



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

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February 1, 1989

Department Order

No. 12
Series of 1989

SUBJECT : Guidelines, Instructions and Accounting Treatment
For Unobligated Year-end Balances of Allotments
for Capital Outlays

Upon representation of this Department, the Department of Budget and Management and the Commission on Audit have agreed that the CY 1988 unobligated year-end balances of allotment for capital outlays shall be available for obligation in CY 1989. Pending the issuance of the necessary circular to this effect by DBM and COA and in order to facilitate the early implementation of this agreement, the following guidelines are hereby prescribed:

1. Scope

This Department Order shall cover unobligated allotments for capital outlays (infrastructure and non-infrastructure).

2. General Guidelines

2.1 CY 1988 unobligated allotment at year-end for infrastructure and non-infrastructure capital outlays shall be adjusted in the books of accounts of the agency concerned to account 8-90-000.

2.2 CY 1988 unobligated allotments at year-end for infrastructure and non-infrastructure capital outlays carried under account 8-90-000 shall be available for obligation in CY 1989. Disbursements made out of the above-mentioned obligations shall be chargeable against the Common Fund authorized under National Budget Circular No. 398 dated June 14, 1988.

2.3 On December 31, 1989, all unobligated balances of CY 1988 allotments made available for obligations in CY 1989 shall be reverted to the unappropriated surplus of the General Fund.

3. Operating Procedures

3.1 On February 1, 1989 the agency Chief Accountant shall determine the unobligated allotments out of appropriations for capital outlays of CY 1988.

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3.2 The agency Chief Accountant shall draw a journal voucher adjusting the unobligated allotment at year-end to account 8-90-000, supported by a list of projects using the attached format. A copy of the above documents shall be furnished COA and DBM thru the Central Office.

3.3 After the preparation of the Final Trial Balance, the agency Chief Accountant shall adjust the CY 1988 unobligated allotment to account 0-90-088 in the CY 1989 books of accounts.

3.4 Sub-allotments pertaining to CY 1988 but released by Central Office after January 31, 1989 shall be taken up in CY 1989 books of accounts under account 0-90-088.

3.5 Transactions pertaining to the CY 1988 unobligated allotments shall be identified by calendar year, such as 0-82-088 for obligations incurred, 0-83-088 for obligations liquidated and etc.

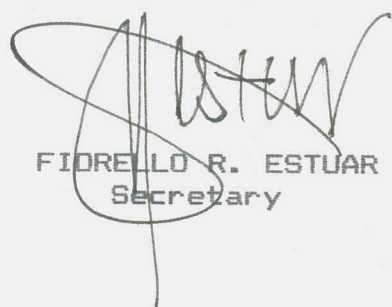
3.6 On December 31, 1989, the agency Chief Accountant shall revert any balance of the allotments of completed projects and/or those which have been dormant in the books of the agency for two (2) years or more to the unappropriated Surplus of the General Fund.

A copy of the journal voucher taking up the reversion shall be furnished the DBM and COA.

4. Illustrative Journal Entries attached.

5. Effectivity

This department order shall take effect immediately.


FIDRELO R. ESTUAR
Secretary