

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

OFFICE ADDRESS: NATIONAL GOVERNMENT CENTER
E. DE LOS SANTOS AVENUE
QUEZON CITY PHILIPPINES

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TELEX 42802 NIA PM

OUR REFERENCE:

MC# 06 s, 2006

MEMORANDUM CIRCULAR

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

**SUBJECT: ACCOUNTING GUIDELINES AND PROCEDURES FOR
IMPLEMENTING COA CIRCULAR LETTER NO. 2003-004 DATED
NOVEMBER 19, 2003 RE- NOTICE OF TRANSFER ALLOCATION
(NTA)**

1.0 PURPOSE/SCOPE

Commission on Audit Circular Letter No. 2003-04 dated November 19, 2003 provides accounting guidelines, procedures and journal entries for the discontinuance of the practice of releasing funding checks to operating units within the same department/agency, the transfer of the cash balance to the National Treasury and the fund transfer to Operating Units pursuant to National Budget Circular (NBC) No. 488 dated May 22, 2003 and 488-A dated June 18, 2003 of the Department of Budget and Management. In order to have specific standard/procedures in the implementation of this Circular for MDS funds in the National Irrigation Administration, this circular is issued to provide the guideline specifically to suit the transactions typical to the agency. This also aims to create uniformity in procedures, controls and reporting system. This circular shall apply to Funds 101, 102(PC) and 158(ARF) only.

2.0 ACCOUNTING GUIDELINES AND PROCEDURES

Hereunder are applicable guidelines and procedures of COA Cir. No. 2003-04:

All Regional Offices (ROs), Integrated Irrigation Systems (UPRIIS & MRIIS) and Project Management Offices (PMOs) receiving funding checks from the Central Office (CO) shall:

- 2.1.1 Prepare a schedule showing the balances of funding checks received in prior and current years for their operating requirements including non-income collections which are required to be deposited with the National Treasury pursuant to Executive Order No. 338 dated May 6, 1996. The schedule shall show the cash balance as reflected in the check disbursement record of the cashier as of March 31, 2006.**
- 2.1.2 Remit to the National Treasury the cash balances per Check Disbursement Record maintained by the Cashier furnishing the Bureau of Treasury the original copy of the schedule copy furnished Controllershship Department, Central Office.**
- 2.1.3 Upon receipt of the Bank Statements as of the cut off date, prepare immediately the Bank Reconciliation Statement to establish the correctness of the amount remitted to the National Treasury. In case of understatement, the field office concerned shall cause the issuance of a check corresponding to the unremitted amount payable to the Bureau of the Treasury.**
- 2.1.4 Record in the RO/PMO books of account the remittance to the National Treasury of the cash balance pertaining to funding checks received in the current year and prior years from CO as shown in Annex A.**
- 2.1.5 Furnish Controllershship Department, CO copies of Journal Entry Vouchers (JEVs) covering the remittance of the cash balance to the National Treasury supported by certified photo copies of the validated deposit slips.**

2.1.6 Coordinate with the CO and ROs/PMOs for the reconciliation of the following reciprocal accounts to ensure that these accounts are reconciled and consequently eliminated in the consolidation process:

- ☐ Due to/from Central Office
- ☐ Due to/from Regional Offices/PMO
- ☐ Subsidy to Regional Offices/PMO
- ☐ Subsidy from Central Office
- ☐ Subsidy from Regional Offices/PMO

2.2 The Central Office shall:

2.2.1 Coordinate with the ROs/PMOs for the conduct of the reconciliation of the reciprocal accounts.

2.2.2 Based on the copy of the JEV mentioned in Item No. 3.1.6, prepare a JEV to reflect the accounting entries made by the ROs/PMOs in accordance with Annex A.

2.3 Henceforth, and in lieu of CO issued funding checks, the NCA to be received by ROs/PMOs direct from DBM as well as the Notice of Transfer of Allocation (NTA) from the CO shall be debited to account "Cash-National Treasury, Modified Disbursement System (MDS)" and credited to account "Subsidy Income from National Government".

2.4 An illustration of the flow of transactions for the release of allotment and NCA/NTA is shown in Annex C hereof.

3.0 ACCOUNTING ENTRIES

The illustrative accounting entries for the transfer of the balances of funding checks, the receipt, transfer and utilization of allotment; and recording of NCA and NTA are shown in Annexes A and B hereof.

