



Republic of the Philippines  
**Department of Education**

22 OCT 2019

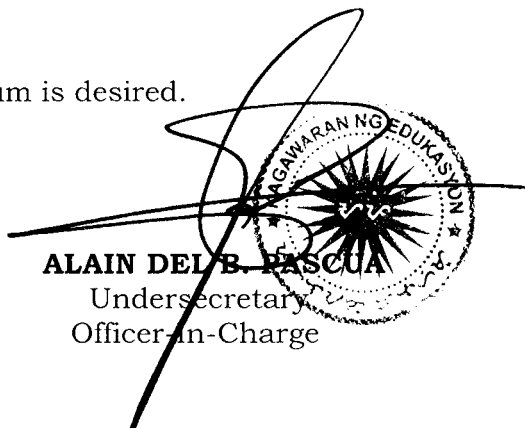
DepEd MEMORANDUM  
No. **145**, s. 2019

**DISSEMINATION OF EXECUTIVE ORDER NO. 87**

(Directing that All Accounts Payable which Remain Outstanding for Two Years or More in the Books of National Government Agencies be Reverted to the Accumulated Surplus or Deficit of the General Fund, or the Cumulative Result of Operations of the National Government)

To: Undersecretaries  
Assistant Secretaries  
Bureau and Service Directors  
Regional Directors  
Schools Division Superintendents  
All Others Concerned

1. For the information and guidance of all concerned, enclosed is a copy of Executive Order No. 87 dated August 13, 2019 titled **Directing that All Accounts Payable which Remain Outstanding for Two Years or More in the Books of National Government Agencies be Reverted to the Accumulated Surplus or Deficit of the General Fund, or the Cumulative Result of Operations of the National Government.**
2. Immediate dissemination of this Memorandum is desired.

  
**ALAIN DEL B. PASCUA**  
Undersecretary  
Officer-in-Charge

Encl.:

As stated

Reference:

None

To be indicated in the Perpetual Index  
under the following subjects:

BUREAUS AND OFFICES  
LEGISLATION  
FUNDS

APA/DTI R-DM Dissemination of EO no.87  
0703/October 7, 2019



MALACAÑAN PALACE  
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 87

**DIRECTING THAT ALL ACCOUNTS PAYABLE WHICH REMAIN OUTSTANDING FOR TWO YEARS OR MORE IN THE BOOKS OF NATIONAL GOVERNMENT AGENCIES BE REVERTED TO THE ACCUMULATED SURPLUS OR DEFICIT OF THE GENERAL FUND, OR THE CUMULATIVE RESULT OF OPERATIONS OF THE NATIONAL GOVERNMENT**

**WHEREAS**, Republic Act No. 3526, entitled "An Act Authorizing the Reversion of Unliquidated Balances of Accounts Payable Outstanding for Two Years or More" and Presidential Decree No. 1445 (s. 1978) or the "Government Auditing Code of the Philippines," authorize the reversion to the Unappropriated Surplus of the General Fund of the National Government, of accounts payable which have remained outstanding for at least two years and for which no actual claim has been filed, and accounts payable which are undocumented or not covered by perfected contracts on record;

**WHEREAS**, despite the laws and issuances on the reversion of accounts payable, various agencies continue to accrue prior years' accounts payable in their respective books of accounts;

**WHEREAS**, to facilitate the preparation of transparent, accountable and realistic disbursement and annual expenditure programs, the accounts payable from prior years need to be reexamined and kept at manageable levels, and the actual cash requirements therefor need to be ascertained;

**WHEREAS**, the existence of prior years' accounts payable in the books of accounts of agencies unnecessarily immobilizes public funds, hampers efforts to determine the actual financial condition of the national government, and hinders effective resource planning and allocation;

**NOW, THEREFORE, I, RODRIGO ROA DUTERTE**, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

**Section 1. Reversion of Documented Accounts Payable.** All documented accounts payable for fiscal year 2016 and years prior thereto shall be reverted to the Accumulated Surplus or Deficit of the General Fund, or the Cumulative Result of Operations of the National Government. Henceforth, all documented accounts payable which remain outstanding for at least two years, for which no actual administrative or judicial claim has been filed, shall be subject to automatic reversion.

THE PRESIDENT OF THE PHILIPPINES

**Section 2. Treatment of Undocumented Accounts Payable.** All accounts payable which are undocumented or not covered by perfected contracts on record, regardless of the year in which they were incurred, shall automatically be reverted. The recording of undocumented accounts payable in the books of accounts of agencies shall be strictly prohibited.

**Section 3. Funding Source for Validated Claims.** In the event that reverted accounts payable are subsequently validated by competent authorities or by final and executory decisions, the funding therefor shall be determined by the Department of Budget and Management (DBM) subject to the applicable laws, rules and regulations.

**Section 4. Prescribed and Disallowed Claims.** The preceding Section shall in no way be construed as authority to revive or validate claims and accounts payable that are already barred by prescription or disallowed by final judicial or administrative determination.

**Section 5. Applicability.** This Order shall apply to all accounts payable of all National Government Agencies, except: (i) trust or fiduciary funds, for as long as the purposes for their creation have not been accomplished; and (ii) accounts payable corresponding to foreign-assisted projects for the duration of the said projects.

**Section 6. Sanctions.** Failure to comply with the foregoing shall be a ground for appropriate sanctions and/or administrative action against the responsible government officials and employees, as may be warranted under the circumstances.

**Section 7. Implementing Rules and Regulations.** The DBM, in consultation and/or coordination with the Commission on Audit, shall prepare the rules and regulations for the implementation of this Order.

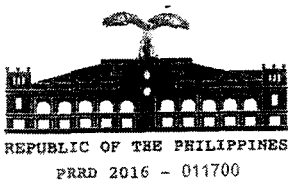
**Section 8. Effectivity.** This Executive Order shall take effect immediately.

**DONE**, in the City of Manila, this 13<sup>th</sup> day of **August**, in the year of our Lord Two Thousand and Nineteen.

*R Duterte* 

By the President:

  
**SALVADOR C. MEDIALDEA**  
Executive Secretary



Office of the President  
MALACANANG RECORDS OFFICE  
**CERTIFIED COPY**  
*J. Concepcion*  
J. CONCEPCION ZERY E. FERROLINO-GRAN  
DIRECTOR IV  
Aug 20 2016