1.0 REFERENCES

a. BJMP-DWD-MC-106 dated October 28, 2020;
b. BJMP-DPRM-LO-2020-525 dated June 29, 2020;
c. Treasury Circular No. 02-2014 dated June 16, 2014;
d. DILG Circular No. 2013-06 dated May 30, 2013;
e. Special Provision No. 1 of RA 10352 (GAA FY 2013);
f. BIR Revenue Regulation No. 18-2012 dated October 22, 2012;
g. Commission on Audit Circular No. 2012-001 dated June 14, 2012;
h. Commission on Audit Circular No. 97-002 dated February 10, 1997;
i. Republic Act No. 9184 otherwise known as the “Government Procurement Reform Act”;
j. PD 1445, otherwise known as the State Audit Code of the Philippines; and

2.0 RATIONALE

The continuous rise in audit observations on granting, utilization, and liquidation of Cash Advances (CA) for Prisoners Subsistence Allowance (PSA) in the past years prompted the Jail Bureau to revisit its processes and procedures. This resulted in the issuance of Department of the Interior and Local Government Circular No. 2013-06, prescribing the guidelines and procedures on the fund release system of PSA. The system was pilot tested in BJMPRO-NCR jails.

The adoption of the Circular, which is anchored in the latest issuances in accounting and auditing procedures, resulted in the drastic reduction of audit findings on PSA transactions in BJMPRO-NCR.

3.0 OBJECTIVES

This policy aims to institutionalize, modify, and clarify certain provisions of DILG Circular No. 2013-06 in compliance with the inherent responsibility of the Jail Bureau to strengthen and improve its fiscal systems and procedures. This is also in support of the campaign of the government for efficiency, transparency and accountability.

Prepared by: RINCO T MONTAUS, MBA, MPSA
Jail Chief Superintendent
Director for Comptrollership

Reviewed by: DENNIS U ROCAMORA, CESE
Jail Chief Superintendent
Deputy Chief for Operations of the Jail Bureau/
Quality Management Representative

Approved by: ALLAN S IRAL, CESE
Jail Director
Chief, BJMP

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4.0 SCOPE

This Circular covers the granting, utilization and liquidation of cash advances for PSA to all BJMP-manned jail units nationwide.

5.0 DEFINITION OF TERMS

**a. Accountable Officer (AO)**- A public officer who, by reason of his/her office, is accountable for public funds or property. This also pertains to an officer/employee whose duties permit or require the possession or custody of government funds or property and who shall be accountable therefor and for the safekeeping thereof in conformity with the law.

**b. Advice of Checks Issued and Cancelled (ACIC)**- A report on the checks issued (cancelled/spoiled/damaged) in sequential order indicating the payee and the corresponding amount of the claim/transaction which is submitted to the GSB and serves as the basis of the GSB for honoring the encashment of negotiable checks.

**c. Allotment Advice (AA)**- BJMP-issued form to its regional offices authorizing the latter to incur obligation for specified amounts.

**d. Annual Procurement Plan (APP)**- The requisite document that the agency must prepare to reflect the necessary information on the entire procurement activity (i.e., goods and services) that it plans to undertake within the calendar year.

**e. Advice to Debit Account (ADA)**- It refers to an authorization issued by the National Government Agency/Operating Unit appearing in the lower portion of the LDDAP-ADA. It serves as an instruction to the MDS-GSB to debit a specified amount from its available Notice of Cash Allocation (NCA) balance under the regular MDS sub-account for payment of creditors/payees through the MDPS.

**f. Cash Book**- Book for recording receipts and cash payments.

**g. Disbursements**- Settlement of government obligations and/or accounts. It constitutes all cash paid out during a given period either in currency (cash) or by check and covered by Disbursement Voucher.

**h. Disbursing Officer (DO)**- An accountable officer in charge of the disbursement/payment to the end user of all cash obligations of the Jail Bureau.