4.0 The Controllership Department shall prepare the Notice of Transfer of Allocation (NTA) based on the approved allocation.

5.0 After transmittal to the ROs/PMOs, the Treasury Department shall furnish a copy of the approved NTA to the Controllership Department for booking up purposes.

6.0 The existing accounting procedure of Regional Office in relation to their respective field units shall continue to be observed.

7.0 REPEALING CLAUSE

All circulars, memoranda and other issuances or parts thereof which are inconsistent with the provisions of this Circular are hereby rescinded/repealed / modified accordingly.

8.0 EFFECTIVITY

This circular shall take effect immediately. However, implementation of the NTA system shall start April 1, 2006.


BALTAZAR H. USIS
Administrator

January 20, 2006

ILLUSTRATIVE ACCOUNTING ENTRIES

Fiscal year 2002 and January to June 2003 transactions of Central and Regional Offices
Conversion and Remittance of the Cash Balance in accordance with NBC 488

ANNEX A

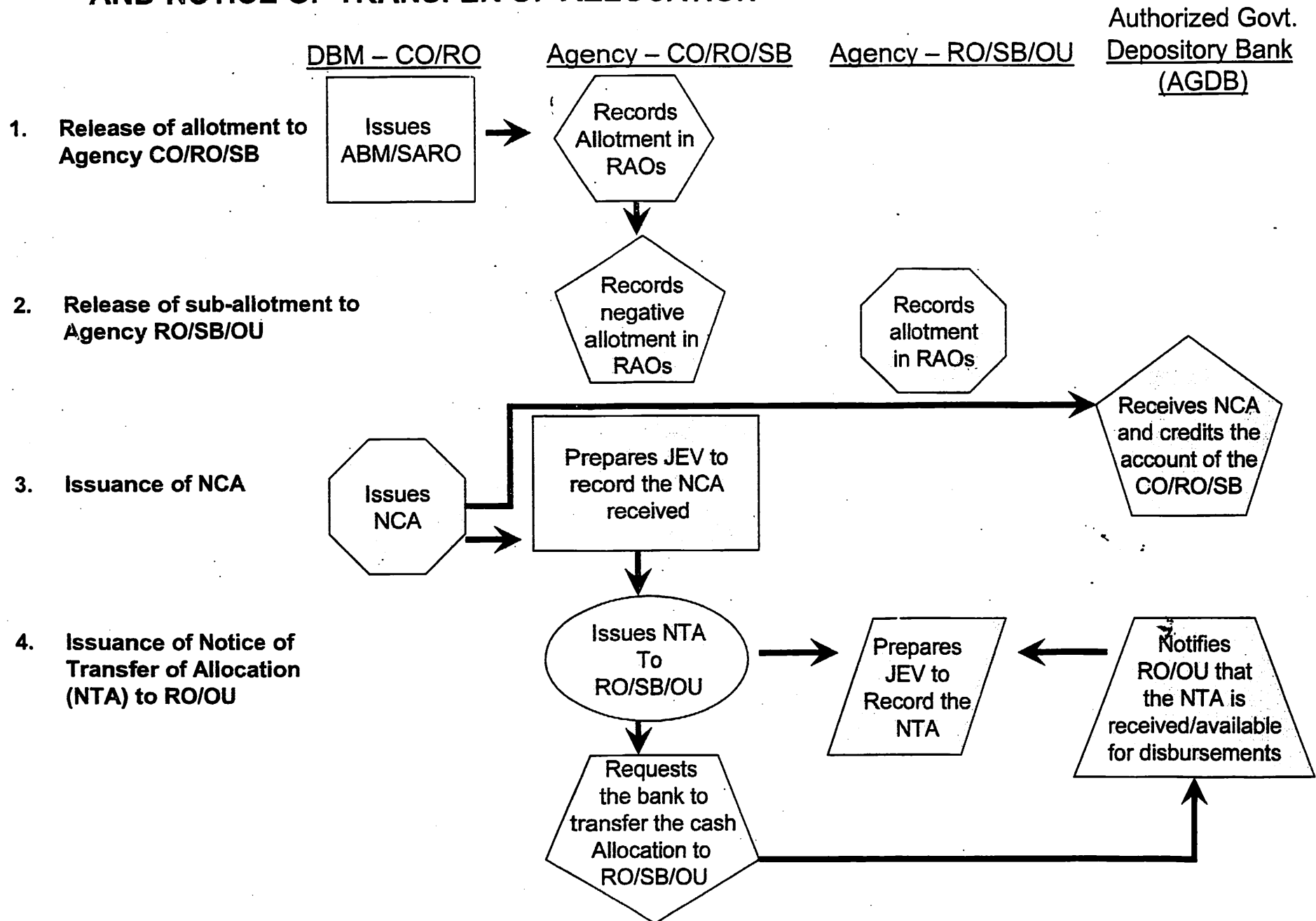
Particulars	Central Office				Regional Office			
	Account Title	Accnt. Code	Debit	Credit	Account Title	Accnt. Code	Debit	Credit
9. Receipt of Cash Bond					Cash-Collecting Officers	102	500.00	
					Performance/Bidders/Bail Bonds Payable	427		500.00
10. Deposit of cash bond to Authorized Gov't. Depository Bank					Cash in Bank-Local Currency, CA	111	500.00	
					Cash-Collecting Officers	102		500.00
Balances as of June 30, 2003	Cash-National Treasury, MDS	108	5,000.00		Cash in Bank-Local Currency, CA	111	12,500.00	
	Due from Regional Offices/Staff Bureaus	142	3,000.00		Expenses	701-999	12,000.00	
	Subsidy to Regional Offices/Staff Bureaus	872	15,000.00		Accounts Payable	401		6,000.00
	Government Equity	501		3,000.00	Due to Central Office	421		3,000.00
	Subsidy Income from National Government	651		20,000.00	Subsidy from Central Office	653		15,000.00
			<u>23,000.00</u>	<u>23,000.00</u>	Performance/Bidders/Bail Bonds Payable	427		500.00
							<u>24,500.00</u>	<u>24,500.00</u>
11. Remittance of cash balance to National Treasury					Due to Central Office	421	3,000.00	
					Subsidy from Central Office	653	8,000.00	
					Prior Year's Adjustment	684	1,000.00	
					Due from National Treasury	131	500.00	
					Cash in Bank-Local Currency, CA	111		12,500.00
11. Upon receipt of JEV from R.O.	Prior Year's Adjustments	684	3,000.00					
	Subsidy Income from National Government	651	8,000.00					
	Due from Regional Offices/Staff Bureaus	142		3,000.00				
	Subsidy to Regional Offices/Staff Bureaus	872		8,000.00				

