



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

CIRCULAR LETTER

No. 2013-16 B
February 25, 2014

TO : All Heads of Departments/Agencies/State Universities and Colleges and Other Offices of the National Government, Budget Officers and Heads of Accounting Units, COA Auditors, Heads of MDS Government Servicing Banks (MDS-GSBs), and All Others Concerned

SUBJECT : Addendum to DBM Circular Letter No. 2013-16 Re: Expanded Modified Direct Payment Scheme (Expanded MDPS) for Accounts Payable (A/Ps) of National Government Agencies/Operating Units (NGAs/OUs)

1.0 This Circular is being issued to:

1.1 Provide additional guidelines for the following:

1.1.1 Remittance of social insurance premium contributions to government corporations, such as Government Service Insurance System (GSIS), PHILHEALTH, and Home Development Mutual Fund (HDMF) – per Item No. 5.4.1.3 of CL 2013-16; and

1.1.2 Payment of A/Ps to utility companies, such as: supplier of petroleum, oil and lubricants, water, illumination and power services, telephone, internet and other communication services, among others – per Item No. 5.4.1.5 of CL No. 2013-16.

1.2 Clarify the procedure for payment of A/Ps to creditors of NGAs/OUs with small transactions (e.g., claims lower than the required amount for opening or maintaining an account with the bank) and/or creditors which can not be conveniently paid through Advice to Debit Account (ADA), as determined by the Agency Head.

2.0 In order to give sufficient time for the concerned government corporations and utility companies cited under item numbers 1.1.1 and 1.1.2 of this Circular and the government servicing banks (GSBs) of the MDS (i.e., Land Bank of the Philippines, Development Bank of the Philippines and Philippine Veterans Bank), in completing the necessary fine-tuning of their respective IT systems for the purpose of implementing the Expanded MDPS, **all NGAs/OUs are directed to continue to issue MDS checks to cover payment of A/Ps to subject creditors.**

