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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
CENTRAL OFFICE
MANILA

March 2, 2020

DEPARTMENT MEMORANDUM)
)
CIRCULAR NO. 20)
)
Series of 2020 *03. 02. 2020*)

FOR / TO : Undersecretaries
Assistant Secretaries
Service Directors
Bureau Directors
Regional Directors
Heads of UPMOs
District Engineers
This Department

For information and guidance, attached is a copy of COA Circular No. 001 dated January 8, 2020 entitled **"PRESCRIBING VOLUME III-REVISED CHART OF ACCOUNTS (UPDATED 2019) TO REPLACE VOLUME III-THE REVISED CHART OF ACCOUNTS (UPDATED 2015) OF THE GOVERNMENT ACCOUNTING MANUAL FOR NATIONAL GOVERNMENT AGENCIES"**.

A copy of said COA Circular may also be downloaded from the **DPWH website: <http://dpwhweb>**. If an office cannot access the DPWH website, a hard copy may be obtained from the Records Management Division, HRAS upon request.

For dissemination to all concerned.

MARICHU A. PALAFOX, CESO III
Assistant Secretary for Support Services

Encl: COA CIRCULAR NO. 001 dated January 8, 2020
Cc: Office of the Secretary



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

CIRCULAR

No. : 2020-001
Date: JAN 08 2020

TO : All Heads of Departments, Bureaus, Offices, Agencies and Instrumentalities of the National Government, All Heads of Government Corporations that are Maintaining Special Accounts in the General Fund, COA Assistant Commissioners, COA Directors, COA Auditors, and All Others Concerned

SUBJECT : Prescribing Volume III-Revised Chart of Accounts (Updated 2019) to replace Volume III-The Revised Chart of Accounts (Updated 2015) of the Government Accounting Manual for National Government Agencies

1.0 Rationale

- 1.1 Pursuant to Section 2 (2), Article IX-D of the 1987 Philippine Constitution, which mandates the Commission on Audit (COA) to promulgate accounting rules and regulations, the COA prescribed through COA Circular No. 2015-007 dated October 22, 2015 the Government Accounting Manual for National Government Agencies (GAM for NGAs) to integrate in one set of guide all accounting and financial reporting standards, policies, rules, regulations and procedures applicable to NGAs which were adopted and implemented under the Public Financial Management Reform Roadmap (2011-2015). The GAM, which was effective January 1, 2016, consists of three volumes, namely: Volume I-Accounting Policies, Guidelines and Procedures, and Illustrative Accounting Entries; Volume II-Accounting Books, Registries, Records, Forms and Reports; and Volume III-The Revised Chart of Accounts (Updated 2015).
- 1.2 COA Resolution No. 2017-006 dated April 26, 2017 was issued for the adoption of additional six Philippine Public Sector Accounting Standards (PPSAS) (*PPSAS 33-First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)*, *PPSAS 34-Separate Financial Statements*, *PPSAS 35-Consolidated Financial Statements*, *PPSAS 36-Investments in Associates and Joint Ventures*, *PPSAS 37-Joint Arrangements*, and *PPSAS 38-Disclosure of Interests in Other Entities*) and updates on the PPSAS prescribed through COA Resolution No. 2014-003 dated January 24, 2014 based on the International Public Sector Accounting Standards (IPSAS) contained in the 2016 Edition of the Handbook of International Public Sector Accounting Pronouncements (HIPSAP) published by the International Federation of Accountants (IFAC).

