FUND TRANSFERS TO OPERATING UNITS

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1.0 Purpose

1.1 To institute the revised procedures in the transfer of funds covering Centrally Managed Items (CMIs)/lump-sum amounts under agency budgets.

2.0 Background

2.1 The specific appropriation of certain agencies include CMIs/lumpsum amounts intended to be transferred to their Operating Units (OUs).

2.2 In cases where an agency concerned can already determine the allocation of CMIs/lumpsum amounts, allotments for the purpose are released by DBM direct to the OUs. Where the specific OUs cannot yet be determined, allotments are released to the agency concerned as reflected in the General Appropriations Act. The subsequent transfer of allotment to the OUs are made through the Sub-Allotment Advice (SAA) or Letter Advice Authority (LAA).

2.3 The two (2) existing modes of providing cash support for allotments transferred by the department/agency to OUs out of the CMIs/lumpsum amounts, are as follows:

> 2.3.1 Cash requirements for SAA are charged against available NCA of the recipient OUs or from additional NCAs released by DBM direct to the OUs concerned.
>
> 2.3.2 Cash requirements for LAA are transferred thru issuance of funding checks to OUs by the agency. In this case, the OUs deposit the funding check to a current account. Consequently, this is considered as a cash drawdown/utilization of Bureau of the Treasury (BTr) funds, although cash is still with the authorized government depository bank.

3.0 Guidelines

3.1 Effective immediately, the practice of transferring cash support through funding check under the LAA (Item 2.3.2) shall be discontinued. As a result, government agencies with cash balances arising from funding checks received from other agencies/offices within the same department/agency are hereby advised to immediately remit said cash balances to the National Treasury on or before June 30, 2003.

3.2 Henceforth, the transfer of allotment to OUs shall be thru SAA. The covering cash support shall be through the following:

> 3.2.1 Additional NCA shall be issued by DBM directly to the recipient OUs.
>
> 3.2.2 Notice of Transfer of Allocation (NTA)
>
> The department/agency shall instruct their Modified Disbursement Scheme-Government Servicing Bank (MDS-GSB) to transfer a specific amount out of their NCA available book balance, to the existing regular MDS accounts of the OUs. It is understood that the individual MDS-GSB of the recipient OUs shall be the same MDS-GSB as that used by the transferring department/agency.

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3.3 It is understood that agencies shall provide the DBM concerned offices, a report of the transferred allotment and/or NTAs made which shall serve as basis for determination of the adjusted funding levels of agencies concerned.

4.0 Effectivity

These guidelines shall take effect immediately.

Adopted: 22 May 2003

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