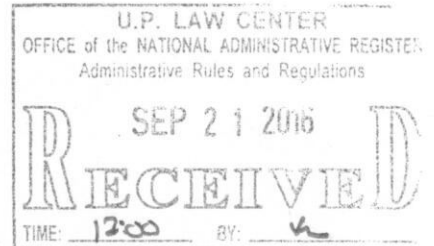




*Funding the Republic*

REPUBLIKA NG PILIPINAS  
KAGAWARAN NG PANANALAPI  
**KAWANIHAN NG INGATANG-YAMAN**  
(BUREAU OF THE TREASURY)  
INTRAMUROS, MAYNILA



Treasury Circular No. 01-2013  
January 23, 2013

**TO:**

Heads of National Government Agencies (NGA)  
Heads of NGA Regional Offices/Operating Units  
Heads of State Universities and Colleges  
Heads of Government Hospitals and Sanitaria  
BTr Regional Directors/District /Provincial Heads  
and Officers-In-Charge  
NGA COA Resident Auditors  
Authorized Government Depository Banks (AGDB)  
Others Concerned

**PURPOSE**

This Treasury Circular is issued to provide guidelines for: 1) Validation of legal basis in opening/maintaining Deposit Account/s, per TOP letter of Nov. 21, 2012 and Section 4 of the Rules and Regulations of the Permanent Committee; 2) Monitoring of NGA's compliance to Department of Finance – Department of Budget and Management Joint Letter Policy dated December 12, 2012 instructing National Government Agencies to close Dormant Account/s and transfer the balances to the National Treasury pursuant to Executive Order No. 431 dated May 30, 2005; and 3) Closure of Unauthorized Account/s.

**I. DEFINITION OF TERMS**

Unless otherwise defined, the terms used herein shall have the following meaning:

1. **Authorized Government Depository Bank (AGDB)** shall refer to a financial institution/bank authorized by the Bangko Sentral ng Pilipinas and the Department of Finance to accept deposit from government agencies.
2. **Deposit Account** shall refer to an account opened or maintained by an NGA with an AGDB or other depository bank.
3. **Dormant Account** shall refer to a deposit account where collections authorized by law to be deposited with an AGDB has remained inactive or without any transaction for more than five (5) years since its last transaction.
4. **Executive Order No. 431** refers to the directive of the President of the Philippines to revert all dormant accounts, unnecessary special and trust funds to the General Fund.

5. **Government Fund** shall refer to funds received by an NGA arising from specific provisions of the General Appropriations Act intended for specific public purpose.
6. **National Government Agency (NGA)** shall refer to any of the various units of the government including departments, bureaus, offices, agencies and instrumentalities, or any distinct unit therein.
7. **Proprietary Fund** shall refer to internally generated funds held by an NGA pursuant to specific legal authority.
8. **Treasury Single Account (TSA)** shall refer to a unified structure of government bank accounts enabling consolidation and optimum utilization of government cash resources
9. **Unauthorized Account** refers to cash deposit account maintained by the agencies without specific authority or legal basis and cash deposit account with specific authority but maintained with non-AGDB.

## II.

### GUIDELINES

#### A. BUREAU OF THE TREASURY

##### 1.0 The District/Provincial Heads shall:

- 1.1. Coordinate with the Head of Agency/ Finance Head/ Unit Head and the NGA COA Resident Auditor located in his/her area of jurisdiction regarding any NGA bank deposit account maintained with any AGDB or other depository bank.
- 1.2. Determine the nature (government fund or proprietary fund [TBD]) and status (active or dormant) of any Deposit Account maintained with an AGDB or other depository bank. For a Deposit Account classified as active, validate/evaluate the veracity of the legal basis and determine the necessity of its continued existence. On the other hand, for a Deposit Account classified as Dormant Account, monitor closure by the NGA and validate the transfer of balance to the designated account of the Treasurer of the Philippines (TOP) with a designated AGDB for further credit to the account of the TOP with Bangko Sentral ng Pilipinas (Regular Demand Deposit Account No. 2200808-20100).
  - 1.2.1. On Validation of Active Bank Accounts:
    - a) Based on the Inventory of Deposit Account submitted by the NGA, request from the NGA a copy of the legal basis for opening and maintaining the Deposit Account.
    - b) Based on the waiver submitted by the NGA, verify the completeness of the Inventory and the nature and status of the Deposit account from the AGDB or other

depository bank and from the Financial Statements submitted by NGA to its COA resident auditor.

- c) Review the legal basis and evaluate if it is within the exceptions provided for under E. O. No. 338 (May 17, 1996) and Section 2.2 of JC No. 1-97 (January 2, 1997), as follows:
  - Cash advances for salaries and wages and petty disbursements;
  - Revolving funds expressly created and authorized by law and authorized to be deposited in a government financial institution; or
  - Cash account owned by government-owned and controlled corporations and local government units.
- d) Deposit Account maintained with AGDB for funding checks shall be discontinued and closed pursuant to National Budget Circular (NBC) No. 488 dated May 22, 2003.
- e) Classify Deposit Account/s as to authorized or unauthorized in accordance with the legal basis submitted by the NGA.
- f) Submit Report of Findings (Annex 1) to RO for consolidation. The Report shall state :
  - Date when Deposit Account was opened;
  - Nature of Deposit Account (Government/Proprietary);
  - Purpose of Deposit Account (e.g Payroll Fund);
  - Status of Deposit Account (Active/Dormant)
  - Legal Basis/Authority to open/maintain Deposit Account (e.g Republic Act, Executive Order);
  - Balance of Deposit Account as of 31 December 2012.
  - Classification of Deposit Account (Authorized/Unauthorized).

