



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
Tel Nos. (632) 929-66-26 to 29 • (632) 929-62-52
929-66-20 • 929-66-33 to 35
929-70-41 to 43

DENR MIMAROPA REGIONAL OFFICE	
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MEMORANDUM:

TO : The Regional Executive Directors
Regions 2, 3, 8, 10, 12, MIMAROPA and CAR

FROM : The Assistant Secretary
Finance, Information Systems and Mining Concerns

SUBJECT : CLOSING OF COMPLETED PROJECTS TO REGULAR
AGENCY FUND

DATE : NOV 28 2022

This has reference to the various foreign assisted projects and special projects/grants of the agency which have been completed and remained dormant where continuously set of financial reports are being prepared for submission to Commission on Audit (COA) and Department of Budget and Management (DBM).

Pursuant to Section III.A of ^{1/}COA Circular No. 97-001 dated February 5, 1997, when the account in the Trial Balance of a fund or funds are non-moving for five (5) consecutive year, the Chief Accountant may transfer the completed projects to the Regular Agency Fund, provided that the transfer or closing of the books is in accordance with the guidelines stated in the COA Circular.

You are required to verify or reconcile the accounts of the completed projects listed in the attached **Annex "A"** and transfer to Regular Agency fund until December 31, 2022. Submit a copy of the Pre-Closing Trial Balance, the approved Journal Entry Vouchers (from Fund Cluster 02, 04 and Fund Cluster 01) and other supporting documents to DENR Financial and Management Service-Accounting Division or email at denrco.conso@gmail.com for reference in the consolidation of year-end reports.

For compliance.


ENGR. NONITA S. CAGUIOA

^{1/} COA Circular No. 97-001 dated February 5, 1997 – Guidelines on the Proper Disposition/Closure of Dormant Funds and/or Accounts of National Government Agencies.



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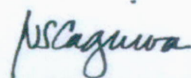

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Department of Environment and Natural Resources
FMS-Accounting Division
Revenue and Consolidation Section

FUND CLUSTER 02 -

Foreign Assisted Project	On-going Projects	Completed projects	Remarks for completed projects
Central Office	FMP, INREMP		
Region 2	FMP, INREMP	ENRMP, ICRMP	awaiting memo from Central Office
Region 3	FMP, INREMP	ICRMP	awaiting memo from Central Office
Region 4 B		OECE, ICRMP	awaiting memo from Central Office
Region 6	FMP		
Region 7	INREMP		
Region 8		ENRMP, LAMP	No available record or SL due to typhoon Yolanda
Region 10	INREMP	ENR-SECAL, OECE, NIPAP	
Region 12		MRDP-CMBC, NPS-ENRMP	Previously close to Fund 101, but in CY 2016 the clustering of report prompt them to record to original fund.
CAR	FMP, INREMP	ENRMP	awaiting memo from Central Office
FMB	FMP, INREMP		

FUND CLUSTER 04 -**Special Accounts/Grants**

Central Office	INREMP, BD Corridor		
Region 2		ICRMP	awaiting memo from Central Office
Region 3		ICRMP	awaiting memo from Central Office
Region 4 B		ICRMP	awaiting memo from Central Office
Region 7	INREMP, AFOCO		
Region 8		PEATLAND	No available record or SL due to typhoon Yolanda
Region 9	NAGAO Grant		
Region 10	INREMP		
Region 12		MRDP-CMBC, RBWMP, NPS-ENRMP	Previously close to Fund 101, but in CY 2016 the clustering of report prompt them to record to original fund.
CAR	INREMP		
FMB	INREMP, BD Corridor		
BMB	BD Corridor		

COMMISSION ON AUDIT CIRCULAR NO. 97-001

February 5, 1997

TO : Heads of Departments, Agencies, Bureaus and Offices of the National Government; Heads of Self-Governing Boards and Commission, State Universities and Colleges; heads of Financial management Services, Chief Accountants/heads of Accounting Units; COA Assistant Commissioners, COA Directors, Heads of Auditing Units; and All Others Concerned.

