

COA UPDATES

Updated Documentary Requirements for Common Government Transactions

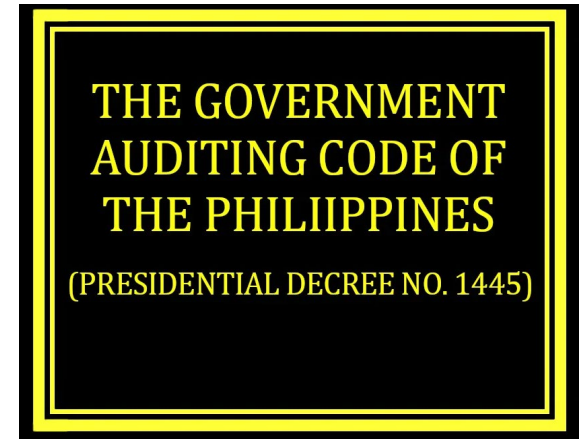
PRESENTED BY: HON. ROLAND CAFÉ PONDOC
COA COMMISSIONER



May 15, 2024
CAP-John Hay Trade and Cultural Center
Baguio City




Section 2(2), Article IX-D of the 1987 Constitution




Section 25(4), Chapter 2, Title 1 of Presidential Decree (PD) No. 1445



Suspension of the Application of COA Circular No. 2023-004 dated June 14, 2023, Prescribing the Updated Documentary Requirements for Common Government Transactions, amending COA Circular No. 2012-001 dated June 14, 2012



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City



CIRCULAR No. : 2024-004
Date : MAR 14 2024

TO : All Heads of the National Government Agencies including State Universities and Colleges; Heads of Government Corporations; Heads of Local Government Units; Heads of Finance/Comptrollership/Financial Management Services; Chief Accountants/Heads of Accounting Units; Commission on Audit (COA) Assistant Commissioners, Directors, Auditors; and All Others Concerned

SUBJECT: Suspension of the Application of COA Circular No. 2023-004 dated June 14, 2023, Prescribing the Updated Documentary Requirements for Common Government Transactions, amending COA Circular No. 2012-001 dated June 14, 2012

Pursuant to the rule-making function of this Commission, as provided under Section 2(2), Article IX-D of the 1987 Philippine Constitution and Section 25(4), Chapter 2, Title I of Presidential Decree No. 1445 or the Government Auditing Code of the Philippines, COA Circular No. 2012-001 dated June 14, 2012 was issued to prescribe the revised guidelines and documentary requirements for common government transactions which incorporated the requirements under existing issuances of this Commission.

COA Circular No. 2023-004 dated June 14, 2023 was issued to prescribe the updated documentary requirements for common government transactions to facilitate disbursement, liquidation and audit thereof. The said Circular took effect 15 days after its publication¹ in a newspaper of general circulation, or on July 1, 2023.

However, due to the numerous issues and concerns raised relative to the updated documentary requirements, there is a need to suspend the application of COA Circular No. 2023-004 pending the issuance of revised guidelines addressing the said issues and concerns.


In view of the foregoing, the application of COA Circular No. 2023-004 is suspended, retroactive to its effectivity on July 1, 2023, and COA Circular No. 2012-001 is reinstated.

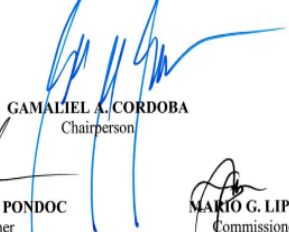
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¹ Published in the Philippine Star on June 16, 2023.


Further, any audit action issued by the COA Audit Team which was based on COA Circular No. 2023-004 is deemed withdrawn and has no force or effect, except the audit action issued based on the provisions which were copied and lifted from COA Circular No. 2012-001.

This Circular shall take effect 15 days after its publication in a newspaper of general circulation.






GAMALIEL A. CORDOBA
Chairperson



ROLAND CAFÉ PONDOC
Commissioner



MARIO G. LIPANA
Commissioner



Section 4, PD No. 1445. Fundamental Principles governing the financial transactions and operations of any government agency.