- 1.3 The IFAC published in February 2018 the 2017 Edition of the HIPSAP, which contains changes in the IPSAS which were the bases of the PPSAS already adopted by the COA through COA Resolution Nos. 2013-003 and 2017-006.
- 1.4 The implementation of the Unified Accounts Code Structure (UACS) pursuant to Joint Circular No. 2013-1 dated August 6, 2013 of the COA, Department of Budget and Management (DBM) and Department of Finance (DOF), DBM National Budget Circular No. 554 dated March 14, 2014, COA-DBM-DOF Joint Circular No. 2014-1 dated November 7, 2014, and COA-DBM-DOF Joint Circular No. 1 dated August 11, 2017 necessitates alignment of the account codes and sub-codes in the COA-prescribed Revised Chart of Accounts (RCA), which represent the 10-digit Object Code of the 54-digit UACS.
- 1.5 Notwithstanding the comprehensive list of accounts included in Volume III-The Revised Chart of Accounts (Updated 2015) of the GAM for NGAs, the Commission still receives requests from some NGAs and recommendations from some COA auditors for the creation of new accounts and/or modification of the codes and descriptions of existing accounts for the financial transactions peculiar to the NGAs concerned.
- 1.6 The Commission recognizes the need to update the existing RCA for NGAs in view of the adoption of the new PPSAS enumerated in Item 1.2, the issuance by the IFAC of the 2017 Edition of the HIPSAP, the requests/recommendations from some NGAs and COA auditors, and the needed alignment with the UACS, to facilitate the recognition of pertinent financial transactions in the books of accounts of the NGAs concerned.

2.0 Purpose/Coverage

- 2.1 This Circular is issued to prescribe Volume III-The Revised Chart of Accounts (Updated 2019) of the GAM for NGAs. The Revised Chart of Accounts (Updated 2019) provides additional accounts and modified account codes and descriptions to facilitate proper recognition of financial transactions in the books of accounts and preclude misuse of accounts.
- 2.2 This Circular covers all the offices, departments, agencies and instrumentalities of the National Government, including state universities and colleges, as well as government corporations that are maintaining Special Accounts in the General Fund (SAGF).

3.0 Guidelines/Procedures

- 3.1 The Volume III-The Revised Chart of Accounts (Updated 2019) of the GAM for NGAs, attached as Annex A hereof, shall replace Volume III-The Revised Chart of Accounts (Updated 2015) of the GAM for NGAs prescribed under COA Circular No. 2015-007 dated October 22, 2015.

- 3.2 The following additional annexes are also integral part of this Circular:
- a. Additional RCA Account (UACS Object) Codes and Descriptions – Annex B;
 - b. Additional UACS Sub-Object Codes – Annex C;
 - c. Modified Account Titles and UACS Object Codes – Annex D;
 - d. Modified RCA (UACS Object) Codes Description – Annex E;
 - e. Modified UACS Sub-Object Codes – Annex F; and
 - f. List of Deleted Accounts and Descriptions – Annex G.
- 3.3 To align with the UACS, all the subsidiary ledger (SL) accounts embedded in the description of some accounts in the Revised Chart of Accounts (Updated 2015) were deleted. The agencies/entities concerned shall be responsible for creating the appropriate SL accounts they need for financial reporting/other purposes.
- 3.4 For budget purposes, budgetary accounts for Capital Outlays were added in the List of Accounts, Chapter 2 of the Revised Chart of Accounts (Updated 2019).
- 3.5 Updates on the sub-object codes for disaggregation/financial reporting purposes as provided/published in the UACS website based on the recommendations of the responsible oversight agencies (COA, DBM, DOF and the Bureau of the Treasury) shall be automatically adopted by agencies concerned.

4.0 *Repealing Clause*

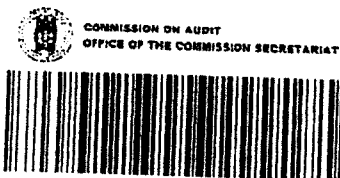
All issuances inconsistent with this Circular are deemed repealed or amended accordingly.

5.0 *Saving Clause*


Cases not covered in this Circular shall be referred to the Government Accountancy Sector, this Commission, for resolution.

6.0 *Effectivity*

This Circular takes effect on January 1, 2020.




MICHAEL G. AGUINALDO
Chairperson


JOSE A. FABIA
Commissioner


ROLAND C. PONDOC
Commissioner

Note:

Annexes A to G of the Circular may be accessed in the COA Website at <https://www.coa.gov.ph>.