



Republic of the Philippines
Department of Education

17 OCT 2019

DepEd O R D E R
No. **029** s. 2019

**PROCEDURAL GUIDELINES ON THE MANAGEMENT OF CASH ADVANCES
FOR SCHOOL MAINTENANCE AND OTHER OPERATING EXPENSES
AND PROGRAM FUNDS OF NON-IMPLEMENTING UNITS PURSUANT
TO COA, DBM AND DEPED JOINT CIRCULAR NO. 2019-1**

To: Undersecretaries
Assistant Secretaries
Bureau and Service Directors
Regional Directors
Schools Division Superintendents
Public Elementary and Secondary School Heads
All Others Concerned

1. For the information and guidance of all concerned, the Department of Education (DepEd) issues the enclosed procedural guidelines relative to the issuance of the Commission on Audit (COA), Department of Budget and Management (DBM), and the DepEd Joint Circular No. 2019-1 dated February 4, 2019 entitled **Management of Cash Advances to DepEd Non-Implementing Units (Non-IUs) for School Maintenance and Other Operating Expenses (MOOE) and Program Funds.**
2. These guidelines aim to provide procedures for the implementation of the provisions of the said Joint Circular on the proper monitoring, recording, and accounting of financial transactions of all Non-IUs operating without a complete set of book accounts resulting in the effective and efficient management of their cash advances.
3. All DepEd Orders and other related issuances, rules, and regulations, and provisions, which are inconsistent with these guidelines are repealed, rescinded, or modified accordingly.
4. This Order shall take effect immediately and remain in force, until it is repealed, amended, or rescinded.
5. Immediate dissemination of and strict compliance with this Order is directed.


LEONOR MAGTOLIS BRIONES
Secretary

Encl.: As stated

Reference: DepEd Order No. 72, s. 2008

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

EXPENSES

FUNDS

POLICY

SCHOOLS

MCR-DO-Procedural Guidelines on the Management of Cash Advances...
0470-July 15, 2019/7-18

**PROCEDURAL GUIDELINES TO COA, DBM, and DEPED
JOINT CIRCULAR NO. 2019-1**

I. RATIONALE

1. Implementing the COA-DBM-DepEd Joint Circular (JC) No. 2019-01 dated February 4, 2019 entitled "*Management of Cash Advances to DepEd Non-Implementing Units (Non-IUs) for School Maintenance and Other Operating Expenses (MOOE) and Program Funds*" requires the adoption of systematized processes that are imbued with transparency and accountability measures toward an effective and efficient management of cash advances to DepEd Non-Implementing Units (Non-IUs) for school maintenance and other operating expenses (MOOE), in particular and the public financial resources in general.

2. Issuance of comprehensive general and procedural guidelines will allow the users, as well as the other oversight agencies to follow set of standards that also take into account local conditions, such as those schools in geographically isolated and disadvantaged or far-flung areas.

3. As prescribed under the JC, the School Heads of Non-IUs are authorized to open a bank account (checking or savings account) under the name of the schools where cash advances for MOOE and programs funds are to be deposited to either government servicing banks (GSBs) or, whenever applicable, to non-GSBs. Further, said JC allows the DepEd to issue internal procedural guidelines to implement the provisions of the JC.

II. SCOPE

4. The general and procedural guidelines shall apply to all Non-IUs, such as elementary and secondary schools (Junior and Senior High Schools) operating without a complete set of book of accounts, in partnership with the GSBs and non-GSBs. The partnership shall be executed by DepEd through a Memorandum of Agreement (MOA) with the GSB and non-GSB concerned.

III. DEFINITION OF TERMS

5. As used in these guidelines, the following terms shall be defined as follows:

5.1. **Agency** refers to the Department of Education (DepEd)

- 5.2. **Cash Advance** refers to the amount granted on the explicit authority of the Schools Division Superintendent (SDS) only to duly designated disbursing officers or employees for legally authorized purposes, such as payment of current operating expenditures, including travel expenses, and MOOE of the school or for special purpose/time-bound undertaking of the agency when it is impractical to pay the same by check or through direct crediting to bank accounts.
- 5.3. **Checking Account** is a type of bank account against which checks can be drawn by the account holder/s. Also referred to as “current account.”
- 5.4. **Government Servicing Banks (GSBs)** are financial institutions that accept government deposits and perform banking services on behalf of government agencies. To date, the DepEd’s GSBs are as follows: 1) Land Bank of the Philippines; 2) Development Bank of the Philippines; and 3) Philippine Veterans Bank.
- 5.5. **List of Due and Demandable Accounts Payable-Advice to Debit Accounts (LDDAP-ADA)** is an accountable form to be used by National Government Agencies, DepEd in particular, in the implementation of the Modified Direct Payment Scheme (see **Annex A** for the template provided in the Government Accounting Manual or GAM).
- 5.6. **Maintenance and Other Operating Expenses (MOOE)** refers to an expenditure category/expense class for support to the operations of schools such as expenses for supplies and materials; transportation and travel; utilities (water, power, etc.) and repairs, etc.
- 5.7. **Modified Direct Payment Scheme (MDPS)** refers to the direct payment made to creditor’s account with GSBs or other Banks performed by GSBs through MDS upon receipt from the Schools Division Office (SDO) of the LDDAP-ADA.
- 5.8. **Modified Disbursement Scheme (MDS)** refers to a disbursement system implemented to facilitate effective management of the national government’s cash resources, whereby national government agencies/GOCCs settle their payables through issuance of checks or through direct crediting to bank accounts, chargeable against the account of the BTr being maintained with the GSBs.

- 5.9. **Monthly Disbursement Program (MDP)** refers to the estimated monthly disbursement requirements of the operating units (OUs) of DepEd.
- 5.10. **Non-government Servicing Banks (Non-GSBs)** are **private** financial institutions that accept government deposits from government agencies.
- 5.11. **Non-Implementing Unit (Non-IU) School or “School”** is a public elementary or secondary school which does not meet the requirements set forth under DepEd Order No. 60, s. 2011 and DepEd Order No. 77, s. 2010, and, as such, does not receive its allotment directly from the DBM.
- 5.12. **Notice of Cash Allocation** refers to the cash authority issued by the DBM to DepEd OUs, **through the authorized MDS-GSBs**, to cover their cash requirements.
- 5.13. **Passbook** refers to a booklet issued by the bank to an account holder, in which the deposits, withdrawals, and other increases and decreases in the account are recorded.
- 5.14. **Program Funds** refer to the MOOE budget provided for activities directly related to program/service delivery or achievement of performance targets, such as procurement or preparation of food for the School-Based Feeding Program, special activities/programs of units, and other similar expenses.
- 5.15. **School Head** refers to the Principal or Officer-In-Charge (OIC) of the school designated by the SDS, responsible and accountable for the administrative management and instructional supervision of the school or cluster of schools.

IV. POLICY STATEMENT

6. The DepEd shall promulgate systems and processes to facilitate the implementation of the provisions prescribed by COA-DBM-DepEd Joint Circular No. 2019-1, which aims for an effective and efficient management of cash advances to DepEd Non-Implementing Units (Non-IUs) for school maintenance and other operating expenses (MOOE), in particular and the public financial resources in general.

V. GENERAL PRINCIPLES

7. Each School Head shall open a bank account with a GSB within the locality where the school is located.

8. Only the DepEd Central Office (CO) shall enter into a MOA with partner GSBs and non-GSBs. All parties shall adhere to the terms and conditions stipulated therein. The said MOA shall cover arrangements on opening of bank accounts, maintaining balance, and bank transaction fees and charges, among others.