SUBJECT : Guidelines on the Proper Disposition/Closure of Dormant Funds and/or Accounts of National Government Agencies.

I. RATIONALE AND PURPOSE

The Annual Financial Report (AFR) of the National Government (NG) includes funds and accounts (Assets, Liabilities and Residual Equity) of agencies that have long been abolished, or agencies whose functions have been merged with or transferred to other agencies and accounts of projects/programs which have been completed, discontinued or abandoned. Some of these funds/accounts have remained dormant for more than five (5) years now.

To date, the details and validity of these funds/accounts cannot be fully ascertained due to lack/unavailability of supporting records/documents and that the present accounting personnel has no knowledge thereof.

This circular therefore is issued to prescribe the guidelines and procedures on cleaning the books of accounts of the NG with dormant funds/accounts pertaining to the abolished and/or merged/transferred agencies and projects/programs of which implementation have already been completed, discontinued or abandoned.

II. DEFINITION OF TERMS

For the purpose of this Circular, the following terms shall be construed to mean as follows:

1. Dormant Accounts - refer to individual or group of accounts which balances remained non-moving for more than five years.
2. Dormant Funds - refer to funds with their own assets, liabilities and residual equity created for specific projects/programs, the implementation of which have been completed and the account balances remained non-moving for more than five (5) years.
3. Abolished Agency - refers to the agency which was dissolved pursuant to law or other authority or which functions were transferred/merged or consolidated with another agency or absorbed by a new agency.
4. Receiving Agency - refers to the agency which absorbed the functions, funds and

accounts of the abolished agency.

III. GUIDELINES

A. Dormant Funds

When the accounts in the trial balance of a fund or funds are non-moving for five consecutive years, the Chief Accountant or other Officials concerned shall:

1. Initiate/cause the verification of the nature or purpose of the fund.
2. If upon verification the purpose of the fund is found fully completed, discontinued and/or abandoned and no financial transactions are expected, conduct review, analysis, and reconciliation of the subject funds accounts, and determine their existence and validity.
3. Effect the adjusting journal entries and prepare the preliminary trial balance.
4. Determine proper disposition of reconciled and validated accounts as follows:
 - 4.1 Remittance of all cash balances on hand and in other banks to the National Treasury.
 - 4.2 Enforcement of collection of receivables and liquidation of outstanding cash advances.
 - 4.3 Settlement of all liabilities and/or reversion/adjustment of same to the CRO account.
 - 4.4 Conduct of physical count of inventories and fixed assets, and reconciliation of the same with those recorded in the books of accounts.
5. Upon completion of steps 4.1 to 4.4 above, prepare the adjusting and closing entries and the final trial balance.
6. Transfer to the General Fund (GF) books, accounts with remaining balances. Accounts not yet reconciled/validated should also be transferred to the GF books with suffix "Fund ____". This notation will remain until the accounts are fully reconciled/validated and closed.
7. Submit to the Accountancy Office, COA and the COA Resident Auditor the following:
 - 7.1 Preliminary trial balance, copies of journal vouchers required under No. III.A.3 of this circular, and other pertinent documents such as project completion, discontinuance, etc.
 - 7.2 Final Trial Balance, with notation "Balances taken up per JV No. ____ dated ____ were transferred to ____". This shall be indicated immediately after the Grand Totals. A copy of the JV shall be attached to the final trial balance.
8. Furnish the Department of Budget and Management (DBM) with copy of the final trial balance, and inform both the DBM and BTR regarding the closing/transfer of all account balances.
9. If there are cash accounts which will affect the books of the National Treasury, furnish the Bureau of the Treasury (BTr) with the JV pertaining thereto.
10. If the analysis/review of the accounts/funds is not possible due to absence of

records and documents, the agency head concerned should request for write-off and/or adjustment of account balances from the COA, supported by:

10.1 List of available records and extent of validation made on the accounts;
and

10.2 Certification and reasons why the books of accounts/records, financial statements/schedules and supporting vouchers/ documents cannot be located.