1.2.2. On Closure of Dormant Account/s /Unauthorized Account/s:

- a) Obtain copy of NGA report (B.2) and Letter of Instruction/Advice to the AGDB or other depository bank on the closure of its Dormant Account/s / Unauthorized Account/s.
- b) Secure copy of AGDB Branch or other depository bank's inter-office advice debiting the account of the NGA or any bank document evidencing the transfer of

funds from the NGA's Dormant Account/s / Unauthorized Account/s to the account of the Treasurer of the Philippines maintained with the designated AGDB HO.

- c) Validate the amount and the date of closure with AGDB Branch or other depository bank Debit Advice against the report of the NGA under 1.2.2.a). In case of discrepancy, coordinate with the NGA and AGDB branch or other depository bank to reconcile and determine the correct data.
- d) Prepare Report (Annex 2) on NGA compliance or non-compliance with DOF-DBM Joint Letter Policy dated December 12, 2012, E.O. No. 431 dated May 30, 2005 and DOF-DBM-COA Joint Administrative Order No. 2012-01 dated January 6, 2012 and submit the same to RO within five (5) business days, copy furnished the TSA Secretariat at [bankaccounts@treasury.gov.ph](mailto:bankaccounts@treasury.gov.ph).
- e) In case of non-compliance, determine the NGA reason thereof.

1.3. Monitor compliance by NGA on closure of any Dormant Account or Unauthorized Account and submit status report to the Regional Director with copy to the Treasurer of the Philippines at [bankaccounts@treasury.gov.ph](mailto:bankaccounts@treasury.gov.ph).

1.4. Coordinate and secure from AGDB or other depository bank report on the balance of any Deposit Account or Unauthorized Account as of December 31, 2012 on the basis of the waiver issued by the NGA.

2.0 The BTr Regional Director shall validate the BTr District/Provincial reports and transmit a consolidated report to TSA Secretariat at [bankaccounts@treasury.gov.ph](mailto:bankaccounts@treasury.gov.ph), for final review and appropriate action by the Permanent Committee.

3.0 The BTr National Cash Accounting Division (NCAD) shall reconcile the BTr RO reports against the credit advice/s received from AGDB Head Office and BSP.

## **B. NATIONAL GOVERNMENT AGENCY**

- 1. The Head of Agency/Finance Head/Unit Head shall coordinate with BTr District/Provincial Office on the closure of the Dormant Account/s / Unauthorized Account/s.

2. The Head of Agency/Finance Head/Unit Head shall issue a Letter of Instruction/Advice to the AGDB or other depository bank copy furnished the concerned BTr District/Provincial Office to close and transfer all balances of the Dormant Account/s / Unauthorized Account/s to the account of the TOP with the designated AGDB for further credit to the TOP RDDA with BSP.
3. Within five (5) business days from closure of Dormant Account/s / Unauthorized Account/s, the Head of Agency/Finance Head/Unit Head shall submit a report to the Treasurer of the Philippines at [bankaccounts@treasury.gov.ph](mailto:bankaccounts@treasury.gov.ph) copy furnished the Secretary, Department of Budget and Management at [arciaga-ida@yahoo.com](mailto:arciaga-ida@yahoo.com) and the Chairperson, Commission on Audit at [cmgptan@coa.gov.ph](mailto:cmgptan@coa.gov.ph).


**C. AUTHORIZED GOVERNMENT DEPOSITORY BANK/OTHER DEPOSITORY BANK**

1.0 The AGDB or other depository bank shall:

- a) Upon receipt of NGA notice in B.2 above, effect the closure of NGA Dormant Account/Unauthorized Account and credit all balances to the account of the TOP with the designated AGDB for further credit to the TOP RDDA with Bangko Sentral ng Pilipinas (RDDA No. 2200808-20100), upon advise from the National Treasury.
- b) Submit to the BTr District/Provincial Office copies of validated credit advice pertaining to the closure of the NGA Dormant Account/s / Unauthorized Account/s.
- c) AGDB HO or other depository bank shall submit to BTr NCAD copies of validated credit/debit advice/s covering the above transactions.

**III. EFFECTIVITY**

This Circular shall take effect fifteen (15) days from publication in two (2) leading newspaper of general circulation or in the Official Gazette. All other Orders, Circulars, Memoranda inconsistent herewith are deemed modified or repealed accordingly.

  
**ROSALIA V. DE LEON**  
Treasurer of the Philippines

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ncr/t.c/mbm

**BTr Provincial Office: \_\_\_\_\_**  
**Report on Validation of NGA's Legal Basis in Maintaining Bank Accounts**

Legend: A = Authorized  
U = Unauthorized

Prepared by : \_\_\_\_\_

Submitted by : \_\_\_\_\_

District/Provincial Head

# Annex 2

## BTR Provincial Office of \_\_\_\_\_ Report on Transfer of NGA's Dormant Accounts to TOP Account

Agency	Account Number	AGDB Branch	Balance	Date of Agency Advice	Date Credited to TOP Acct.	Amount credited	Difference (if any)	Remarks

Prepared by : \_\_\_\_\_

Submitted by:

District/Provincial Head