9. Opening an account with non-GSBs may be allowed, provided that there is no existing GSB within a 20km-radius from the school and that the non-GSB has executed a MOA with the DepEd CO for account opening. For this purpose, the School Head shall send a request to the SDS to open an account with a non-GSB. Upon verification if the non-GSB has executed a MOA with DepEd CO, the request shall be indorsed to the BTr by the SDS concerned, certifying therein that there is no GSB within the 20km-radius from the school.

10. In exceptional circumstances, the School Head may request for exemption from opening a bank account for school MOOE, stating the reasons therefor, and duly supported with proper documentation, such as, but not limited to, certifications from the barangay. The request for exemption shall be properly evaluated by the SDO-Accounting Unit (AU) and may be approved by the SDS based on the following reasons:

10.1. Where there is no bank established or operating within the locality, thereby making the claiming of cash advance from the SDO safer, more practical, and convenient; or

10.2. For schools with an average monthly MOOE of PhP5,000.00 based on its current annual appropriation.

11. Processing of requests for authority to open a bank account must be in accordance with the standards specified in these guidelines.

12. School Heads shall request for authority to open a **checking account**, with passbook if available.

13. Requests of School Heads for authority to open bank accounts shall be evaluated by the SDO- Cash Unit. Requests that are found in order shall be signed and forwarded by the SDS to its local BTr for approval. Such recommendations may be submitted to the BTr by batch.

14. Upon approval of the BTr, the SDO-AU, in coordination with the Cash Unit, shall issue a Certification of Approval to the concerned school, which, together with the BTr's approval, shall serve as the School Head's authority to open a bank account for the school.

15. Initial deposit and maintaining balance for the checking accounts shall be based on the MOA to be executed between the GSBs/non-GSBs and the DepEd CO. An Advisory shall be issued for any change in the amount of maintaining balance required by a certain GSB/non-GSB, or any other GSBs/non-GSBs with which DepEd will enter into agreements in the future. The bank requirements, account features, and procedures for opening and maintaining an account with the GSB/non-GSB shall be stipulated in the MOA.

16. The School Head may use the school's MOOE fund for the initial deposit and shall ensure that the account does not fall below the required maintaining balance at all times, to prevent incurring bank charges and fees. Bank charges and fees incurred as a result of the account falling below the maintaining balance shall be paid by the School Head from his/her personal account.

17. For accounts opened with non-GSBs, the account balance of the schools shall not, at any given time, exceed the required amount for the school's operating budget or PhP500,000.00, whichever is lower. Hence, excess allocation that will result in account balance of more than PhP500,000.00 shall be retained at the SDO. School Heads shall judiciously expedite the utilization and liquidation of their funds to ensure that the allocations retained at the SDO are released to the school and fully utilized, and that all programs are timely implemented.

18. The cash requirement to be deposited for MOOE of the schools will be determined by the expenditures needed based on its MDP. It shall be released by the SDO within the first week of every month or quarter, subject to availability of cash allocation released by the DBM and taking into consideration the liquidation of previous funds deposited or released to the bank accounts.

19. All cash advances deposited to the account of the school shall be subject to the maintenance of the Cash Disbursements Register (CDR) and other supporting documents and submission thereof, as needed.

- 19.1. The CDR (see **Annex B** for the template provided in the GAM), shall be supported with necessary documents and a copy of the bank statement or any equivalent document issued by the GSB/non-GSB. There shall be one CDR for School MOOE and one for each Program Fund (e.g. School-Based Feeding Program, Gulayan sa Paaralan, etc.), per month.
- 19.2. CDR for disbursements of not less than 75% of the amount given as cash advance shall be submitted as basis for the release of the MOOE cash advance for the succeeding months or quarters. The submission of CDRs for less than 75% of the cash advance granted may be allowed, but only for purposes of reducing the outstanding cash advance; and
- 19.3. Release of funds/cash advance shall be made through the MDPS using LDDAP-ADA, the amount of which shall be based on the CDR submitted by the school, as validated by the SDO-AU.

20. In case of reassignment of a School Head to another school, or upon his/her retirement/separation/suspension from the service, the cash advance released to him/her must be liquidated and accounted for, and the accountability for the funds and the unused checks should be transferred from the outgoing to the incoming School Head, before a clearance may be issued to the former. The policy of **“No Liquidation, No Clearance”** shall be strictly implemented. The balance of funds, as well as the unused checks, shall be turned over to the incoming accountable officer through the issuance of the Authority to Transfer Accountability for School Funds (see **Annex C**).

21. Only funds from DepEd OUs (Central, Regional and Division Offices) shall be deposited by the SDO to the school’s bank account through the MDPS using the LDDAP-ADA. Deposits from personal funds and funds from other sources shall not be allowed. The use of MDS checks, however, shall be allowed, in cases where MDPS is not applicable or practicable.

22. Only the MOOE items authorized per DepEd Order No. 8, s. 2019 entitled, “Revised Implementing Guidelines on the Direct Release, Use Monitoring and Reporting of Maintenance and Other Operating Expenses (MOOE) Allocation of Schools, Including Funds Managed By Schools”, may be procured from the cash advance.

23. Only the maintaining balance and funding for outstanding checks issued, if any, should remain in the school's bank account, after the unexpended balance and net interest income earned, if any, as of December 31 of every year is transferred by the bank to the account of the BTr.

24. Interest income earned from the checking account shall not be withdrawn, as this will be deposited by the GSB/non-GSB to the account of the BTr every first banking day after each quarter for GSBs, and every first banking day after each year-end for non-GSBs. This shall be recognized and recorded in the BTr's books of accounts as remittances of income of the DepEd SDO-OU's.

25. The monthly bank reconciliation statement shall be prepared by the clustered schools bookkeepers, to be submitted to the SDO-AU for validation and review.

26. The DepEd CO shall conduct training of trainers for the Accountable Officers and others concerned on these guidelines and procedures, as well as its corresponding recording and reporting requirements.

VI. PROCEDURAL GUIDELINES

A. Authorization from the BTr and Opening of Bank Account

27. The School Head shall submit a request to open a bank account, duly supported with a Request for Authority to Open Bank Account (BTr Form 1) and Undertaking (BTr Form 2), accomplished in quadruplicate and notarized as required, pursuant to Treasury Circular No. 2-2014 entitled, "*Guidelines in the Opening of Bank Accounts for Receipts and MDS Disbursements of National Government Agencies*" (see **Annexes D-1 to D-3**, respectively), to the SDS, through the **SDO-Cash Unit, copy furnished the SDO-Accounting Unit.**

28. The SDO-Cash Unit, upon receipt of the request, shall:

- 28.1 Check the completeness of the documents submitted by the School Head and evaluate if in order;
- 28.2 Prepare and sign a "List of Schools Validated as Qualified to Open Bank Accounts," in accordance with the template shown in **Annex E**;

- 28.3 Prepare the following documents to be signed by the SDS:
- a. Endorsement to the BTr Regional Office, recommending the opening of bank accounts for the schools enumerated in the List per Item 28.2 above; and
 - b. Letter of notification to the School Head of the action taken on his/her request whether for recommendation or disapproval by the SDS. The noted deficiency/ies must be stated in the letter, in case of disapproval.

