circular shall subject them to penalties imposed under Section 43, Chapter 5, Book VI of E.O. No. 292, the revised Administrative Code of the Philippines.

**8.0 REPEALING CLAUSE**

All provisions of existing circulars and other issuance's consistent with this Circular are hereby rescinded/repealed and/or modified accordingly.

**9.0 SAVING CLAUSE**

Cases not covered in this Circular shall be referred to the DBM and shall be jointly resolved with COA.

**10.0 EFFECTIVITY**

This Circular shall take effect immediately.

**(SGD.) BENJAMIN E. DIOKNO**  
Secretary  
Department of Budget and Management

**(SGD.) CELSO D. GANGAN**  
Chairman  
Commission on Audit

**Strict compliance is enjoined.**

  
**MANUEL S. AREVALO**  
Administrator

24 January 2000

PARTICULARS	GENERAL FUND			SAGF		
	Acct. Code	Dr.	Cr.	Acct. Code	Dr.	Cr.
<b>1. REVERSION OF PAYABLES</b>						
a. Unliquidated Obligations	8-81-400	xx		8-81-400	xx	
	8-81-410	xx		8-81-410	xx	
	8-81-420	xx		8-81-420	xx	
	8-81-430	xx		8-81-430	xx	
	7-92-410		xx	7-92-410		xx
b. Other Payables	8-81-100	xx		8-81-100	xx	
	8-81-200	xx		8-81-200	xx	
	8-81-300	xx		8-81-300	xx	
	8-81-900	xx		8-81-900	xx	
	7-92-419		xx	7-92-419		xx
c. Closing Entries at Year-End	7-92-410	xx		7-92-410	xx	
	7-92-419	xx		7-92-419	xx	
	8-99-000		xx	8-92-110		xx
<b>2. PAYMENT OF REVERTED CLAIMS</b>						
a. Approval of Special Budget and Receipt of Special Allotment Release Order (SARO)				0-92-310	xx	
				0-93-310		xx
	8-99-000	xx		0-93-310	xx	
	0-90-000		xx	0-90-000		xx
	0-90-400	xx		0-90-400	xx	
b. Incurrence of obligations	0-90-000	xx		0-90-000	xx	
	0-90-400	xx		0-90-400	xx	
	0-82-000		xx	0-82-000		xx
	0-82-400	xx		0-82-400	xx	
c. Receipt of the NCA	Memo Entry in the Allocation and Utilization Control Sheet (AUCS)					
d. Liquidation of obligations	0-83-000	xx		0-83-000	xx	
	0-83-400	xx		0-83-400	xx	
	8-70-707		xx	8-70-707		xx
e. Closing Entries at Year-End						
e.1. Obligations Incurred and Liquidated Accounts	0-82-000	xx		0-82-000	xx	
	0-82-400	xx		0-82-400	xx	
	0-83-000		xx	0-83-000		xx
	0-83-400	xx		0-83-400	xx	
e.2. MDS Check Disbursements	8-70-707	xx		8-70-707	xx	
	8-99-000		xx	8-70-700		xx
f. Reversion of Unutilized Allotment	8-99-000	(xx)		0-93-310	(xx)	
	0-90-000		(xx)	0-90-000		(xx)
				0-92-310	(xx)	