ILLUSTRATIVE ACCOUNTING ENTRIES
ANNEX B

Receipt of Notice of Cash Allocation by Central Office and Transfer to Operating Unit thru Notice of Allocation (NTA) per NBC 488 dated May 22, 2003

Particulars	Central Office				Regional Office				Operating Units			
	Account Title	Accnt. Code	Debit	Credit	Account Title	Accnt. Code	Debit	Credit	Account Title	Accnt. Code	Debit	Credit
1. Receipt of NCA from DBM	Cash-National Treasury, MDS	108	100									
	Subsidy Income from National Government	651		100								
2. Transfer of Allocation from Central Office to Regional Office thru NTA	Subsidy Income from National Government	651	70		Cash-National Treasury, MDS	108	70					
	Cash-National Treasury, MDS	108		70	Subsidy Income from National Government	651		70				
3. Transfer of Allocation from R.O. to OU thru NTA					Subsidy Income from National Government	651	40		Cash-National Treasury, MDS	108	40	
					Cash-National Treasury, MDS	108		40	Subsidy Income from National Government	651		40

FLOW OF TRANSACTIONS FOR THE RELEASE OF NOTICE OF CASH ALLOCATION AND NOTICE OF TRANSFER OF ALLOCATION



SAMPLE FORMAT

Republic of the Philippines
Department of Agriculture
NATIONAL IRRIGATION ADMINISTRATION
NIA Road, EDSA, Diliman, Quezon City

NTA NO. _____

Date

TO : LAND BANK OF THE PHILIPPINES
Edsa East Branch
DPWH Quezon City Compound
EDSA, Q.C.

Subject: MDS Account No. _____

Gentlemen:

This serves as your authority to debit the above MDS Account in the amount of

Amount

Covering _____

_____ to be transferred to MDS account No. _____

chargeable to _____ dated _____.

This shall be valid up to Dec. 31, _____.

Administrator or Assistant Administrator
for Department Finance & Management

Manager, Treasury Department

For Bank Use Only:

Signature Verified

Posted By

Approved By