28.4 Prepare the Certification of Approval for the opening of bank account (refer to **Annex F** for the template), or Notification of Disapproval to the concerned school, upon receipt of the approval or disapproval from the BTr.

29. Upon receipt of the approval by the BTr and all supporting documents from the SDO, the School Head shall proceed to the identified GSB or non-GSB for the opening of the checking account. The following documents are the basic requirements on the opening of bank accounts:

29.1 Approval of the BTr to open an account with the GSB (BTr Form 1), which shall be returned to the School Head by the bank after filling out the details of the account opened, and notarized Undertaking (BTr Form 2);

29.2 Approved Appointment of the School Head; and

29.3 Signed Authority to Debit/Credit Account (see **Annex G**) for the automatic transfer of the Quarterly Net Interest Income to the BTr.

30. Upon provision of the account number by the bank, the School Head shall prepare the Waiver of Confidentiality (BTr Form 3; see **Annex D-4**) in quadruplicate, have these notarized, and provide one notarized waiver to the bank. The School Head will then furnish the SDO-AU and SDO-Cash Unit with copies of the fully accomplished BTr Form 1 and notarized BTr Form 3 for records and monitoring purposes, which the SDO-Cash Unit shall compile and endorse to the BTr Regional Office.

31. Bank accounts of non-IUs that already exist prior to the issuance of these guidelines shall be closed, in coordination with the BTr Regional Office as required, subject to the usual accounting and auditing rules and regulations, and another bank account shall be subsequently opened in accordance with these guidelines.

B. Management of Cash Advance and Reporting Requirements

32. The School Head shall:

- 32.1 Manage school’s cash advances for school operations and program funds in accordance with DepEd Order No. 8, s. 2019 on the use of schools’ MOOE allocation (see **Annex H** for the allowable uses of MOOE funds);
- 32.2 Submit to the SDO-AU the CDR (see **Annex B**), together with supporting documents and a copy of bank statements and passbook, following DepEd Order No. 72, s. 2008 entitled, “Manual on Simplified Accounting Procedures for Non-Implementing Units.” The submission of liquidation reports must be consistent with the frequency/timeliness of the submission of reports following the applicable COA rules and regulations on cash advances, e.g. COA Circular 97-002 dated February 10, 1997 as reiterated in COA Circular 2009-002 dated May 18, 2009;
- 32.3 Ensure the submission of the Authority to Debit/Credit Account (**Annex G**) to the bank based on the following schedules, to enable the bank to deposit the interest income and unexpended balances to the BTr:

Particulars	Timelines for Depositing to BTr	Submission of Authority to Debit/Credit Account
Interest Income	For GSB accounts: Quarterly – On the first banking day following the previous quarter For Non-GSB accounts: Annually – On the first banking day of the succeeding year	Upon account opening
Unexpended Cash Advance (Net of maintaining balance, funding for outstanding checks issued, and net interest income, if any) as of December 31 of every year	For GSB and Non-GSB accounts: Annually – On the first banking day of the succeeding year	On or before December 20 of the current year

To determine the amount of the unexpended cash advance to be transferred to the BTr after the end of the year, the School Head shall coordinate with the bank and obtain a bank statement to determine which among the checks issued have not yet been negotiated or encashed, i.e. outstanding checks. Non-submission of the Authority to Debit/Credit Account on or before the deadline shall subject the account to automatic sweeping, net of maintaining balance. The School Head shall exercise utmost diligence in maintaining records of checks issued and in observing the abovementioned deadline; and

- 32.4 In case of reassignment, retirement, separation, or suspension from the service:
- a. Prepare the liquidation, including all supporting documents, of the expended cash advance. Attach the bank statement to account for the unexpended cash advance, as well as the booklet containing the unused checks. Submit the complete set of documents to SDO-AU for audit and approval;
 - b. Upon issuance of the Authority to Transfer Accountability for School Funds (see **Annex C**) and the Indorsement Letter for the Incoming School Head (see **Annex I**), both signed by the SDS, sign the abovementioned documents; and
 - c. In coordination with the SDO-Cash Unit, facilitate the transmission of documents to and from the bank for the updating of the authorized signatory for the school's bank account. The existing account number of the school with the GSB/non-GSB shall be maintained. The School Head may only be cleared upon the SDO's receipt of the bank's undertaking to change the authorized signatory (see **Annex I, For Bank Use Only**).

33. **The SDO-AU, shall:**

- 33.1 Determine the amount to be transferred as Cash Advance for school operations and program funds of each school. The amount to be released shall be based on the performance of the school as to its utilization based on the CDR and bank statement submitted;

- 33.2 Process the clearance as to the financial accountability of the School Head and other school personnel who are designated as signatories, in case of retirement, resignation, suspension, or transfer from one school to another, as follows:
- a. Check the completeness and appropriateness of the documents submitted by the School Head, including the unused checks, as described in item 31.4.a above;
 - b. Prepare and facilitate the signing of the Authority to Transfer Accountability for School Funds (see **Annex C**) and the Indorsement Letter for the Incoming School Head (see **Annex I**) by the SDS;
 - c. Obtain the signatures of the incoming and outgoing School Heads for both documents;
 - d. Upon receipt of the undertaking from the bank (**Annex I**), sign the clearance of the outgoing School Head;
- 33.3 Train, advise, and provide technical assistance to School Heads on management of the funds transferred to their accounts (e.g., purchase of needed supplies and materials upon receipt of the funds, and the prompt settlement of accounts payable within target turn-around-time);
- 33.4 Record in the SDO books of accounts the transactions on MOOE releases to schools, including the amounts deposited to the BTr. The transactions shall have the following journal entries:

Particulars	Debit	Credit
i. Release of Cash Advance thru the School Bank Account	Advances for Operating Expenses – PhP xxx	Cash – MDS – PhP xxx
ii. Liquidation of Cash Advance	Expenses – PhP xxx	Advances for Operating Expenses – PhP xxx
iii. End of the Year Cash Balance (excluding Maintaining Balance, Outstanding Checks and Interest Income)	Cash – Treasury Agency Deposit – PhP xxx	Advances for Operating Expenses – PhP xxx
iv. Recording of Interest Income and Remittance to BTr	Cash – Treasury Agency Deposit – PhP xxx	Interest Income/Misc. Income – PhP xxx
v. Maintaining Balance	To be fully disclosed in the Notes to Financial Statements	

- 33.5 Validate and check the Monthly Bank Reconciliation Statements prepared by the clustered bookkeepers or School Heads in the absence of clustered bookkeepers;
- 33.6 Submit to the DepEd Regional Office a report on the Summary of Bank Accounts Opened.
 - a. For the first, second, and third quarters of the year, submit the report on or before the tenth (10th) day of every month following the end of the quarter, until such time that all schools have opened an account (see **Annex J-1** for the template); and
 - b. For the fourth quarter of the year, submit the report on or before January 15 of the following year (see **Annex J-2** for the template).