B. Dormant Accounts

1. Dormant accounts in on active fund shall be reviewed, analyzed and reconciled together with the other related accounts in the trial balance.
2. After the review and validation of accounts, the procedures prescribed in Nos. III.A.3 to .4 and III.A.9 to .10 of this circular shall be followed.

C. Accounts of Abolished Agencies

1. The guidelines and procedures prescribed in COA Circular No. 92-375 dated March 9, 1992 Re: Accounting guidelines and procedures for the closing of the books of accounts of abolished/transferred/merged/consolidated/converted/subdivided agencies and the opening of the book of accounts for agencies affected by such abolition/transfer/merger/consolidation/conversion/subdivision pursuant to the provisions of law, should be followed.
2. For agencies which have long been abolished and whose accounts are still reflected in the consolidated financial report of the National Government, the Accountancy Office shall:

2.1 Determine:

- a. the law or other authority abolishing/merging or transferring the functions of the agency,
- b. the disposition of the assets and liabilities of the abolished/merged/transferred agency,
- c. the receiving agency,
- d. action taken by the receiving agency on the accounts of the abolished/merged/transferred agencies,

2.2 Reconcile the account balances per agency records with the balances maintained in the Accountancy Office.

2.3 Communicate with the agency concerned relative to the un reconciled balances and actions to take on those accounts.

3. If the books of accounts, schedules and supporting documents are available, the receiving agency shall:

3.1 Analyze, validate and reconcile the account balances and determine proper disposition of accounts following the procedures under No. III.A.4

of this circular.

- 3.2 Effect the transfer of reconciled balances to the proper funds as provided for in the law/authority abolishing the agency.
- 3.3 Prepare the adjusting and closing entries and the final trial balance.
- 3.4 Cause the transfer/consolidation of accounts in accordance with the provisions under the law abolishing/transferring/merging the agency.
- 3.5 Submit to the Accountancy Office, COA and the COA Resident Auditor the following:
 - a. Preliminary trial balance, copies of journal vouchers required under No. III.A.3 of this circular and other pertinent documents such as project completion, discontinuance, etc.
 - b. Final Trial Balance with notation "Balances taken up per JV No. ____ dated ____ were transferred to ____". This shall be indicated immediately after the Grand Totals. A copy of the JV shall be attached to the final trial balance.
- 3.6 Furnish the Department of Budget and Management (DBM) with copy of the final trial balance and inform both the DBM and BTr regarding the closing/transfer of account balances.
4. If no action has been done to clear the accounts of abolished agencies because the books of accounts, financial statements/schedules and documents needed to validate the accounts are no longer available, the agency head of the receiving agency should request for write-off or adjustment of these accounts. The request should be supported by documents as mentioned in No.III.A.10 of this circular.

IV. ADMINISTRATIVE SANCTION

Failure of the officials/employees concerned to comply with the requirements of this circular shall subject them to administrative disciplinary action in accordance with the provisions of Section 122 (2), Chapter 3, Title III, P.D. No.1445 and Section 55, Chapter 10, Sub-title I-B, Book V of Executive Order No. 292, series of 1987, of the Revised Administrative Code of the Philippines.

V. SAVING CLAUSE

Cases not covered in this Circular shall be referred to the Accountancy office, COA for resolution.

VI. REPEALING CLAUSE

All circulars, memoranda and other issuances or parts thereof which are inconsistent with the provisions of this Circular are hereby rescinded/repealed/modified accordingly.

VII. EFFECTIVITY

This Circular shall take effect immediately.

(Sgd.) CELSO D. GAÑAN
Chairman

(Sgd.) ROGELIO B. ESPIRITU
Commissioner

(Sgd.) SOFRONIO B. URSAL
Commissioner