**i. Disbursement Voucher (DV)**- Form used by government agencies for all money claims.

**j. Government Servicing Banks (GSBs)**- Financial institutions authorized, upon accreditation by the Monetary Board, to accept government deposits and perform banking services on behalf of government agencies.

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k. Journal Entry Voucher (JEV)- Accounting Form prepared by the Accounting Service that serves as the basis for recording all transactions to appropriate journals.

l. Liquidation Report- Report to be prepared by an accountable officer to liquidate Cash Advances granted to him/her.

m. List of Due and Demandable Accounts Payable-Advice to Debit Accounts (LDDAP-ADA)- Refers to an accountable form integrating the ADA with LDDAP which is a list reflecting the names of creditors/payees to be paid by the NGA/OU and the corresponding amounts of their unpaid claims, duly certified and approved by the heads of the accounting unit and the agency, or authorized officials.

n. Modified Disbursement Scheme (MDS)- A procedure whereby disbursements by National Government Agencies (NGAs) chargeable against the account of the Treasurer of the Philippines are effected through GSBs.

o. Notice to Transfer of Cash Allocation (NTCA)- BJMP-issued authorization for its GSB to further transfer cash from its "mother account" to the accounts of BJMPROs to cover their cash requirements.

p. Obligation Request and Status (ORS) – A form used by NGAs to request for obligation charged against an allotment which shall be prepared before processing a claim to ensure that funds are available for the purpose.

q. Passbook- A booklet issued by a bank to an account holder for recording sums deposited and withdrawn.

r. Prisoners Subsistence Allowance (PSA)- Amount provided for by law to cover the daily food expenses of PDL.

s. Registry of Allotments and Obligations for Maintenance and Other Operating Expenses (RAOMOOE)- Registry maintained by the Budget Unit of the Bureau used to record all allotments received and obligations incurred for expenses classified under the Maintenance and Other Operating Expenses (MOOE) in order to monitor allotments available for obligations.

6.0 PROCEDURES/DETAILS/GUIDELINES

6.1 GENERAL GUIDELINES

6.1.1 All wardens with minimum cash accountability of FIVE THOUSAND PESOS (P5,000.00) shall be made Accountable Officers (AO). Therefore, they shall be properly bonded in accordance with the provisions of PD 1445.

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6.1.2 The wardens of each jail unit shall open a passbook account in the name of the jail in the nearest GSB in the locality. The account shall be used solely for the deposit of cash advances for PSA. The warden shall ensure that the account will not fall below the required maintaining balance. Bank charges and fees incurred as a result of the account falling below the maintaining balance shall be paid by the warden from his/her personal account.

6.1.3 In case that there is no existing GSB within the 20-kilometer radius from the jail unit, cash advances shall be released through MDS checks.

6.1.4 The grant to open a bank account shall adhere to Treasury Circular No. 02-2014 dated June 16, 2014, in which all jail wardens must submit the Request for Authority to Open Bank Account (BTr Form 1), Undertakings (BTr Form 2) and Waiver of Confidentiality (BTr Form 3) to their respective BTr Regional Offices (BTr RO). (see Annex A1 to A3)

6.1.5 In case where a warden shall be relieved from his/her post and further designated elsewhere, he/she should first clear himself/herself of all accountabilities prior to the assumption of his/her new position. If the newly designated warden is not yet bonded, he/she should be required to apply for bond immediately.

6.1.6 BJMP Regional Offices shall submit the list of opened bank accounts to their corresponding BTr Regional Office to include the Account Name, Account Number, Bank and Branch of Account.

6.1.7 Concerned Regional Director shall endorse the new warden to the GSB for the updating of the signatory of the account with the following attachments:

a. Endorsement from the Regional Director (see Annex B);
b. Appointment Order; and
c. Signature Specimen of the New Warden.