34. **The DepEd Regional Office – Finance Division, through its Accounting Unit**, shall consolidate the reports under paragraph 32.6, and submit the same to DepEd CO-Accounting Division, Finance Service (FS) and BTr Regional Office (see **Annexes K-1 and K-2** for the templates). Reports should be submitted based on the following schedule, or as needed:

Particulars	Timelines for Submission of Report
Annex K-1	On or before the fifteenth (15 th) day of every month following the end of the quarter
Annex K-2	On or before January 25 of the following year

35. **The DepEd CO-Accounting Division, FS, shall:**

- 34.1 Provide technical assistance on financial matters related to the implementation of Joint Circular No. 2019-1 and MOAs with GSBs/non-GSBs;
- 34.2 Consolidate reports of bank accounts opened from the regions and submit the same to the BTr, DBM and COA by end of the year, for monitoring purposes; and
- 34.3 Provide assistance in the training of trainers for the Accountable Officers and others concerned on these guidelines and procedures as well as its corresponding recording/reporting requirements.

VII. MONITORING AND EVALUATION

36. Monitoring the compliance of all concerned with these guidelines including addressing issues that arise in implementation, shall be undertaken by the **DepEd Regional Office – Finance Division**, to be assisted by the SDOs under its jurisdiction.

37. A periodic review of these guidelines to further enhance its provisions and effectiveness shall be conducted by DepEd CO, through the **Accounting Division, Finance Service**, and a Committee to be organized by the Office of the Undersecretary for Finance for the purpose.

VIII. FINAL PROVISIONS

A. REPEALING CLAUSE

38. All other rules, regulations and issuances, which are inconsistent with these guidelines are hereby repealed or modified accordingly.

B. ADMINISTRATIVE PROVISIONS/PENAL SANCTIONS

39. It shall be the duty of the School Heads and employees concerned to comply with the requirements of this DepEd Order. Failure or refusal to do so without justifiable cause shall constitute a ground for administrative sanction.

C. EFFECTIVITY

40. These guidelines shall take effect immediately.

LEONOR MAGTOLIS BRIONES

Secretary

**LIST OF DUE AND DEMANDABLE ACCOUNTS PAYABLE - ADVICE TO DEBIT
ACCOUNTS (LDDAP-ADA)**

Department : _____
 Entity Name : _____
 Operating Unit : _____

LDDAP-ADA No. _____
 Date : _____
 Fund Cluster : _____

MDS-GSB BRANCH/MDS SUB ACCOUNT NO.: _____

I. LIST OF DUE AND DEMANDABLE ACCOUNTS PAYABLE (LDDAP)							
CREDITOR		Obligation Request and Status No.	ALLOTMENT CLASS per (UACS)	In Pesos			REMARKS
NAME	PREFERRED SERVICING BANKS/SAVINGS/CURRENT ACCOUNT NO.			GROSS AMOUNT	WITHHOLDING TAX	NET AMOUNT	
I. Current Year A/Ps							FOR MDS-GSB USE ONLY
Sub-total							
II. Prior Year's A/Ps							
Sub-total							
TOTAL				P _____	P _____	P _____	

I hereby warrant that the above List of Due and Demandable A/Ps was prepared in accordance with existing budgeting, accounting and auditing rules and regulations.

I hereby assume full responsibility for the veracity and accuracy of the listed claims, and the authenticity of the supporting documents as submitted by the claimants.

Certified Correct:

Approved:

 (Signature over Printed Name)
 Head of Accounting Division/Unit

 (Signature over Printed Name)
 Head of Agency or Authorized Official

II. ADVICE TO DEBIT ACCOUNT (ADA)

To: MDS-GSB of the Agency

Please debit MDS Sub-Account Number : _____

Please credit the accounts of the above listed creditors to cover payment of accounts payable

TOTAL AMOUNT : _____ P _____
 (In Words)

Agency Authorized Signatories

1. _____

2. _____

(Erasures shall invalidate this document)

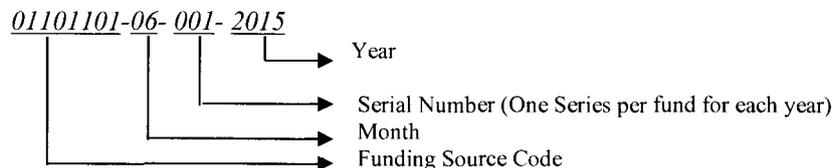
**LIST OF DUE AND DEMANDABLE ACCOUNTS PAYABLE –
ADVICE TO DEBIT ACCOUNT
(LDDAP-ADA)**

INSTRUCTIONS

A. The LDDAP-ADA is an accountable form used as an authorization issued by the NGA/OU to the MDS-GSB instructing the bank to debit a specified amount from its available NCA to pay the creditors/payees listed in the upper portion of the LDDAP-ADA.

B. This accountable form shall be accomplished as follows:

1. **Department/Entity Name/Operating Unit** – name of the department/agency/OU
2. **LDDAP-ADA No.** – the number of the LDDAP-ADA form which shall be assigned by the Accounting Division/Unit, as follows:



3. **Fund Cluster** – the fund cluster name/code in accordance with the UACS
 4. **Date** – date the form was accomplished
 5. **MDS-GSB Branch/MDS Sub-Account No.** – the MDS-GSB branch sub account no.
 6. **Creditor Name** – name of the creditor
 7. **Creditor Preferred Servicing Banks/Savings/Current Account No.** – savings/current account number and the preferred servicing bank of the creditor
 8. **Obligation Request and Status No.** – number assigned to the ORS by the Budget Section/Unit
 9. **Allotment Class** – PS, MOOE, FE and CO
 10. **Gross Amount** – gross amount of payable
 11. **Withholding Tax** – amount of withholding tax to be deducted
 12. **Net Amount** – gross amount less withholding tax
 13. **Remarks** – MDS-GSB branch concerned shall indicate under ‘Remarks’ column, non-payments made to creditors concerned due to inconsistency.
- C. Agency shall arrange the LDDAP-ADA on a “first-in, first-out” basis according to the date of receipt by the NGA/OU of the supplier’s/creditor’s billings with complete supporting documents.
- D. The “LDDAP” portion shall be certified correct by the Head of Accounting Division/Unit that the list was prepared in accordance with existing budgeting, accounting and auditing rules and regulations.
- E. The “LDDAP” portion shall be approved by the Head of Agency or his/her Authorized Representative as to the veracity and accuracy of the listed claims, and the authenticity of the supporting documents submitted by the claimants.
- F. The “ADA” portion shall be signed by the Cashier/Authorized Official and countersigned by the Head of Agency/Authorized Representative/Official.

G. The LDDAP-ADA shall be prepared in five copies to be distributed as follows:

- Original* – MDS-GSB
- Copy 2* – BTr, through MDS-GSB, must be originally signed by the Authorized Signatories
- Copy 3* – COA Auditor, through the Accounting Division/Unit, must be originally signed by the Authorized Signatories; to be submitted first to the MDS-GSB along with the Original and Copy 2 for bank validation

Note: The validated Copy 3 of the LDDAP-ADA shall be returned by the MDS-GSB to the agency to be attached by the Accounting Division/Unit to the original DV and SDs.