1. No money shall be paid except in pursuance of an appropriation law or other specific statutory authority
2. Use solely for public purposes
3. Trust funds shall be available and may be spent only for the specific purpose
4. Fiscal responsibility shared by all those exercising authority over the financial affairs, transactions, and operations
5. Disbursements or dispositions should bear the approval of the proper officials
6. Claims against government funds shall be supported with complete documentation
7. Faithful adherence to all pertinent laws and regulations
8. Observance of GAAP and practices as well as sound management and fiscal administration, provided they do not contravene with existing laws and regulations





Traveling Expenses



Local Travel

- Duly approved Office Order/Travel Order
- Duly approved Itinerary of Travel
- Certification from the Chief Accountant that previous cash advances have been fully liquidated and accounted for in the books
- Quotation of plane fare for similar dates, from at least three airline companies/travel agencies or its equivalent. In case of less than three quotations, a certification by the claimant attesting to such circumstance, signed by his/her supervisor
- Letter of invitation of the host/sponsoring agency/organization



Liquidation of Cash Advances

Petty Cash Fund

- Report on Paid Petty Cash Vouchers (RPPCV)
 - Petty Cash Vouchers (PCVs) duly accomplished, signed and approved
 - Approved purchase request with certificate of Emergency Purchase, if necessary
 - Bills, receipts, sales invoices
 - Certification of Expense not Requiring Receipt (CERR) (for expenses amounting to P300 or less) or Reimbursement Expense Receipts (RER) (for expenses amounting to more than P300 but not exceeding P1,000), pursuant to COA Circular No. 2017-001 dated June 19, 2017, as amended by COA Circular No. 2021-001 dated June 24, 2021, or other amount that may be prescribed in the future
 - Inspection and Acceptance Report (IAR) or Certificate of Inspection and Acceptance
 - Pre-/Post-Repair Inspection Report
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- Canvass from at least three suppliers for purchases as prescribed (involving P2,000 and above or other amount that may be prescribed in the future), except for purchases made while on official travel
 - Summary/Abstract of Canvass
 - OR/eOR/AR or equivalent in case of refund of PCF
 - Inventory Custodian Slip (ICS) for semi-expendable items
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- For meals and snacks charged to PCF:
- Notice of meeting with agenda/meeting's purpose
 - Minutes of Meeting
 - Attendance Sheet



Liquidation of Cash Advances

Traveling Expense




Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

RESOLUTION

No. : 2020 - 015
Date : JAN 31 2020

SUBJECT : Prescribing secondary documents in lieu of travel tickets and certificates of appearance, in substantial compliance with Sections 3.1.2.2 and 3.2.2.2 of Commission on Audit (COA) Circular No. 96-004 dated April 19, 1996, and Section 1.2.4 of COA Circular No. 2012-001 dated June 14, 2012

1.2.4.1 Local Travel

 Documentary Requirements

In the case of travels of agency heads within their area of jurisdiction, a certificate of appearance/attendance shall no longer be required.

1.2.4.2 Foreign Travel

Documentary Requirements

In the case of travels of agency heads, a certificate of appearance/attendance shall no longer be required provided that the travel was duly supported with travel order properly approved in accordance with Section 5 of EO No. 248, as amended.



2024 General Appropriations Act

General Provisions

Sec. 71. Fund Transfers to Civil Society Organizations:

- (a) The CSO is either:
 - (i) implementing a government program or project jointly with the government agency; or
 - (ii) a beneficiary of a government program or project.
- (b) There is a specific appropriation in the GAA or some other appropriation law for such government program or project.
- (c) The government agency has accredited the CSO in accordance with its guidelines. The guidelines shall include, as a minimum, the following requirements:
 - (i) The presence of the CSO in its stated address and area of operation has been validated;
 - (ii) The CSO has an identified membership and leadership and defined organizational structure;
 - (iii) The CSO is in good standing with all government agencies from which the CSO has received public funds;
 - (iv) The CSO is not in default or in delay in liquidating any public funds received from any government agency;
 - (v) For implementing CSOs, the CSO must have a proven track record and good standing in undertaking civil society works; the CSO must not have any Director, Trustee, Officer or key personnel related within the fourth civil degree of consanguinity or affinity to any official involved in the processing of its accreditation, or any official of the government agency funding or implementing the program or project to be implemented by the CSO; and the CSO must have proven legal existence; and
 - (vi) For beneficiary CSOs, the CSO must have the appropriate social preparation from the government agency providing the grant of financial assistance.



