



Republic of the Philippines
Department of Education
Region VII – CENTRAL VISAYAS
SCHOOLS DIVISION OF BOHOL

Office of the Schools Division
Superintendent

February 16, 2024

DIVISION MEMORANDUM
No. 065 s. 2024

DISSEMINATING TREASURY CIRCULAR NO. 1 - 2022 AND EXECUTIVE ORDER
NO.87

To: Assistant Schools Division Superintendent
Division Chiefs
Public Schools District Supervisors
Program Coordinators
SDO Section Heads
Elementary/Secondary School Principals/School Heads
Teaching and Non-teaching Personnel
All Others Concerned

1. Forwarding therein the Treasury Circular No 1 - 2022 RE: Supplemental Guidelines on the Revised Omnibus Regulations Governing the Fidelity Bonding of Accountable Public Officers (Section 313 - 335, Chapter 15, Revised Administrative Code of 1917) and Executive Order no. 87 Directing that ALL Accounts Payable which remain Outstanding for Two Years or More in the Books of National Government Agencies Be Reverted to the Accumulated Surplus or Deficit of the General Fund, or the Cumulative Result of Operations of the National Government for the information and guidance to all concerned personnel.
2. Immediate and wide dissemination of this memorandum are hereby directed.


CASIANA P. CABERTE PhD CESO VI
OIC - Schools Division Superintendent 





Funding the Republic

REPUBLIKA NG PILIPINAS
KAGAWARAN NG PANANALAPI
KAWANIHAN NG INGATANG-YAMAN
(BUREAU OF THE TREASURY)
Intramuros, Manila

TREASURY CIRCULAR No. 1 - 2022
30 May 2022

TO: ALL HEADS OF DEPARTMENTS, BUREAUS AND OFFICES OF NATIONAL GOVERNMENT AGENCIES AND LOCAL GOVERNMENT UNITS, GOVERNMENT OWNED OR CONTROLLED CORPORATIONS, STATE UNIVERSITIES AND COLLEGES, STATE AUDITORS, AND ALL OTHERS CONCERNED

SUBJECT: SUPPLEMENTAL GUIDELINES ON THE REVISED OMNIBUS REGULATIONS GOVERNING THE FIDELITY BONDING OF ACCOUNTABLE PUBLIC OFFICERS (SECTIONS 313 – 335, CHAPTER 15, REVISED ADMINISTRATIVE CODE OF 1917)

1.0 BASIS

This Treasury Circular is issued pursuant to Sections 313 – 335, Chapter 15, otherwise known as the Public Bonding Law, under the Revised Administrative Code of 1917, Executive Order (E.O.) No. 449 s. 1997 (Realigning the Organization of the Bureau of the Treasury) in relation to Government Auditing Code of the Philippines (Presidential Decree No. 1445), Chapter IX Book V of the Administrative Code of 1987 (E.O. No. 292 s. 1987), and the Local Government Code of 1991 (Republic Act (R.A.) No. 7160), SK Reform Act of 2015 (R.A. No. 10742), Anti-Red Tape Law (R.A. No. 9485), and Ease of Doing Business Act of 2018 (R.A. No. 11032).

2.0 PURPOSE

1. This Treasury Circular (TC) supplements and revises certain provisions of TC No. 02-2019 dated 25 April 2019 and previous issuances pertaining to regulations promulgated for the effective bonding of accountable public officers pursuant to the provisions of the Public Bonding Law and to address other issues on fidelity bonding application/cancellation;
2. To streamline documentary requirements and re-engineer fidelity bonding procedures in compliance with the Anti-Red Tape Law (R.A. No. 9485) and in relation to the Civil Service Commission (CSC) Memorandum Circular No. 14 s. 2016;
3. To repeal Treasury Circular Nos. 01-2020 and 01-2021;
4. To provide enumeration of officers authorized to administer oath pursuant to Republic Act (R.A.) No. 10755; and

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5. To prescribe the appeal fee payment form and provide the account name and account number for the deposit and payment of the appeal fee as a condition precedent to the final resolution of appeals related to the approval and/or disapproval of Fidelity Bonding application of bonded/accountable public officers through the Public Bonding Appeals Committee (PBAC) per TC No. 04-2021.

