



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
Tel Nos. 929-6626 to 29; 929-6633 to 35
929-7041 to 43; 929-6252; 929-1669
Website: <http://www.denr.gov.ph> / E-mail: web@denr.gov.ph

MEMORANDUM

TO : **THE REGIONAL EXECUTIVE DIRECTORS**
• DENR Regions 1,3,4A, 4B, 5, 6, 7, 9, 10, 11, 13, NCR, and CAR
THE BUREAU DIRECTOR
• Land Management Bureau

FROM : **THE UNDERSECRETARY**
Finance, Information Systems, and Climate Change

SUBJECT : **SUBMISSION OF THE LIQUIDATION REPORT IN RELATION TO THE SURVEY AND TITLING OF DEPARTMENT OF NATIONAL DEFENSE – ARMED FORCES OF THE PHILIPPINES (DND – AFP) REAL ESTATE PROPERTIES**

DATE : JAN 20 2022

This is in connection to the memorandum of the undersigned dated 09 November 2021 regarding the adoption of the Cash Budgeting System (CBS) for the inter-agency fund transfer treated as trust receipts from the Department of National Defense – Armed Forces of the Philippines (DND – AFP). Accordingly, the project implementation and completion shall be in accordance with the letter dated 25 October 2021 of the Department of Budget and Management (DBM), copy attached.

In view of the foregoing, please submit **on or before 31 January 2022** the following documents for evaluation and/or verification by the Accounting Division, to wit:

1. Liquidation Report with a **received stamp by your respective Commission on Audit (COA) Resident Auditor**;
2. Validated deposit slip for the unutilized/unspent balances **refunded to the DENR-Trust Fund (LBP Account No. 0712-1005-91)**; and
3. Validated deposit slip for the unutilized/unspent balances refunded **directly to the Bureau of Treasury (BTr)**, if any.

For the purchase of equipment recorded in the liquidation reports, please be guided of Section 17 of the General Accounting Manual (GAM) Volume I on the acquisition of Property, Plant, and Equipment (PPE) through Fund Transfer to Other Government Agencies or Civil Society Organizations, states that:

“b. Acquisition by Implementing Agency/Entity:

1. *The funds received from the inter-agency transfer shall be recorded in the fund cluster for trust receipts as assets.*
2. *The implementing Agency/entity shall record/monitor the purchased out of inter-agency transferred funds when the PPE meets the recognition criteria.*

At the end of the project, the transfer shall be made in accordance with the MOA/U as in the following cases:

Case 1 - The MOA/U provides that the PPE will be donated to the implementing agency/entity.

Case 2 - The MOA/U provides that the PPE will be returned by the implementing agency to the Source Agency/Entity."

Kindly coordinate with the Property and Supply Management Division (PSMD) to facilitate the concerns on the acquisition of PPE from the funds received from the inter-agency transfer and submit the supporting documents for proper documentation of the said purchase.

The List of Status of Fund Transfers for the Surveying and Titling of Real Estate Properties of DND - AFP as of 31 December 2021 is also attached as Annex A for reference.

For clarifications, your representative may contact Mr. Ronald B. Nilo/ Ms. Maribelle Grace C. Garcia of the Accounting Division at telephone no. 8928-0254.

For your strict and immediate compliance.


ATTY. ANALIZA REBUelta - TEH

cc. The Undersecretary
Field Operations and Environment

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
OFFICE OF THE SECRETARY
STATUS OF FUNDS TRANSFERRED
DND - AFP TRUST FUND
SURVEYING & TITLING OF REAL ESTATE PROPERTIES
AS OF DECEMBER 31, 2021

