



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

*Funding the Republic*

**TREASURY OFFICE ORDER No. 09 - 2009**  
OCTOBER 1, 2009

**TO : ALL BTr REGIONAL DIRECTORS, CHIEF TREASURY OPERATIONS OFFICERS II IN THE DISTRICT AND PROVINCIAL OFFICES, AND ALL CONCERNED.**

**SUBJECT: GUIDELINES TO FACILITATE COMPLIANCE WITH TREASURY CIRCULAR NO 02-2009, PRESCRIBING THE REVISED REGULATIONS GOVERNING THE FIDELITY BONDING OF ACCOUNTABLE PUBLIC OFFICERS**

---

**A. PURPOSE :**

To effectively implement the provisions of Treasury Circular No. 02-2009, prescribing the Revised Regulations Governing Fidelity Bonding of Accountable Public Officers.

**B. GENERAL GUIDELINES :**

1. The Chief Treasury Operations Officer II (CTOO II) in the District/Provincial Office (DO/PO) shall, ten (10) working days prior to the cancellation or lapsing of fidelity bond, notify in writing the Heads of Agencies/Government-Owned or Controlled Corporations (GOCCs)/Local Government Units (LGUs)/State Universities and Colleges (SUCs) informing on the renewal of the fidelity bond of their accountable officers.
2. The CTOO II shall assess and determine the amount of bond coverage in accordance with the total money and property accountability set by the agency head for the bond applicant. The rate of premium on the fidelity bond shall be based on the Revised Schedule of Premium Rates (Attachment A) and shall be paid for one full year equivalent to twelve months.
3. In the case of Local Government Unit (LGU) - Barangay level, the Barangay annual budget/ sources of income and annual inventory of fixed assets shall be taken into consideration when computing the total accountability of the Punong Barangay.
4. Payments due for bond premium shall be deposited by the bond applicant to the account of the Treasurer of the Philippines (TOP) with an Authorized Government Depository Bank (AGDB). The CTOO II and any other Bureau personnel shall not, for any reason, receive payment of the bond premium. Violation hereof shall subject the erring officer or employee to appropriate sanctions for Grave Misconduct defined and penalized under the Revised Uniform Rules in Administrative Cases in the Civil Service in relation to Rule XIV, Omnibus Rule Implementing Book V of E.O. 292, s. 1987.

5. The DO/PO shall maintain a yearly master list of bonded public officers (in electronic and hard copy), by agency for reference and by effective date for monitoring of bonds subject to renewal.

### C. SPECIFIC GUIDELINES:

#### 1. Application Process for Fidelity Bond - The DO/PO shall:

- 1.1 Receive application for fidelity bonding, increase/decrease of accountability and cancellation of bonds. General Form 58A shall be duly accomplished and accompanied by General Form 57A and a List of Bondable Officers (Form Attachment B) signed by authorized Agency official. For accountable local government officers, General Form 58A shall be endorsed by the city/municipal mayor or by the authorized Department of Interior and Local Government (DILG)/LGU officer in charge of city/municipal/barangay affairs.
- 1.2 Evaluate the bond application in accordance with Sections 7.1, 7.2 and 7.3 of TC No. 02-2009.
  - a. If the application and supporting documents are in order, issue Authority to Accept Payment (ATAP) to the applicant for payment of bond premium for the account of TOP with an Authorized Government Depository Bank (AGDB).
  - b. If the submitted documents are lacking in requirements or insufficient in information, issue status of application (Form Attachment C) stating the reason/s for returning the application.
  - c. If in the evaluation of the CTOO II the applicant is an unsafe risk in accordance with Sec. 320 of the Public Bonding Law(PBL), follow the procedure under section 7.1.8 of TC No. 02-2009.
- 1.3 Assign risk number only upon presentation of proof of payment of bond premium.

The CTOO II shall assign and issue risk number for each approved fidelity bond. The risk number shall correspond to the district/provincial area code, calendar year, number of approved bonds and suffix (N) for new application and (R) for renewal. For fidelity bond renewal, a new risk number shall be issued and the old risk number shall be cancelled.

Example :

For District Offices - D1A-09-001N or D1-09-002R

where:

D1- stands for District I

A- For District 1 – Group A

09 – Calendar Year

001N – 1<sup>st</sup> application in the year - new application

002R – 2<sup>nd</sup> application but renewal

For provincial Offices - 15-09-001N or 15-09-001R

- 15 – stands for area code for Bataan
- 09 - calendar year
- 01 – 1<sup>st</sup> application in the year - new application
- 02 - 2<sup>nd</sup> application but renewal

- 1.4 Prepare a Confirmation Letter (Form Attachment D) addressed to the Head of the Agency/GOCC/LGU/SUC, stating the name of bonded officials, amount of bond and effectivity period, copy furnished the Commission on Audit (COA) resident auditor who has jurisdiction over the Agency/GOCC/LGU/SUC.

Transmit the Confirmation Letter and pertinent documents to the Regional Director (RD) for approval.

- 1.5 Record in the Registry of Bonded Public Officers the particulars<sup>4</sup> of the approved fidelity bond.

The approved Confirmation Letter shall be transmitted by the CTOO II to the Head of the Agency/GOCC/LGU/SUC. The copy for the COA resident auditor shall be transmitted with the request for confirmation on the accuracy of the amount of accountability of the concerned accountable public officer/s.

## 2. Effectivity of Bond

- 2.1 For new application - the effectivity of bond shall commence on the date and time of payment of bond premium.

- 2.2 For renewal - if premium is paid in advance, the effective date shall commence on the date of cancellation of previous year's bond.

- if premium is paid after the lapsing or automatic cancellation of previous year's bond, the effective date of the bond renewed shall be on the date and time of payment of bond premium.

## 3. Increase in Accountability

- 3.1 Any increase in the amount of accountability shall be advised by the Agency/GOCC/LGU/SUC to the BTr DO/PO. The accountable officer shall accomplish General Form 57A and shall be filed with the BTr DO/PO.

- 3.2 The bond premium shall be computed based on the new amount of bond less the portion of unexpired premium on the previous bond. A sample case is attached for reference (Attachment E).

4. Decrease in Accountability - There is no refund for the decrease in premium resulting from the decrease in accountability and amount of bond.

5. Reportorial Requirement - The CTOO II shall prepare and submit a report of total premiums collected for the month to the RD concerned, who shall consolidate and submit the same to the Bureau Accounting Division (BAD) and Commission on Audit (COA) within five (5) working days after the end of each reference month, through the Deputy Treasurer of the Philippines (DTOP) supervising field operations.

## 6. Payment of Claims Against the Fidelity Fund

- 6.1. The CTOO II in the District/Provincial Office shall receive the agency's application for claims against the Fidelity Fund together with COA's

findings and endorsement and shall check the completeness of supporting documents enumerated under Section No. 8.5.1 of TC No. 02-2009.

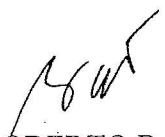
6.2. The CTOO II shall evaluate the claim and endorse it with recommendation to the RD.

6.3 The RD shall review the recommendation and :

6.3.1 Endorse the claim to the Treasurer of the Philippines through the DTOP supervising field operations, if in his/her judgment the claim is valid and sufficient in form; or

6.3.2. Disapprove and return the claim stating basis.

This Order shall take effect immediately.

  
ROBERTO B. TAN  
Treasurer of the Philippines

001169