3.0 GENERAL PROVISIONS

To efficiently and effectively implement the Public Bonding Law, the following general provisions of TC No. 02-2019 and related issuances are hereby further amended as follows:

- 3.1 Additional Sub-section in 4.1 of Treasury Circular No. 02-2019 is inserted to read as follows:

"4.1.7 Public officers designated as Property Officers, Supply Officers, Disbursing Officers, Collecting Officers and Cashiers."

- 3.2 Section 4.7 of Treasury Circular No. 02-2019 is amended to read as follows:

"4.7 Effectivity of Bond – The fidelity bond of an accountable public officer whose application for bond has not been contested shall be valid and effective upon:

4.7.1 Over-the-Counter payment

4.7.1.1 For new application, the effectivity of bond shall commence on the date of payment of bond premium.

4.7.1.2 For renewal, if premium is paid one (1) month in advance, the effectivity date shall commence on the date of cancellation of previous year's/years' bond; or if premium is paid after the lapsing or automatic cancellation of previous year's/years' bond, the effectivity date of the bond renewed shall be on the date of payment of bond premium.

4.7.1.3 Bond applicants are enjoined to pay the premium immediately within the month of the issuance of the ATAP for accounting purposes.

4.7.2 Online/Electronic payment

4.7.2.1 The effectivity of the bond shall commence on the date indicated in the CL after evaluation of the submitted documents as to correctness and completeness.

For advance payments in case of renewal, the effectivity shall be upon the maturity of existing fidelity bond.

4.7.3 Submission of Proof of Payment

4.7.3.1 *The accountable public officer shall submit to the BTr DO/PO a copy of the AGDB validated deposit slip/LDDAP-ADA and ATAP or proof of online payment to evidence the payment of bond premium."*

3.3 Provisions of Treasury Circular No. 01-2020 are hereby repealed and Section 4.8 of Treasury Circular No. 02-2019 is hereby reworded and amended to read as follows:

"4.8 Effect of Approved Bond – An approved fidelity bond shall be non-transferable and personal to the accountable public officer and shall remain valid and effective for a period of one (1) year, two (2) years or three (3) years at the option of the accountable public officer from the date of over-the-counter payment or approval date of CL for online payments. The fidelity bond shall be subject to renewal, before or 30 days prior to the expiration of the present bond coverage while the accountable public officer is holding such position for which he/she was bonded. Failure to renew shall consider such bond as automatically cancelled and shall have no legal effect."

3.4 Additional Sub-section in Section 5 of Treasury Circular No. 02-2019 is inserted to read as follows:

"5.1.3 Accountable public officers in the NGAs, GOCCs, and LGUs supervising multiple stations in concurrent capacity shall be bonded separately. The basis of accountability and the issuance of risk number is per station."

3.5 Section 7.1.1 of Treasury Circular No. 02-2019 is amended to read as follows:

"7.1.1 The applicant shall accomplish the Fidelity Bond Application Form (FBAF) (Attachment 4: Annex D FBAF) through Online Fidelity Bonding System (OFBS). The FBAF shall be subscribed and sworn to before any officer authorized to administer oath, attaching therewith two (2) passport size identification pictures taken within the last three (3) months prior to the date of application.

"Officers Authorized to Administer Oath. - The following officers have general authority to administer oaths: President; Vice President; Members and Secretaries of both Houses of

Congress; Members of the Judiciary; Secretaries of Departments; provincial governors and lieutenant-governors; city mayors; municipal mayors; bureau directors; regional directors; clerks of courts; registrars of deeds; other civilian officers in the public service of the government of the Philippines whose appointments are vested in the President and are subject to confirmation by the Commission on Appointments; all other constitutional officers; and notaries public.