- Copy 4* – Cash/Treasury Unit, to be stamped “Received” by the MDS-GSB upon receipt of Copies 1-3 of the LDDAP-ADA
- Copy 5* – Cash/Treasury Unit, to be attached to the RADA I

H. The agency shall reproduce copies of the validated Copy 3 of LDDAP-ADA to be attached to the Copies 2-4 of the DV.

CASH DISBURSEMENTS REGISTER (CDReg)

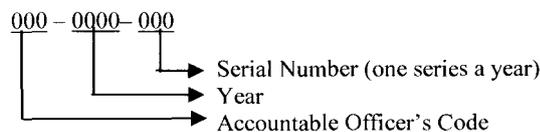
INSTRUCTIONS

- A. The CDReg shall be used by field offices without complete set of books to record, monitor and report transactions involving the cash advances/payments charged thereto, and liquidating thereof by disbursing accountable officer.
- B. It shall be accomplished as follows:
1. **Entity Name** – name of the agency/entity
 2. **Sub-Office/District/Division** – name of operating unit
 3. **Municipality/City/Province** – municipality/city/ province where the agency is located
 4. **Fund Cluster** – the fund cluster name/code in accordance with the UACS
 5. **Accountable Officer/Official Designation/Station** – name of the accountable officer/dispersing officer, his/her designation and station
 6. **Register No.** – the number assigned to the register by the Accounting Division/Unit of the Central/Regional/Division Offices and Operating Units
 7. **Sheet No.** – sheet/page number of the register
 8. **Date** – date of the source document
 9. **DV/Payroll/Check No.** – number assigned to DV/payroll/check
 10. **Particulars** – details of cash advance or nature of payments
 11. **Advances for Operating Expenses (19901010) - Amount:**
 - **Cash Advance**– amount of the cash advance received
 - **Payments** – amount disbursed out of the cash advance
 - **Balance** – the difference between the cash advance and payments
 12. **Breakdown of Payments:**
 - **Salaries and Wages- Regular** – amount paid to government employees occupying regular plantilla positions
 - **Salaries and Wages-Casual/Contractual** – amount paid to casual/contractual employees
 - **Office Supplies Expenses** – amount paid for office supplies
 - **Others** – account description, UACS object code and the amount paid for other recurring expenses (to be specified by the agency)
 13. **Certified Correct** – name and signature of the Cashier/Disbursing Officer in every sheet of the register
 14. **Received By** – name and signature of the person who received the register in the CO/RO/Division Office and OU
- C. The “Others” columns shall be used for payment of other expenses which are not classified under the previously enumerated columns, summarized/recapitulated immediately after the totals using the format below:

Recapitulation:

Account Description	UACS Object Code	Amount
Total		

- D. The total of the ‘Advances for Operating Expenses – Payments’ column must always be equal to the sum of the totals of the ‘Breakdown of Payments’ columns.
- E. Every time the cash advance is liquidated, a certified photocopy of this register shall be submitted by the Cashier/Disbursing Officer to the Accounting Division/Unit at the Central/Regional/Division Offices and Operating Units for recording of the transactions in the books of accounts. All cash advances shall be liquidated or reported on in accordance with existing accounting and auditing rules and regulations. A new sheet should be used for every liquidation.
- F. This Register shall be totaled, balanced and ruled. The ruling shall be made in the line immediately after the last entry of all money columns except the ‘Advances for Operating Expenses – Balance’ column.
- G. Upon receipt of the certified register, the Accounting Division/Unit at the Central/Regional/Division Offices and Operating Units shall check entries to the corresponding paid DVs/supporting documents and assign number to the register as follows:



AUTHORITY TO TRANSFER ACCOUNTABILITY FOR SCHOOL FUNDS

This is to authorize the transfer of accountability for the funds of ____ (Name of School) ____ (School ID ____) maintained in ____ (Name of Government Servicing Bank - Branch) ____ under Account Number _____, where ____ (Name of Outgoing School Head) ____ shall be replaced by ____ (Name of Incoming School Head) ____ as the new authorized signatory and accountable person for the said bank account, in accordance with DepEd Order No. ____, s. 2019, entitled, "Procedural Guidelines on the Management of Cash Advances for School Maintenance and Other Operating Expenses and Program Funds of Non-Implementing Units Pursuant to COA, DBM and DepEd Joint Circular No. 2019-1."

Subject of this Transfer of Accountability are the following:

1. The remaining MOOE funds for Cash Advance of the incoming School Head, amounting to ____ (Amount in Words) ____ (P ____);
2. Unliquidated Cash Advance amounting to ____ (Amount in Words) ____ P ____), currently deposited in the abovementioned bank account; and
3. The unused checks issued for the abovementioned bank account, with serial numbers ____ to ____.

Certified Correct:**Approved:**_____
Schools Division Accountant*Signature Over Printed Name*_____
Schools Division Superintendent*Signature Over Printed Name***Conforme:**_____
Outgoing School Head*Signature over Printed Name*_____
Incoming School Head*Signature over Printed Name*

**REQUEST FOR AUTHORITY TO OPEN A BANK ACCOUNT
FOR A NON-IU SCHOOL**

(Date)

Schools Division Superintendent
Schools Division of _____

(Address)

Through: **Mr./Ms.** _____, Schools Division Cashier

Dear _____:

In compliance with DepEd Order No. ____, s. 2019 entitled, *“Procedural Guidelines on the Management of Cash Advances for School Maintenance and Other Operating Expenses and Program Funds of Non-Implementing Units Pursuant to COA, DBM and DepEd Joint Circular No. 2019-1,”* submitted herewith are the duly accomplished BTr Forms 1 (Request For Authority to Open Bank Account) and 2 (Undertaking), for your consideration.

For your ready reference, below are the information necessary for opening the bank account:

- | | | |
|--|---|------------------|
| 1. School ID | : | _____ |
| 2. Name of School | : | _____ |
| 3. Authorized Signatory and Position Title | : | _____ |
| 4. Name of Preferred Bank and Branch | : | _____ |
| 5. Bank Account Type | : | Checking Account |
| 6. Maintaining Balance | : | _____ |
| 7. Initial amount to be deposited | : | _____ |

Anticipating your favorable consideration on this matter.

Very truly yours,

[Signature]

(NAME OF SCHOOL HEAD)

(Position Title)

Encls.: As stated.

Copy furnished:

_____, Schools Division Accountant

BTr FORM 1

(To be accomplished in quadruplicate)

REQUEST FOR AUTHORITY TO OPEN BANK ACCOUNT

1. Name of Agency/Bureau/Office _____

2. Type of Bank Account

MDS SAVINGS ACCOUNT

CURRENT ACCOUNT OTHERS _____

3. Legal Basis and Purpose of Opening the Account
(State pertinent section/provision)

R.A. _____ Others _____
 (e.g. MOA, Department Order/Circular) Please attach copy

E.O. _____

4. Funding Source

R.A. _____ (GAA) Others _____

GRANT _____

5. Authorized Signatory/Signatories

1. _____ 2. _____

6. Bank Branch where the Agency/Bureau/Office intends to open an Account _____

7. SIGNATURE OVER PRINTED NAME OF AUTHORIZED OFFICER _____

Do not fill-up this portion (For Bureau of the Treasury use only)

8.

APPLICATION REF. NO.: _____

EVALUATED BY: _____

APPROVED/DISAPPROVED BY: _____
 (Signature over printed name of the Regional Director)

Reason for disapproval: _____

Do not fill-up this portion (For the bank use only)

9.

This is to confirm the existence of Account Name _____
(Name of Agency)

with Account Number _____ in Branch _____

 Signature over printed name of the Authorized Bank Officer

UNDERTAKING

KNOW ALL MEN BY THESE PRESENTS:

This Institution _____, represented by _____, with postal address at _____, under and by virtue of these presents, and in compliance with Treasury Circular No. ____-2014 in the opening of bank account, do hereby agree and undertake to execute, submit, and deliver to the Bureau of the Treasury and Authorized Government Depository/Servicing Bank a waiver of confidentiality for each bank account that will be opened or hereinafter be opened to account for government receipts and disbursements.