6.1.8 The name of the jail unit shall be the Payee in the DV for the request of cash advance for PSA.

6.1.9 All wardens shall maintain a cash book to record all transactions pertaining to their cash advances. They should also have a safety vault to keep all monies and accountable forms in their possession. All transactions are subject to unannounced/random cash counts and financial audits by the respective COA auditors/audit teams and management audits by the BJMP-NHQ and the BJMP Regional Office.

6.1.10 The Regional Director shall assign/designate a bookkeeper to the jail unit. The bookkeeper shall perform all tasks necessary in assisting the jail warden to ensure proper recording and efficient liquidation of jail unit's cash advances. The monthly bank reconciliation statement, copy of

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monthly passbook transactions record, and other documents and reports as required by the Regional Accounting Service Section shall be prepared by the bookkeeper.

6.1.11 No bookkeeper shall be designated without proper training.

6.1.12 The “No Liquidation of Cash Advance, No Release Policy” shall be strictly implemented. No additional cash advance shall be granted to the AOs unless the previous cash advance has been properly liquidated and accounted in the books.

6.1.13 The Regional Accountant shall issue a certification that the previous cash advance has been properly liquidated, accounted for, and recorded in the books of accounts before an AO can request an additional cash advance. The certification is a mandatory attachment in the said request.

6.1.14 To lessen the risk of handling large amounts of money at one time, cash advances of wardens shall not exceed FIVE MILLION PESOS (P5,000,000.00). Wardens of jails with PSA requirement of more than P5,000,000.00 shall be granted cash advances on a monthly, weekly, or bi-weekly basis, whichever is most applicable.

6.1.15 For the efficient utilization of funds and cash allocation, the Regional Office shall only grant 90% of the estimated amount of PSA of jails for the month. This is to avoid the scenario wherein excess cash advances shall be refunded to the National Treasury. The deficiency in the PSA requirement of every jail shall be paid through reimbursement in accordance with the COA rules and regulations.

6.1.16 The Regional Office shall continuously conduct training for the Accountable Officers, bookkeepers and others concerned on these procedures, as well as its corresponding recording and reporting requirements to ensure that they keep abreast with the latest developments on the matter.
6.2 PROCEDURAL GUIDELINES

Below is the process flow in the disbursement and liquidation of the PSA:

FLOWCHART ON THE RELEASE AND DISBURSEMENT OF THE CASH ADVANCE FOR PRISONERS SUBSISTENCE ALLOWANCE IN THE JAIL UNIT

1. Jail Unit
2. Regional Operations Division
3. Regional Comptrollership Division
4. Regional Accounting Service Section
5. Office of the Regional Director
6. Regional Finance Service Section
7. Office of the Regional Director
8. Regional Finance Service Section
9. Government Servicing Bank
10. Jail Unit

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6.2.1 National Headquarters (NHQ)

6.2.1.1 Directorate for Operations (DO) - Evaluate, certify and submit the total Persons Deprived of Liberty (PDL) population of every BJMPRO to the Directorate for Comptrollership (DC).

6.2.1.2 Directorate for Comptrollership (DC)

6.2.1.2.1 Prepare and issue the appropriate AA to the regions based on the PDL population report submitted by the Directorate for Operations; and

6.2.1.2.2 Furnish the Accounting Service Office (ASO) a copy of the AA.

6.2.1.3 Accounting Service Office (ASO)- Prepare and endorse a NTCA to the BJMP-GSBs to cover the released AA.

6.2.2 Regional Office

6.2.2.1 Regional Operations Division

6.2.2.1.1 Examine the payroll/roster of PDL per jail;
6.2.2.1.2 Certify actual number of PDL; and
6.2.2.1.3 Sign Box A of the DV submitted by the jail warden.

6.2.2.2 Regional Comptrollership Division

6.2.2.2.1 Prepare the ORS for the claim; and
6.2.2.2.2 Record on the RAOMOOE the obligations incurred to monitor the issuances and balances of the above-cited account/utilization of funds released.