Fund Transfers to Non-Government Organization/People's Organizations/ Civil Society Organizations (NGOs/POs/CSOs)

Transfers of Funds

- Duly approved Schedule of Fund Release to NGO/PO/CSO
- Approved Summary of Budgetary Requirements
- Performance security for infrastructure project
- Copy of signed Memorandum of Agreement
- Certificate of registration
- Document showing that the NGO/PO/CSO has equity equivalent to 20% of the total project cost
- Copy of the OR/eOR/AR or equivalent
- Certification from the Accountant of the source agency that the previous fund transfer had been liquidated and accounted for in the books (staggered release)



Fund Transfers to Implementing Agencies

Transfers of Fund (Source Agency)

- ❑ Copy of duly signed MOA/Trust Agreement or its equivalent
- ❑ Copy of Approved Program of Work (for infrastructure project)
- ❑ Approved Project Expenditures or Estimated Expenses indicating the project objective and expected output (for projects other than infrastructure)
- ❑ For GCs/GFIs, Board Resolution ratifying the MOA or its equivalent in case of transfers not incorporated in the Corporate Operating Budget and/or beyond the signing authority of the Agency Head
- ❑ For local government units (LGUs), authorization by local Sanggunian for the Local Chief Executive to enter into contract in case of the following:
 - In the case of a reenacted budget:
 - For the new contracts entered into by the local chief executive for contractual obligations included in the previous year's annual and supplemental budget
 - In the case of the regularly enacted budget:
 - For projects described in generic terms, such as infrastructure projects, inter-municipal waterworks, drainage and sewerage, flood control, irrigation system projects, reclamation projects, or roads and bridges.
 - For purchase of goods and services which are neither specified nor encompassed within the regular personnel services and maintenance and other operating expenses
- ❑ Certification by the Chief Accountant that funds previously transferred to the Implementing Agency (IA) have been liquidated and accounted for in the books
- ❑ Copy of the OR/eOR/AR or equivalent issued by the IA to the Source Agency acknowledging receipt of funds transferred (for post-audit activities)
- ❑ OR/eOR/AR or equivalent from IA, if transfer of funds is thru List of Due and Demandable Accounts Payable – Advice to Debit Accounts (LDDAP-ADA)
- ❑ Acknowledgement Receipt for those recipients of research fund
- ❑ Copy of the TCT of the land where the project will be built and a certification from the implementing agency that the site is clear from impediments, e.g. informal settlers, legal claims of property ownership by other claimants, mountain obstruction, right of way

Fund Transfer





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Salary (Individual Claim)

First Salary

- Certificate of Appointment duly attested by the Civil Service Commission (CSC) or its equivalent
- Assignment/Re-Assignment order, if applicable
- Certified copy of Oath of Office
- Certificate of Assumption
- Statement of Assets, Liabilities and Net Worth
- Approved Daily Time Record (DTR)
- Bureau of Internal Revenue (BIR) withholding certificate
- Payroll Information on New Employee (PINE) or any equivalent document
- Authority from the claimant and identification documents, if claimed by a person other than the payee

Additional Requirements for transferee (from one government agency to another)

- Clearance from money, property and legal accountabilities from the previous office
- Certified copy of paid disbursement voucher of last salary received and/or Certification by the Chief Accountant for the breakdown of last salary received and remittance of statutory deductions from previous office
- Certificate of leave credits
- Service Records
- BIR Certificate of Compensation Payment/Tax Withheld
- Approved/paid Home Development Mutual Fund (HDMF) and PhilHealth Forms



2024 General Appropriations Act

General Provisions

Sec. 54. Uniform or Clothing Allowance. An amount not exceeding **Seven Thousand Pesos (P7,000)** per year is hereby authorized for the payment of uniform or clothing allowance to each qualified government employee, subject to B.C. No. 2018-1 dated March 8, 2018, and such other guidelines issued by the DBM.



Loyalty Cash Award/Incentive/Service Recognition Award

Under COA Circular No. 2023-004

Certificate from HRO/U that the claimants have not incurred more than 50 days leave without pay within the preceding 5-year period, as the case may be, or proof of eligibility to receive incentive/service recognition

Under CSC Memorandum Circular No. 6, s. 2002

An official or employee who incurred an aggregate of not more than 50 days authorized vacation leave without pay within the 10-year period shall be considered as having rendered continuous service for purposes of granting the loyalty award. In the same way, an official or employee who incurred an aggregate of not more than twenty five (25) days authorized vacation leave without pay within the 5-year period may qualify for the 5-year milestone loyalty award.