REGION/ BUREAU	FUNDS RELEASED	LIQUIDATION	REFUND	UNLIQUIDATED BALANCE
1	2	3	4	5 = 2 - (3 + 4)
LMB	23,765,000.00	-	-	23,765,000.00
NCR	687,000.00	-	-	687,000.00
CAR	1,585,000.00	-	-	1,585,000.00
Region 1	338,000.00	-	-	338,000.00
Region 3	197,890,000.00	-	-	197,890,000.00
Region 4A	333,000.00	-	-	333,000.00
Region 4B	17,522,000.00	-	-	17,522,000.00
Region 5	323,000.00	-	-	323,000.00
Region 6	271,000.00	-	-	271,000.00
Region 7	204,000.00	-	-	204,000.00
Region 9	202,000.00	-	-	202,000.00
Region 10	18,723,000.00	-	-	18,723,000.00
Region 11	133,000.00	-	-	133,000.00
CARAGA	1,205,000.00	-	-	1,205,000.00
GRAND TOTAL	263,181,000.00	-	-	263,181,000.00

Total Fund Received: Official Receipt No. 0012520 dated
3/17/2021)

Less: Liquidation

Unliquidated Balance

P 298,286,675.22

-

P 298,286,675.22

Total Amount Deposited to the Bureau of Treasury

Less: Notice of Cash Allocation (NCA-BMB-E-21-
0011652 dated Sept 16, 2021

Balance

P 298,286,675.22

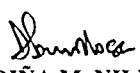
263,181,000.00

P 35,105,675.22

Prepared by:


MARIBEL GRACE C. GARCIA
Accountant II

Certified correct:


DIÑA M. NILLOSAN
Department Chief Accountant



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Department of Environment and Natural Resources
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MEMORANDUM

TO : **THE REGIONAL EXECUTIVE DIRECTORS**
• DENR Regions 1,3,4A, 4B, 5, 6, 7, 9, 10, 11, 13, NCR, and CAR
THE BUREAU DIRECTOR
• Land Management Bureau

FROM : **THE UNDERSCRETARY**
Finance, Information Systems, and Climate Change

SUBJECT : **CLARIFICATION ON THE VALIDITY OF INTER-AGENCY FUND TRANSFER FROM THE DEPARTMENT OF NATIONAL DEFENSE - ARMED FORCES OF THE PHILIPPINES (DND - AFP)**

DATE : NOV 09 2021

This refers to the letter of the Department of Budget and Management (DBM) signed by the Officer-in-Charge USEC Tina Rose Marie L. Canda dated 25 October 2021 regarding the adoption of the Cash Budgeting System (CBS) for the inter-agency fund transfer treated as trust receipts from the Department of National Defense – Armed Forces of the Philippines (DND – AFP) intended for the titling of DND/AFP’s Real Estate Properties.

Please be informed that you are advised to expedite the awarding of contracts and subsequently the project implementation and completion of inter-agency fund transfers until 31 December 2021 per section 3.5 of the National Budget Circular (NBC) no. 578 dated 06 January 2020.

In case that the projects were in the early stage of procurement and the contracts are still not awarded to the winning bidders, this shall be reverted after 31 December 2021. Claims shall be considered accounts payable if the projects were: 1) already covered with awarded contracts and are already being implemented and 2) payments for delivered goods/services not yet processed by 31 December 2021. These claims can still be paid after the 31 December 2021 cut-off date, subject to the limitations per Executive Order (E.O.) 87 dated 13 August 2019, and Commission on Audit (COA) and DBM Joint Circular No. 1, s. 2021 dated 08 March 2021.

Attached are copies of our letter to DBM dated 06 August 2021, reply letter of DBM dated 25 October 2021, COA – DBM Joint Circular no. 1, s. 2021 dated 08 March 2021, NBC no. 578 dated 06 January 2020, and E.O. 87 dated 13 August 2019 for your reference.

For your information and guidance.