6.2.2.3 Regional Accounting Service Section

6.2.2.3.1 Examine the supporting documents submitted;
6.2.2.3.2 Record the claims on the Index of Payments (IP);
6.2.2.3.3 Sign Box C of DV to certify that the supporting documents are complete and cash is available; and
6.2.2.3.4 Prepare JEV to record the transaction.

6.2.2.4 Office of the Regional Director of the Jail Bureau - Evaluate the propriety of the claims and completeness of the document and sign Box D of the DV and the ORS.

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6.2.2.5 **Regional Finance Service Section** - Once the CA for PSA is approved, the RFSS shall prepare the LDDAP-ADA and ACIC, sign the documents, and endorse the same to the Regional Director of the Jail Bureau for approval.

6.2.2.6 **Office of the Regional Director of the Jail Bureau** - Evaluate the submitted LDDAP-ADA and ACIC payable to the jail units and sign the documents.

6.2.2.7 **Regional Finance Service Section** - Endorse the approved LDDAP-ADA and ACCIC to the GSB to effect the release of cash advance to the jail wardens.

6.2.3 **Jail Unit**

6.2.3.1 For initial cash advance, the warden shall prepare and submit the following documents:

a. Disbursement Voucher (DV);
b. Obligation Request (ObR);
c. Copy of Special Order of his/her designation as warden;
d. Copy of approved application for bond (per COA Circular 97-002);
e. Roster of PDL duly certified by the jail warden; and
f. Certification on the Actual Number of PDL/Jail Population.

6.2.3.2 For the additional request of cash advance, the warden shall prepare a request with the following documents:

a. Disbursement Voucher (DV);
b. Obligation Request (OR);
c. Roster of PDL duly certified by the jail warden;
d. Certification on the Actual Number of PDL/Jail Population; and

e. Certification of the Regional Accounting Service Section that previous cash advance has been liquidated.

6.2.3.3 For the withdrawal of funds from the bank, the jail warden shall submit a copy of the validated withdrawal slip to the Regional Accounting Service Section for recording purposes.

6.2.3.4 To procure the food supplies for the daily meals of PDL, the Food Service Supervisor shall refer to the Standard Menu for the list of items to be purchased, Supplies Availability Inquiry, Purchase Request, Request for Quotation, Abstract of Price Quotation, and Purchase Order.

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6.2.3.5 Upon the procurement of the food supplies, the warden shall prepare and sign the Inspection and Acceptance Report (of supplies procured and/or delivered).

6.2.3.6 Bookkeepers shall prepare the liquidation report with complete supporting documents as provided in Section 6.2.3 for the period covered by their cash advances prior to the requisition of the next cash advance.

6.2.3.7 As soon as the disbursement reaches 90% of the amount advanced or as necessary, each warden shall submit his/her liquidation report to the Regional Office. In case of termination, resignation, retirement, dismissal, relief, or death of the jail warden, the liquidation report shall be submitted immediately thereafter.

6.2.3.8 Unutilized cash advances shall be remitted to the National Treasury.

6.3 DOCUMENTARY REQUIREMENTS

6.3.1 Initial Cash Advance

   a. Disbursement Voucher (DV);
   b. Obligation Request (ObR);
   c. Copy of Special Order of his/her designation as Warden;
   d. Copy of approved application for bond;
   e. Roster of PDL duly certified by the jail warden; and
   f. Certification on the Actual Number of PDL issued by the Regional Operations Division.

6.3.2 Subsequent Cash Advance

   a. Disbursement Voucher;
   b. Obligation Request (OR);
   c. Roster of PDL duly certified by the jail warden;
   d. Certification on the Actual Number of PDL issued by the Regional Operations Division; and
   e. Certificate issued by the Regional Accountant that previous cash advance had been liquidated.