Allowances, Honoraria and Other Forms of Compensation

Terminal Leave Benefits

- Agency Clearance from money, property and legal accountability from the Central Office and/or from the Regional Office of last assignment
- Ombudsman Clearance
- Certified photocopy of employees leave card with computed leave credits as at last date of service by the Personnel Division/Unit/Office/ Admin /Human Resources Office/Unit
- Approved leave application
- Complete service record
- Statement of Assets, Liabilities and Net Worth Certified photocopy of appointment/NOSA showing the highest salary received if the salary under the last appointment is not the highest.
- Computation of terminal benefits duly signed/certified by the Chief Accountant
- Applicant's authorization (in affidavit form) to deduct all financial obligations with the employer/agency LGU
- In case of resignation, employee's letter of resignation duly accepted by the Head of the Agency.

Additional requirements in case of death

- Death certificate issued by PSA
- Marriage Certificate issued by PSA
- Birth certificate of all surviving legal heirs issued by PSA
- Designation of next-of-kin
- Waiver of rights of children 18 years old and above, if applicable



Extraordinary and Miscellaneous Expenses



- Certification executed by the official concerned that the amount claimed was spent for the purpose and in the amount not exceeding the limit indicated in the general provisions of the GAA
- Relevant Invoices/Receipts, if the amount claimed was spent for the purpose and in the amount exceeding the limit indicated in the general provisions of the GAA
- Minutes of the meeting if used for the purpose of meetings, seminars and conferences
- Attendance Sheet



Procurement of Goods, Consulting Services and Infrastructure Projects

For all types of procurement

- Certified copy of the page of the approved Annual Procurement Plan (APP) or Supplemental APP where the particular Goods, Consulting Services and/or Infrastructure Projects subject of payment is indicated.
- Certified copy of the submitted Contract or Purchase Order stamped "Received" by COA of the documentary requirements required by COA Circular No. 2009-001 dated February 12, 2009 and COA Memorandum No. 2005-027 dated February 28, 2005 (Annex A-T) and any future amendments thereof
- Letter request for payment from contractor/supplier

9.3.2 General Support Services (janitorial, security maintenance, garbage collection and disposal and similar services)

- Performance Appraisal Report
- Statement of Account or Contractor's Bill
- Record of Attendance/Service

9.3.5 Advertising Expenses

- Job Order or Contract
- Bill/Statement of Account
- Copy of newspaper clippings evidencing publication and/or CD/DVD in case of TV/Radio commercial
- Copy of Approved Agency Media Plan, if any

Procurement of Goods, Consulting Services and Infrastructure Projects

Infrastructure Projects Final Payment

- As-Built Plans
- Final SWA
- Warranty Security*
- Certificate of Completion
- Copy of turn-over documents/transfer of project and facilities such as motor vehicles, laptops, and other equipment and furniture included in the contract to concerned government agency
- Certificate of Acceptance by the Agency*
- Final Inspection Report of the Agency's authorized Engineers and/or Inspectorate Team
- Statement of Time Elapsed
- Pictures/Geotagged Photos before, during and after construction of items of work especially the embedded items



Procurement of Goods, Consulting Services and Infrastructure Projects

Procurement of drugs and medicines

- Certificate of product registration from Food and Drug Administration (FDA)
- Good Manufacturing Practice (GMP) Certificate issued by the Philippine FDA if locally produced/manufactured, or GMP Certificate issued by the FDA of the country of origin if imported
- Batch release certificate from FDA
- If the supplier is not the manufacturer, certification from the manufacturer that the supplier is an authorized distributor/dealer of the product/items
- License to Operate from FDA (whether as a manufacturer, importer, seller or distributor)
- Certification by the Medical Officer that medicines and drugs requisitioned is included in the PNDF Current Edition
- Delivery Receipt/Invoice bearing Lot Nos. and Expiry Dates of the drugs and medicines




Procurement of Goods, Consulting Services and Infrastructure Projects

Advertising Expenses

- Job Order or Contract
- Bill/Statement of Account
- Copy of newspaper clippings evidencing publication and/or CD/DVD in case of TV/Radio commercial
- Copy of Approved Agency Media Plan, if any



A tropical beach scene with palm trees and grasses. The background is a soft, hazy landscape with a sandy beach and gentle waves. In the foreground, there are tall, golden-brown grasses. On the left side, two palm trees are silhouetted against the sky. The overall tone is warm and serene.

*No man is an
island, entire of
itself; every man
is a piece of
the continent.*

John Donne

Thank
you