The punong barangay is authorized to administer the oath of office of any government official including the President of the Philippines." (R.A. No. 10755)

Provided, that the BTr DO/PO shall not process the fidelity bond application and renewal of accountable public officers if the signatories for the applicant portion and administering officer portion are one and the same.

- 3.6** Item Nos. 13 (a) and 13 (b) of the Fidelity Bond Application Form (FBAF) under Sub-section 7.1.1 of TC No. 02-2019 which prescribes the use of FBAF shown as Form 3 Annex D is hereby amended to read as follows:

TC No. 02-2019	Amendment
Item No. 13. a. Have you ever been found guilty of any administrative offense?	Item No. 13. a. Have you ever been charged of any administrative and/or criminal offense?
Item No. 13. b. Have you ever been found guilty of any criminal case?	Item No. 13. b. Have you ever been found guilty of any administrative and/or criminal case before any administrative body, tribunal, or court?

For the revised FBAF see Attachment 1 and for the revised List of Bonded Accountable Public Officers see Attachment 2.

- 3.7** Provisions of Treasury Circular No. 01-2021 and Sub-section 7.1.1.2 (d) of Treasury Circular No. 02-2019 are hereby repealed and Sub-section 7.1.1.1 of TC No. 02-2019 is amended to read as follows:

"7.1.1.1 List of Bonded Accountable Officer/s, to be generated from the Online Fidelity Bonding System (OFBS) certified by the agency head or his/her authorized representative or officer in charge of Administrative and/or Finance Department, Service Division or unit (Form 4: Annex E).

The following are additional requirements for Barangay and SK Officials :

- 7.1.1.1.1 *Approved Annual Budget and Barangay Appropriation Ordinance (Annual Barangay Youth Investment Program (ABYIP) in lieu of Ordinance);*
- 7.1.1.1.2 *Annual Inventory of Plant, Property, and Equipment and/or Annual Post-Closing Trial Balance with stamp received by COA;*
- 7.1.1.1.3 *Current monthly Inventory of Supply and Materials at the time of application; and,*
- 7.1.1.1.4 *LGU applicants who are not included in the List of LGU incumbent officials with BTr DO/PO shall secure any of the following documents:*
 - 7.1.1.1.4.1 *Certificate of Incumbency from the Department of Interior and Local Government (DILG) in their respective Regions;*
 - 7.1.1.1.4.2 *Oath of Office by Barangay/SK Chairperson;*
 - 7.1.1.1.4.3 *Duly notarized Resolution for Appointment of Barangay/SK Treasurer."*

3.8 Sub-section 7.1.8.3 of TC No. 02-2019 is amended to read as follows:

"7.1.8.3 Any valid and legal reasons for which shall render the accountable public officer an unsafe risk and of unquestionable integrity to hold public funds, properties or accountable forms, which shall be supported by proper documents.

The person contesting the application should inform the BTr DO/PO concerned through a formal letter addressed to the CTOO/IO/ICO citing the reasons and attaching all supporting documents.

Any contest not made within the prescribed period shall not be entertained by the BTr DO/PO concerned."

3.9 Sub-sections 7.3.1 and 7.3.2 of TC No. 02-2019 are amended to read as follows:

"7.3.1 The Head of Agency or his/her authorized representative shall immediately inform or notify the BTr DO/PO concerned on the bond cancellation undertaken through

the Online Fidelity Bonding System involving accountable public officers who are no longer accountable by reason of retirement, separation from the service, promotion, transfer, suspension from office or for any other cause rendering them not bondable to their present position.”

“7.3.2 The CTOO II/OIC/ICO shall approve the request for bond cancellation and issue the corresponding CL.

Likewise, the CTOO II/OIC/ICO shall immediately cancel the previously approved bond of an applicant if there is failure to declare or an intentional non-declaration of pending cases that resulted to a favorable evaluation and approval of such application. Intentional non-declaration of pending cases constitutes a dishonest act and thus, shall render the applicant an unsafe risk.”

