



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
MALACAÑANG, MANILA

**CIRCULAR LETTER**

No. 2013 - 12

November 21, 2013

**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 3<sup>rd</sup> 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/OU's shall prepare and submit a Summary Report of Disbursements to DBM on or before the 30<sup>th</sup> 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/OU's by fund on or before the **2<sup>nd</sup> 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.

**FLORENCIO B. ABAD**  
Secretary