



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Malacañang, Manila



CIRCULAR LETTER

No. 2011-8

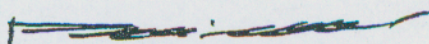
September 28, 2011

TO : All Heads of Departments, Agencies and Other Offices of the National Government, Budget Officers; Heads of Accounting Units; and All Others Concerned

SUBJECT : **Measures to Enhance Utilization of Cash Allocation for Programs/Projects for the Rest of FY 2011**

- 1.0 Pursuant to National Budget Circular No. 528 dated January 3, 2011, Notice of Cash Allocations (NCAs) for the regular requirements of the operating units (OUs) of government agencies in FY 2011 are comprehensively released based on their submitted Monthly Cash Programs (MCPs) corresponding to their allotments released through the Agency Budget Matrices (ABMs)/Special Allotment Release Orders (SAROs). Furthermore, NCAs for due and demandable accounts payable submitted by departments/agencies to be paid under the direct payment scheme per Circular Letter No. 2005-2, are also released on a regular basis.
- 2.0 Notwithstanding the implementation of the said comprehensive releasing of NCAs for regular requirements, as well as the full provision for due and demandable accounts payables, actual spending arising from FY 2011 NCA releases is lower than expected.
- 3.0 Given the relatively comfortable cash balances at the Treasury, OUs are encouraged to optimize the use of the available resources in FY 2011. To facilitate payment of expenditures, and in order to ensure optimum utilization of issued NCAs, **the following interim measures are to be implemented effective immediately up to December 31, 2011:**
 - 3.1 All NCA releases shall be contingent on the submission of MCPs to DBM - BMBs/ROs concerned not later than September 30, 2011, using the MCP format per Budget Execution Document (BED) No. 2 as prescribed in National Budget Circular No. 507 dated January 31, 2007 (copy attached).
 - 3.1.1 All OUs shall submit their MCPs corresponding to additional cash requirements for regular operations (on top of the comprehensively released NCAs) as well as accounts payable for the period October to December, 2011.
 - 3.1.2 **The submission of List of Due and Demandable Accounts Payable (LDDAP) is hereby temporarily suspended, for accounts payable of departments covered by the Direct Payment Scheme (DPS), i.e., DPWH, DepEd, DOH, SUCs, DOLE-TESDA, and CHED.** In lieu thereof, said departments shall include their estimated requirements for payment of claims of creditors for the period October to December, 2011 in the MCPs to be submitted.

- 3.2 The DBM shall issue NCAs corresponding to the additional cash requirements as reflected in the submitted MCPs.
- 3.2.1 The NCAs which include estimated requirements for claims of creditor of departments covered by DPS shall be credited to the OUs Regular MDS Accounts. Thus, for departments covered by DPS, instead of the Authority to Debit Account (ADA) facility, payment of creditors shall be made thru issuance of MDS checks.
- 3.2.2 The NCAs to be issued shall be supported by an Annex reflecting the monthly cash requirements of OUs.
- 3.3 The MDS – Government Servicing Banks (GSBs), upon receipt of the NCA, shall ensure that the amount programmed for the month as specified in the NCA received shall be credited immediately to the Regular MDS accounts of OUs. Thereafter, the NCA requirements for the subsequent months shall be credited on the first working day of the month consistent with the schedule to be provided by DBM as cited under item 3.2.2 above.
- 3.4 In no case shall NCAs issued pursuant to the provisions of this Circular Letter be transferred by the OUs to a current account.
- 3.5 This Circular shall not apply to NCAs covering terminal leave/retirement gratuity (TL/RG), which shall continue to be credited to Special MDS sub-accounts pursuant to Circular Letter No. 2001-27 dated December 21, 2001. Thus, such NCAs shall remain valid up to the end of the month succeeding the month of issue, but not beyond December 31, 2011.
- 4.0 For compliance.


FLORENCIO B. ABAD
Secretary