3.10 Section 8.5 of Treasury Circular No. 02-2019 is amended and re-numbered to read as follows:

“9.5 *Requirements for Payment of Adjudicated Claim – The agency shall file a claim for payment from the Fidelity Fund with the BTr addressed to the Treasurer of the Philippines, attaching therewith the favorable findings of COA. The BTr shall process the claim in accordance with existing budgeting, accounting and auditing rules and regulations.”*

4.0 SUPPLEMENTAL PROVISIONS

4.1 Determination of Accountability and Amount of Bond Premium

The amount of bond shall be based on the following accountabilities, provided, the total maximum amount of bond of each accountable officer shall not exceed Eleven Million Pesos (P11.0M):

4.1.1 Cash. This refers to money in its physical form, either on hand or in bank and shall be limited to nationally accepted currencies and legal tender (paper bills and coins), money orders, marketable securities, authority to debit account (ADA) and checks with face value. It may also include overdraft facility or line of credit.

4.1.1.1 National Collecting Officer (NCO). The accountability shall be based on the highest amount collected in a given day in the preceding year, which is the possible amount of accountability of the NCO exposed to risk.

4.1.1.2 Disbursing Officer (DO). The accountability shall be based on the highest amount held in custody and disbursed in the preceding year, which is the possible amount of accountability of the DO exposed to risk in a given day. Only permanently appointed officials shall be designated

as disbursing officers, except for officers and employees who are given cash advances for official travel. (COA Circular 97-002, Item 4.1.4-5)

4.1.1.3 **Special Disbursing Officer (SDO).** The accountability shall be based on the amount of cash advance released for a given project or activity, which is the possible amount of accountability of the SDO exposed to risk.

4.1.2 **Investments.** These comprise investments in government securities or debt instruments or products issued or offered by the government in the form of Treasury bills, bonds, and notes, including stock certificates, placements in time deposits and high yield accounts and other forms of marketable investments.

The accountability of the Investment Officer or any officer tasked to perform investment activities shall be based on the amount of outstanding investments of the preceding year.

4.1.3 **Plant, Property and Equipment.** These are non-current assets which is expected to be used more than one accounting cycle/reporting period: machinery, equipment, vehicles, furniture and fixtures (excluding land and building) which shall be taken up at Net Book Value. Equipment or vehicles that are covered with other insurance shall also be included in the basis for the computation of accountability. These may also include gold and silver bullions.

The total accountability of the accountable public officer is the net book value of such accountabilities as of assumption of position for new applicant/s or the current net book value for renewal applicant/s.

4.1.4 **Inventories.** These are goods/supplies and materials classified as current assets, expendable/semi-expendable and are held for consumption, distribution and/or for sale and shall be taken up at acquisition cost.

4.1.5 **Accountable forms.** These are documents that acknowledge the receipt of money or issued for value that uses a sequential number or a pre-numbered form such as Official Receipts, Invoices, and Purchase Orders including internal revenue stamp, postage and other standard stamp stock as well as checks without face value. The form shall be recorded/taken up at purchase/production cost.

For the sample computation see Attachment 3.

4.2 **Non-access to the OFBS.** In cases where there is technical difficulty in accessing the OFBS or the system is down and in other exceptional

cases, the BTr shall announce a business continuity measure including manual processing of fidelity bonding applications.

4.3 Responsibility of Authorized Government Servicing Banks (AGSBs)

4.3.1 The AGBSs shall require the transacting agency to submit the CL as part of the exercise of due diligence and to prevent the unauthorized disbursement of government funds.

4.3.2 The AGBSs shall require the presentation of ATAP for payment of bond premium.

4.4 Payment of Appeal Fee. In cases of appeal, an appellant or a party with interest to the Fidelity Bonding application shall accomplish the Appeal Fee payment form and pay the amount of One Thousand Pesos (Php1,000.00) to be deposited/credited to the account of the Treasurer of the Philippines with the following details:

Account Name	BTr Regular Fund
Account Number	3402-2844-20

For the Appeal Fee payment form see Attachment 4.