IN WITNESS WHEREOF, I have hereunto affixed my signature this ____ day of _____ in _____,

Name of Agency

By:

Head of Agency/Authorized Representative

SIGNED IN THE PRESENCE OF:

ACKNOWLEDGMENT

Republic of the Philippines)
_____)S.S.

BEFORE ME, Notary Public for and in the _____ this day of _____, 20____ personally appeared:

Name	Competent Proof of Identification	Issued on/Valid until
Representing [name of Agency]		

known to me to be the same person/s who executed the foregoing Undertaking and acknowledged to me that the same is his/her true and voluntary act and deed and of the institution represented.

WITNESS MY HAND AND SEAL on the date and at the place first above written.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of _____

WAIVER OF CONFIDENTIALITY

KNOW ALL MEN BY THESE PRESENTS:

That in compliance with our Undertaking dated _____, in favor of the Bureau of the Treasury and the Authorized Government Depository/Servicing Bank, we, _____ hereby unconditionally waive our right to secrecy of _____
(Name of Institution)
bank deposits under the Bank Secrecy Law over Account Number _____
(Name of Bank) in favor of the Bureau of the Treasury/Treasurer of the Philippines or Authorized Representative and the bank branch to which the bank account is opened and maintained.

That we declare that we have read this document and have fully understood its contents. We further declare that we voluntarily and willingly executed this Waiver with full knowledge of our rights under the law.

IN WITNESS WHEREOF, I have hereunto set my hand at _____, this _____ day of _____, 20_____.

Name of Agency

By:

Head of Agency/Authorized Representative

SUBSCRIBED AND SWORN to before me this day of _____ affiant exhibited to me competent proof of his identity.

NOTARY PUBLIC

Page No. _____;
Doc. No. _____;
Book No. _____;
Series of _____.

DepEd Region NCR
 Schools Division of Pasig City

List of Schools Validated as Qualified to Open Bank Accounts
 As of _____

No.	School ID	Name of School	Authorized Signatory	Position Title/ Designation	Bank Account Details				Remarks	
					Account Type	Maintaining Balance	Initial Amount to be Deposited	Bank		Branch
1	101000	Fernando Elementary School	Juan dela Cruz	Principal II	Current	500.00	500.00	Land Bank of the Philippines	Pasig Branch	
2										
3										
4										
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22										
23										
24										
25										

Prepared By: _____

Approved By: _____

<Signature>
NAME
 Cashier

<Signature>
NAME
 Schools Division Superintendent

CERTIFICATION OF APPROVAL TO OPEN A BANK ACCOUNT

Date

MR. _____
School Head / Principal
Name of School
Address

Through: **Mr./Ms.** _____, Schools Division Cashier

Dear **Mr.** _____:

This is to certify that your request to open a bank account with [**Name of Bank - Branch**] dated _____ has been **approved** by the Bureau of Treasury (BTr). Attached is a copy of the approval by the BTr and a copy of your aforementioned request, for appropriate action.

Pursuant to DepEd Order No. __, s. 2019, please proceed with the immediate opening of a bank account with the above-cited bank branch for the purpose of managing cash advances for your school's maintenance and other operating expenses, and return to this office the pertinent documents for submission to the BTr.

Very truly yours,

NAME
Schools Division Superintendent
Schools Division of _____

Attachment: Copy of the approval by the BTr

Copy furnished:
_____, Schools Division Accountant

(NAME OF BANK)
Authority to Debit/Credit Account

Date : _____

To : **THE BRANCH HEAD**
 _____ Branch

Subject : **AUTHORITY TO DEBIT/CREDIT ACCOUNT**

This authorizes LANDBANK to:

1. Debit _____
 (Account Name)

Checking Account Number _____

2. Credit the BTr Account Number _____, representing the following:

Automatic transfer of Quarterly Net Interest Income

Automatic transfer of the Account balance every end of the year
 (Net of Maintaining Balance)

(To be filled up at the end of each reference year)

Transfer of the Account balance **at the end of the year**
 (Net of maintaining balance and outstanding checks)

Amount in Figures: P _____

Amount in Words: _____

 Name and signature of Authorized Signatory

FOR BANK'S USE ONLY:

Signature verified by:	Checked by:	Approved by:	Sight Verified by:
------------------------	-------------	--------------	--------------------

Validation Print:

Excerpt from **DepEd Order No. 8, s. 2019**: *Revised Implementing Guidelines on the Direct Release, Use, Monitoring and Reporting of Maintenance and Other Operating Expenses Allocation of Schools, Including Other Funds Managed By Schools*

D. Uses of School MOOE

School MOOE, as defined under the Definition of Terms per Section IV.4 of this DO, shall also be used for the following, among others, subject to availability of funds and prioritization of mandatory expense items; and must be in accordance with the existing budgeting, accounting, procurement and auditing rules and regulations:

- 1) To fund activities as identified in the approved School Improvement Plan (SIP) for implementation in the current year and as specifically determined in the Annual Implementation Plan (AIP) which shall follow the calendar year format (**Annex 1**) of the school;
- 2) To finance expenses pertaining to graduation rites, moving up or closing ceremonies and recognition activities;
- 3) To fund supplies, rental and minor repair of tools and equipment and other consumables for teachers and students deemed necessary in the conduct of classes and learning activities;
- 4) To fund minor repairs of facilities, building and grounds maintenance necessary for the upkeep of the school (as defined in DepEd Order No. 1, s. 2017 entitled *Guidelines on the National Inventory of DepEd Public School Buildings for School Year 2016-2017*);
- 5) To procure semi-expendable property items worth less than Php15,000.00 (including Technical-Vocational-Livelihood and science classes consumables) as provided in the Government Accounting Manual (GAM) issued by the Commission on Audit; and
- 6) In no case shall the school MOOE be used for the procurement of:
 - 9.1. School seats, and teacher's tables and chairs **except** for school furniture which are not procured/provided by the Central, Regional or School Division Offices. These may include laboratory and workshop furniture;
 - 9.2. Textbooks; and
 - 9.3. Other supplementary learning resources (SLRs) which include publications, periodicals and review materials.

INDORSEMENT LETTER FOR THE INCOMING SCHOOL HEAD

(Date)

(NAME)

Branch Head

(Name of Government Servicing Bank)

(Address)

Dear _____:

Pursuant to DepEd Order No. ___ s. 2019, entitled "*Procedural Guidelines on the Management of Cash Advances for School Maintenance and Other Operating Expenses and Program Funds of Non-Implementing Units Pursuant to COA, DBM and DepEd Joint Circular No. 2019-1*", and in view of the transfer/retirement/separation/suspension from the service of (Name of Outgoing School Head), please be informed of the following change/s in the authorized signatory for the checking account of (Name of School) (School ID), with the Account No. _____:

From:

To:

Outgoing School Head
Signature over Printed Name

Incoming School Head
Signature over Printed Name

The custody, management, and accountability of the subject account and funds deposited thereto shall be entrusted to the incoming School Head effective _____. We request that the corresponding changes in your records be made in accordance with this information. Please inform this Office once changes have been made by filling out the form below and returning the same to this Office.

Thank you.

Very truly yours,

Schools Division Superintendent
Signature over Printed Name

For Bank Use Only

This is to acknowledge receipt of this letter on _____. Please be informed that the requested change of authorized signatory for the account of (Name of School) with Account No. _____ with this Branch will be effected on or before _____.