ATTY. ANALIZA REBUELTA – TEH

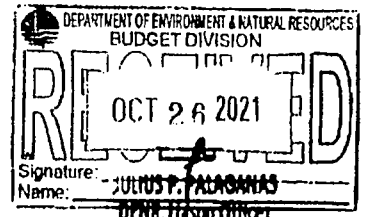
cc. **The Undersecretary**
Legal, Administration, Human Resources and Legislative Affairs
The Undersecretary
Field Operations and Environment
The Undersecretary
Policy, Planning and International Affairs



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

OCT 25 2021

SECRETARY ROY A. CIMATU
Department of Environment and Natural Resources (DENR)
Visayas Avenue, Diliman, Quezon City



Attention : **Undersecretary Analiza Rebuelta-Teh**
Finance, Information Systems and Climate Change

Dear **Secretary Cimat**:

This has reference to two (2) separate requests from the DENR for clarification on the validity of inter-agency transferred funds insofar as the Cash Budgeting System is concerned (completion, inspection, acceptance and payment), as follows:

DMS Ref. No.	DENR's Role	Particulars
2021-BE-0097079B	Implementing Agency	Receipt of fund transfer in the amount of P298,286,676.00 per Bureau of Treasury (BTr) Certification dated July 27, 2021, sourced from the budget of the Department of National Defense - Arm Forces of the Philippines (DND-AFP) under the FY 2020 General Appropriations Act (GAA), for the survey and titling of its real estate properties
2021-BE-0108377	Source Agency	Balances of funds transferred to MMDA and DPWH for the Manila Bay Rehabilitation Program. The funds for the said projects, comprising MOOE and CO, were charged against the GAA of FYs 2019 and 2020. DPWH FY 2019 MOOE P 1,145,516,877.07 CO 150,000,000.00 TOTAL, DPWH P 1,295,516,877.07 MMDA FY 2019 - MOOE P 76,359,682.95 FY 2020 MOOE 162,148,000.00 CO 262,603,933.11 TOTAL, MMDA P 501,111,616.06

Generally, funds treated as trust receipts under Section 6 of the General Provisions of the General Appropriations Act shall be governed by the provisions therein, as well as by the pertinent budgeting, accounting, and auditing laws, rules and regulations.

Accordingly, the table below shows the validity of inter-agency transferred funds treated as trust receipts in terms of release, obligation, and disbursement:

GAA	Expense Class	Legal Basis	Release	Obligation	Disbursement
2019	1. MOOE and other CO items	RA No. 11464 ¹ NBC No. 578 ²	Until Dec. 31, 2020		Until June 30, 2021
	2. Infra-related CO, including subsidy releases to GOCCs for infrastructure projects				Until Dec. 31, 2021
2020	MOOE and other CO items	RA No. 11520 ³			Until Dec. 31, 2021

Based on further clarification with our Legal Service, agency-transferred funds for projects sourced from the FY 2019 GAA to be reverted after June 30, 2021, are for those projects in the early stage of procurement and the contracts have not been awarded to the winning bidders. In the case of projects covered with awarded contracts and are already being implemented, payments for delivered goods/services not yet processed by June 30, 2021 are already considered accounts payable. Hence, such can still be paid after the June 30, 2021 cut-off date, subject to the limitations set by the pertinent issuances on reversion of accounts payable.

For inter-agency fund transfers sourced from the FY 2020 GAA, it is recommended that implementing agencies fast-track the awarding of contracts and subsequently, project implementation and completion to optimize the validity period for the said appropriation source.

We hope that we have provided you with appropriate guidance on the matter. Thank you and God bless.

Very truly yours,


TINA ROSE MARIE L. CANDIA
 Officer-in-Charge



¹ An Act Extending the Availability of the 2019 Appropriations to December 31, 2020, Amending for the Purpose Section 65 of the General Provisions of Republic Act No. 11260, the General Appropriations Act of Fiscal Year 2019
 Guidelines on the Release of Funds for FY 2020
² An Act Extending the Availability of the FY 2020 Appropriations to December 31, 2021, Amending for the Purpose Section 60 of the General Provisions of Republic Act No. 11465 of the General Appropriations Act of Fiscal Year 2020