5.0 REPEALING CLAUSE

All Circulars, Orders and/or Memoranda inconsistent herewith are hereby repealed and/or modified accordingly.

6.0 EFFECTIVITY

This Circular shall take effect immediately.



ROSALIA V. DE LEON
Treasurer of the Philippines



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 87

DIRECTING THAT ALL ACCOUNTS PAYABLE WHICH REMAIN OUTSTANDING FOR TWO YEARS OR MORE IN THE BOOKS OF NATIONAL GOVERNMENT AGENCIES BE REVERTED TO THE ACCUMULATED SURPLUS OR DEFICIT OF THE GENERAL FUND, OR THE CUMULATIVE RESULT OF OPERATIONS OF THE NATIONAL GOVERNMENT

WHEREAS, Republic Act No. 3526, entitled "An Act Authorizing the Reversion of Unliquidated Balances of Accounts Payable Outstanding for Two Years or More" and Presidential Decree No. 1445 (s. 1978) or the "Government Auditing Code of the Philippines," authorize the reversion to the Unappropriated Surplus of the General Fund of the National Government, of accounts payable which have remained outstanding for at least two years and for which no actual claim has been filed, and accounts payable which are undocumented or not covered by perfected contracts on record;

WHEREAS, despite the laws and issuances on the reversion of accounts payable, various agencies continue to accrue prior years' accounts payable in their respective books of accounts;

WHEREAS, to facilitate the preparation of transparent, accountable and realistic disbursement and annual expenditure programs, the accounts payable from prior years need to be reexamined and kept at manageable levels, and the actual cash requirements therefor need to be ascertained;

WHEREAS, the existence of prior years' accounts payable in the books of accounts of agencies unnecessarily immobilizes public funds, hampers efforts to determine the actual financial condition of the national government, and hinders effective resource planning and allocation;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

Section 1. Reversion of Documented Accounts Payable. All documented accounts payable for fiscal year 2016 and years prior thereto shall be reverted to the Accumulated Surplus or Deficit of the General Fund, or the Cumulative Result of Operations of the National Government. Henceforth, all documented accounts payable which remain outstanding for at least two years, for which no actual administrative or judicial claim has been filed, shall be subject to automatic reversion.

THE PRESIDENT OF THE PHILIPPINES

Section 2. Treatment of Undocumented Accounts Payable. All accounts payable which are undocumented or not covered by perfected contracts on record, regardless of the year in which they were incurred, shall automatically be reverted. The recording of undocumented accounts payable in the books of accounts of agencies shall be strictly prohibited.

Section 3. Funding Source for Validated Claims. In the event that reverted accounts payable are subsequently validated by competent authorities or by final and executory decisions, the funding therefor shall be determined by the Department of Budget and Management (DBM) subject to the applicable laws, rules and regulations.

Section 4. Prescribed and Disallowed Claims. The preceding Section shall in no way be construed as authority to revive or validate claims and accounts payable that are already barred by prescription or disallowed by final judicial or administrative determination.

Section 5. Applicability. This Order shall apply to all accounts payable of all National Government Agencies, except: (i) trust or fiduciary funds, for as long as the purposes for their creation have not been accomplished; and (ii) accounts payable corresponding to foreign-assisted projects for the duration of the said projects.

Section 6. Sanctions. Failure to comply with the foregoing shall be a ground for appropriate sanctions and/or administrative action against the responsible government officials and employees, as may be warranted under the circumstances.

Section 7. Implementing Rules and Regulations. The DBM, in consultation and/or coordination with the Commission on Audit, shall prepare the rules and regulations for the implementation of this Order.

Section 8. Effectivity. This Executive Order shall take effect immediately.

DONE, in the City of Manila, this 13th day of **August**, in the year of our Lord Two Thousand and Nineteen.

R Duterte


By the President:

SALVADOR C. MEDIALDEA
Executive Secretary

