

DRN: *FMS-RRAD-A-Comm-20-01-0001405 90-5*
**MEMORANDUM FROM THE UNDERSECRETARY FOR GASSG**

**TO :** ALL HEADS OF OFFICES, BUREAUS, SERVICES AND UNITS  
 CENTRAL OFFICE AND FIELD OFFICES

**ATTENTION :** CHIEF ACCOUNTANT, CENTRAL OFFICE  
 REGIONAL ACCOUNTANTS

**SUBJECT :** FM GUIDELINES NO. 6, SERIES OF 2020 : IMPLEMENTING AGENCIES  
 WITH UNLIQUIDATED FUND TRANSFERS

**DATE :** 10 JANUARY 2020

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Specific rules on the transactions involving the grant, utilization and liquidation of fund transferred to Implementing Agencies (IAs) is explicitly stated in Commission of Audit (COA) Circular No. 94-013 dated December 13, 1994. The provisions stated thereat shall apply to financial transactions of National Government Agencies and Instrumentalities with specific guidelines for project implementation and reporting requirements.

It is the duty of this Department through the proponent OBSUs to monitor the accordance of the project implementation and utilization of funds with the approved Memorandum of Agreement (MOA). Hence, during project implementation and upon its completion or end of its project duration, the Accounting Division/Units shall demand the submission of liquidation report with all the documents necessary to support the disbursements of the IAs. Accordingly, COA Circular No. 94-013 specifies the submission of the following reports upon the completion of the agreed period:

“Report of Checks Issued (RCI) and the Report of Disbursement (RD) to report the utilization of the funds which is certified correct by the Accountant and approved by the Head of the IA.”

With this, the Accounting Division/Units for Regional Programs will issue reminders and/or demand letters with the following schedules:

Reminder/ Notices	Addressee	Schedule
Reminder Notice	OBSUs concerned	15 <sup>th</sup> day after each quarter during the implementation period and 15 <sup>th</sup> day after the end of the prescribed period of implementation
First Notice	Implementing Agencies; CF the OBSUs concerned	1 month after the end of the prescribed period of implementation to liquidate
Second Notice	Implementing Agencies; CF the OBSUs concerned	1 month after 1 <sup>st</sup> notice
Third Notice	Implementing Agencies; CF the OBSUs concerned	1 month after 2 <sup>nd</sup> notice
Final Demand	Implementing Agencies; CF the OBSUs concerned	1 month after 3 <sup>rd</sup> notice
Endorsement	Legal Service	1 month after final demand

This shall be observed to expedite the immediate liquidation and recording of the same in the books of accounts.

Please be guided accordingly.

*[Signature]*  
**JOSE ERNESTO B. GAVIOLA**

*[Signature]*  
 JLNSC/JVB/CMC/223