Authorized Bank Officer
Signature over Printed Name

Summary of Bank Accounts Opened for the Maintenance and Other Operating Expenses of Non-Implementing Unit Schools
As of the Quarter Ended March 31/June 30/September 30, 20__

DepEd NCR
Schools Division of _____

No.	School ID	Name of School	Bank Account Details						Remarks	
			Date Opened (mm/dd/yyyy)	Account No.	Account Type	Maintaining Balance (PHP)	Initial Amount Deposited by the Schools Division Office (PHP)	Bank		Branch
1	101000	Fernando Elementary School	01/10/2020	8888-8888-88	Checking	500.00	1,000.00	Land Bank of the Philippines	Pasig City	
2										
3										
4										
5										
6										
7										
8										
9										
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21										
22										
23										
24										
25										

Prepared by:

Reviewed by:

Certified correct:

<Signature>

NAME
Administrative Assistant II / III

<Signature>

NAME
Division Accountant

<Signature>

NAME
Schools Division Superintendent

Summary of Bank Accounts Opened for the Maintenance and Other Operating Expenses of Non-Implementing Unit Schools
As of the Year Ended December 31, 20__

DepEd NCR
Schools Division of _____

No.	School ID	Name of School	Bank Account Details						Bank	Branch	Remarks
			Date Opened (mm/dd/yyyy)	Account No.	Account Type	Maintaining Balance (PHP)	Initial Amount Deposited by the Schools	Account Balance as of December 31 (PHP)			
1	101000	Ferrando Elementary School	01/10/2020	8888-8888-88	Checking	500.00	1,000.00	700.00	Land Bank of the Philippines	Pasig City	
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
16											
17											
18											
19											
20											
21											
22											
23											
24											
25											
GRAND TOTAL								700.00			

Prepared by:

Reviewed by:

Certified correct:

<Signature>
NAME
Administrative Assistant II / III

<Signature>
NAME
Division Accountant

<Signature>
NAME
Schools Division Superintendent

Consolidated Report of Summaries of Bank Accounts Opened for the Maintenance and Other Operating Expenses of Non-Implementing Unit Schools
As of the Quarter Ended March 31/June 30/September 30, 20__

DepEd ___NCR___

No.	Schools Division	School ID	Name of School	Bank Account Details							
				Date Opened (mm/dd/yyyy)	Account No.	Account Type	Maintaining Balance (PHP)	Initial Amount Deposited by the Schools Division Office (PHP)	Bank	Branch	Remarks
1	Pasig City	101000	Fernando Elementary School	01/10/2020	8888-8888-88	Checking	500.00	1,000.00	Land Bank of the Philippines	Pasig City	
2											
3											
4											
5											
6											
7											
8											
9											
10											
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21											
22											
23											
24											
25											

Prepared by:

<Signature>
NAME
Regional Accountant

Reviewed by:

<Signature>
NAME
Chief Administrative Officer, Finance Division

Certified correct:

<Signature>
NAME
Regional Director

Consolidated Report of Summaries of Bank Accounts Opened for the Maintenance and Other Operating Expenses of Non-Implementing Unit Schools
As of the Year Ended December 31, 20__

DepEd NCR

No.	Schools Division	School ID	Name of School	Bank Account Details								
				Date Opened (mm/dd/yyyy)	Account No.	Account Type	Maintaining Balance (Php)	Initial Amount Deposited by the Schools	Account Balance as of December 31 (Php)	Bank	Branch	Remarks
1	Pasig City	101000	Fernando Elementary School	01/10/2020	8888-8888-88	Checking	500.00	1,000.00	700.00	Land Bank of the Philippines	Pasig City	
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
GRAND TOTAL									700.00			

Prepared by: _____
<Signature>
NAME
Regional Accountant

Reviewed by: _____
<Signature>
NAME
Chief Administrative Officer, Finance Division

Certified correct: _____
<Signature>
NAME
Regional Director



Republic of the Philippines

**COMMISSION ON AUDIT
DEPARTMENT OF BUDGET AND MANAGEMENT
DEPARTMENT OF EDUCATION**

JOINT CIRCULAR NO. 2019 - 1
February 4, 2019

FOR : Schools Division Superintendents, Heads of DepEd Supervised Public Elementary and Secondary Schools, All Central and Regional Officials of the Department of Budget and Management, and the Department of Education, Heads of Finance Services/Divisions/Units, Heads of Accounting and Budget Divisions/Units; Commission on Audit Auditors; Treasurer of the Philippines, Bureau of the Treasury Directors, Heads of Modified Disbursement Scheme-Government Servicing Bank (MDS-GSB), and All Others Concerned

SUBJECT: MANAGEMENT OF CASH ADVANCES TO DEPED NON-IMPLEMENTING UNITS (Non-IUs) FOR SCHOOL MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE) AND PROGRAM FUNDS

1. BACKGROUND

- 1.1. The Department of Budget and Management (DBM) in collaboration with the Bureau of the Treasury (BTr) and the Commission on Audit (COA) is implementing a Public Financial Management (PFM) Reform Program to enable the government to streamline processes, promote stronger financial accountability, and fully execute the authorized annual appropriations to promote growth and reduce poverty;
- 1.2. A key objective of the PFM Reform Program is to install better cash management in government which will allow the BTr to strengthen the monitoring and management of government funds maintained outside of the Treasury Single Account (TSA) and the MDS; and
- 1.3. Under the existing set up, cash advances to the School Heads of non-IUs for school operations and program funds constitute a sizeable amount. The DBM-DepEd Joint Circular No. 2004-1, Guidelines on the Direct Release of

Funds to DepEd Regional Offices and Implementing Units, prescribes, among others, that the cash requirements of DepEd non-IUs shall be released to the respective School Heads by the Schools Division Offices (SDOs) through cash advance.

2. PURPOSE

- 2.1. To authorize School Heads of non-IUs to: (a) open a bank account (checking or savings account), under the name of the school where the cash advance for school operating budget and program funds shall be deposited; and (b) for the school heads to negotiate banking arrangements such as minimum maintaining balance, interest on funds, among others; and
- 2.2. To provide DepEd and the oversight agencies such as COA, DBM, and BTr guidelines on the monitoring of the accounts, including the submission of reports and proper recording/accounting of transactions.

3. COVERAGE

- 3.1. This Circular covers all DepEd's non-IUs namely, elementary schools (ESs) and secondary schools (SSs) operating without a complete set of books of accounts.

4. DEFINITION OF TERMS

For purposes of this Circular, the terms listed herein shall be construed to mean the following:

- 4.1 Government Servicing Banks (GSBs) are financial institutions that accept government deposits and perform banking services on behalf of government agencies.
- 4.2 List of Due and Demandable Account Payables-Advice to Debit Accounts (LDDAP-ADA) is an accountable form to be used by National Government Agencies (NGAs) in the implementation of the Modified Direct Payment Scheme (MDPS).
- 4.3 Modified Direct Payment Scheme (MDPS) refers to direct payment made to creditor's account with the GSBs or other Banks performed by the GSBs through MDS upon receipt from the Agency of the LDDAP-ADA.
- 4.4 Modified Disbursement Scheme (MDS) is a procedure whereby disbursements by NGAs chargeable against the account of the Treasurer of the Philippines are effected through GSBs.

