TO: Heads of Departments/Agencies/State Universities and Colleges and Other Offices of the National Government, Budget Officers; Heads of Accounting Units; Heads of Modified Disbursement System – Government Servicing Banks (MDS-GSB), and All Others Concerned

SUBJECT: Validity of Notice of Cash Allocation (NCA) for Regular MDS Sub-Accounts Effective January 1, 2014

1.0 Given the prevailing regime of comfortable cash balances at the Treasury and to further enhance the ability of agencies/operating units (OUs) to fully utilize their NCAs, the national government sustains the policy of comprehensively releasing NCAs to cover their budgetary requirements.

2.0 The comprehensive NCAs, based on the agency/OU's submitted Monthly Disbursement Program (MDP), will provide the corresponding cash requirements to the appropriations which shall be released comprehensively using the GAA as budget release document starting 2014.

3.0 Agencies/OUs may request for release of additional NCAs for the following:

3.1 Cash requirements corresponding to the SAROs chargeable against Special Purpose Funds (SPF), e.g., Calamity Fund, on the basis of the separate MDP submitted.

3.2 Augmentation in case of insufficient balance of the common fund (Regular MDS sub-account).

4.0 Starting January 1, 2014, all NCAs for crediting to Regular MDS sub-accounts for any month, whether part of the comprehensive releases or constituting additional NCA releases, shall be valid until the last working day of the 3rd month of that quarter. NCAs released during the quarter, e.g., February and March, shall be valid up to March 31, etc.

5.0 The NCA shall be credited by the MDS-GSB to the agency's/OUs MDS sub-account on the first working day of each month, consistent with the supporting monthly schedule of the agency's/OU's cash requirements. The MDS-GSB shall automatically credit any unutilized NCA, corresponding to the book balance at the end of the month, to the immediately succeeding month within the same quarter.
6.0 It is understood that all NCA balances at the end of each quarter are considered lapsed after the last working hour of said quarters.

7.0 All concerned are enjoined to regularly submit to the DBM the requisite reports on the utilization of NCAs to wit:

7.1 Agencies/OUs shall prepare and submit a Summary Report of Disbursements to DBM on or before the 30th day following the end of the quarter covered by the report as prescribed under DBM-COA Joint Circular No. 2013-1.

7.2 The MDS-GSBs shall provide DBM with a monthly report on NCAs credited and utilized per MDS accounts of agencies/OUs by fund on or before the 2nd working day following the month covered by the report.

8.0 All pertinent provisions of previous issuances inconsistent with the provisions of this Circular are deemed repealed.

9.0 This Circular shall take effect on January 1, 2014.