- 4.5 Treasury Single Account (TSA) is a unified structure of government bank accounts giving the BTr a consolidated view of government financial resources, thus, strengthening cash management. It rationalizes agency bank accounts and provides a more economical system for (i) receipts and cash disbursements, removing revenue floats and (ii) a more efficient reconciliation of bank balances.

5. GENERAL GUIDELINES

- 5.1 The School Heads of non-IUs shall be directed to open and maintain a bank account (checking or savings account) under the name of the school with the GSBs. The account opened shall be used to deposit the cash advance of the principal for the operating budget and program funds of the school.

Opening an account (checking or savings account) with non-GSBs shall also be allowed provided that, there is no existing GSBs within the 20 km radius from the school, subject to post audit by the COA auditor concerned.

- 5.2 The School Head shall be the signatory to the account and shall make arrangements with the Bank relative to the opening of account, maintaining balance and bank fees/transactions costs to be approved by DepEd authorized personnel. Maintaining balance and transaction cost/bank fees shall be charged to the school's MOOE budget.

- 5.3 The authority to open a bank account for each school shall be approved by the BTr upon submission of request by DepEd supported with the following information:

5.3.1 Name and Address of School;

5.3.2 Name and Address of Bank/Branch where to open an account;

5.3.3 Name of authorized signatory/signatories and designation; and

5.3.4 Certification of Approval by the DepEd authorities.

In non-GSBs, the bank account of the schools shall not have funds more than the required amount for the schools' operating budget or P500,000 whichever is lower. This shall safeguard government deposits with Philippine Deposit Insurance Corporation insurance.

- 5.4 The cash requirement for MOOE of the schools shall be released within the first week of every month/quarter, subject to availability of cash allocations as released by the DBM. The amounts to be released for each month/quarter should correspond to expenditures needed for the month/quarter, taking into consideration actual historical utilization to minimize the amount of funds released as cash advance.
- 5.5 The School Head shall inform the bank that interest income on the account shall be transferred automatically to the BTr by the GSBs every quarter, and

by the non-GSBs every end of the year. These shall be recognized in the BTr's books of accounts as remittances of income of the government.

The recognition of bank charges and interest in the books of the DepEd's Operating Unit (SDOs/Regional Offices (ROs)) concerned shall be based on the bank statement or passbook entries, as the case may be.

- 5.6 The operating budgets and program funds of non-IU schools shall be deposited by the SDOs/ROs through the MDPS using the LDDAP-ADA. The issuance of MDS checks shall be allowed, in cases where MDPS is not applicable or practicable.

The LDDAP-ADA shall contain the list of bank accounts with the name of the schools and other information required in the form.

- 5.7 Only deposits from the DepEd's Operating Unit (SDOs/ROs) concerned and interest earned on such deposits shall be allowed to be credited to the school's bank account.
- 5.8 To liquidate the cash advance, the School Heads of Non-IUs shall submit to the SDOs/ROs concerned Cash in Bank Register, together with the supporting documents and a copy of bank statement or passbook. Liquidation reports for disbursements of up to 75% of the amount given as cash advance shall be submitted as basis for the release of the MOOE budget for the subsequent month/s or quarter/s. The submission of partial liquidation report even below 75% of the cash advance granted may be allowed but only for purposes of reducing the outstanding cash advance.
- 5.9 The bank account shall only have the maintaining balance by end of the year. The balance of the school bank account in excess of the required maintaining balance shall be directly remitted to the BTr by the GSB or non-GSBs, at the end of the year. To avoid unnecessary transaction fees/bank charges, the balance of the bank account should not be less than the required maintaining balance.
- 5.10 The School Heads shall make proper liquidation of his/her cash advance if he/she shall be reassigned to another school or upon his/her retirement/separation from service. This shall be one of the bases for the issuance of clearance.
- 5.11 The DepEd SDOs/ROs shall reconcile the amount withdrawn based on the bank statement or passbook with the reported disbursement and the supporting documents submitted for liquidation of the cash advance.
- 5.12 To ensure the smooth implementation of this Circular, a training shall be conducted for School Heads, accountable officers, and others concerned on

the guidelines and procedures and the required recording/reporting framework.

6. SPECIFIC GUIDELINES AND RESPONSIBILITIES

6.1. Department of Education

6.1.1. The School Heads of non-IUs shall be granted the authority and responsibility to:

- a. open and maintain a bank account (checking or savings account) under the name of the school for its operating and program funds;
- b. manage the school's operating budgets and program funds that will be downloaded as cash advances;
- c. submit bank statements or passbooks and other reports as may be required by the SDOs/ROs; and
- d. comply with the liquidation requirements and submit reports together with other supporting documents to the SDOs/ROs concerned observing the prescribed timeline as indicated under Item 5.8 of the General Guidelines. This shall be consistent with the frequency/timeliness of the submission of reports following the applicable COA rules and regulations on cash advances, e.g., COA Circular 97-002 dated Feb 10, 1997 as reiterated in COA Circular 2009-002 dated May 18, 2009.

6.1.2. The DepEd SDOs/ROs shall:

- a. determine the amount to be transferred as cash advance to the non-IUs for their operating and program funds;
- b. adjust the cash advance to be issued to non-IUs based on actual utilization and bank reports in order to avoid unnecessary amounts outside of the TSA;
- c. be responsible for the issuance of clearances in case of retirement, resignation, or transfer from one school to another of School Heads and other school personnel who are designated as signatories; and
- d. advise non-IUs to efficiently manage the funds transferred to their accounts (e.g., purchase of needed supplies and materials upon receipt of the funds, and the prompt settlement of accounts payable within target turn-around-time).

6.1.3. DepEd Central Office shall:

- a. monitor the status of bank accounts opened by the School Heads and submit the summary of bank accounts opened and outstanding balances to the BTr and other oversight agencies by end of the year, for monitoring purposes; and
- b. prepare and issue additional procedural guidelines, as needed.

6.2. Department of Budget and Management

- 6.2.1. DBM shall include in the comprehensive Notice of Cash Allocation the requirements of DepEd's non-IUs corresponding to the amounts indicated in the approved Monthly Disbursement Program.
- 6.2.2. The DBM RO concerned shall make sure that proper reports are submitted by DepEd to regularly check the utilization of cash advances granted.

6.3. Commission on Audit

- 6.3.1. COA shall include in its regular audit the bank accounts opened by DepEd's non-IUs to ensure that implementation is in accordance with the existing rules and regulations, and funds are used according for their authorized purpose/s.
- 6.3.2. COA shall prescribe additional accounting and auditing guidelines, if necessary.

7. ADMINISTRATIVE PROVISIONS/PENAL SANCTIONS

- 7.1 It shall be the duty of the officials and employees concerned to comply with the requirements of this Circular. Failure or refusal to do so without justifiable cause shall constitute a ground for administrative action.
- 7.2 The preceding section is without prejudice to the filing of appropriate criminal charges under existing laws against erring officials and employees.

8. REPEALING CLAUSE

All circulars, memoranda, rules, regulations, and other issuances inconsistent with this Joint Circular are deemed repealed and superseded accordingly.

9. EFFECTIVITY

This Circular shall be effective immediately upon issuance.

For the guidance of all concerned.

BENJAMIN E. DIOKNO

Secretary

Department of Budget and Management



MICHAEL G. AGUINALDO

Chairperson

Commission on Audit



LEONOR MAGTOLIS BRIONES

Secretary

Department of Education