6.3.3 Liquidation

   a. Liquidation Report;

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6.3.3 Liquidation

a. Liquidation Report;
b. Prisoners Subsistence Allowance Voucher (PSAV);
c. Certification on the Actual Number of PDL issued by the Regional Operations Division
d. Roster of PDL duly certified by the jail warden;
e. Summary of Committed and Released PDL (daily basis);
f. Certificate of Discharge, supported with release order from a competent court (daily basis);
g. Report of Disbursement supported by necessary documents:
   g.1 Daily Menu;
   g.2 Summary of Food Supplies Procured:
      g.2.1 Supplies Availability Inquiry;
      g.2.2 Purchase Request;
      g.2.3 Price Quotation from at least three (3) suppliers;
      g.2.4 Abstract of Price Quotation;
      g.2.5 Purchase Order;
      g.2.6 Delivery Receipt;
      g.2.7 Inspection and Acceptance Report;
      g.2.8 Sales Invoice Supported by Collection Receipt for Goods per BIR Revenue Regulation No. 18-2012;
      g.2.9 Requisition and Issue Slip;
      g.2.10 Certification of the warden for food supplies purchased without Sales Invoice and Collection Receipts supported by Acknowledgment Receipts of Payment; and

h. Approved justification, in case of deviation from Standard Menu.

7.0 MONITORING CLAUSE

The National Food Service Council (NFSC) through the Regional Food Service Council (RFSC) shall monitor the management of PSA in all jail units nationwide. The NFSC shall submit a periodic report to the Chief, BJMP and other offices which may require the same for lawful purposes.

The Director for Logistics shall monitor and include the procurement of safety deposit vaults in the Annual Procurement Plan (APP).

8.0 SEPARABILITY CLAUSE

In the event that any provision or part of this circular be declared illegal or rendered invalid by a competent authority, those provisions not affected by such declaration shall remain valid and effective.

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9.0 REPEALING CLAUSE

All issuances, directives and memoranda inconsistent with the provisions of this circular are hereby repealed, or modified accordingly.

10.0 EFFECTIVITY

This Memorandum Circular (MC) shall take effect after fifteen (15) days from filing thereof at the Office of the National Administrative Register (ONAR) of the University of the Philippines Law Center (UPLC) in accordance with Sections 3 and 4, Chapter II, Book VII of Executive Order No. 292, otherwise known as the Administrative Code of 1987.

11.0 ANNEXES

Annex A1: Request for Authority to Open Bank Account
Annex A2: Undertaking
Annex A3: Waiver of Confidentiality
Annex B: Endorsement Letter
### REQUEST FOR AUTHORITY TO OPEN BANK ACCOUNT

<table>
<thead>
<tr>
<th>1. Name of Agency/Bureau/Office</th>
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<tr>
<th>2. Type of Bank Account</th>
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<tbody>
<tr>
<td>□ MDS</td>
</tr>
<tr>
<td>□ SAVINGS ACCOUNT</td>
</tr>
<tr>
<td>□ CURRENT ACCOUNT</td>
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<tr>
<td>□ OTHERS</td>
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<tr>
<th>3. Legal Basis and Purpose of Opening the Account</th>
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<tbody>
<tr>
<td>(State pertinent section/provision)</td>
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<tr>
<td>□ R.A.</td>
</tr>
<tr>
<td>□ E.O.</td>
</tr>
<tr>
<td>□ Others</td>
</tr>
<tr>
<td>(e.g. MOA, Department Order/Circular) Please attach copy</td>
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<tr>
<th>4. Funding Source</th>
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<tbody>
<tr>
<td>□ R.A.___________ (GAA)</td>
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<tr>
<td>□ GRANT</td>
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<td>□ Others</td>
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<th>5. Authorized Signatory/Signatories</th>
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<td>1.</td>
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<td>2.</td>
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<th>6. Bank Branch where the Agency/Bureau/Office intends to open an Account</th>
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<th>7. SIGNATURE OVER PRINTED NAME OF AUTHORIZED OFFICER</th>
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**Do not fill-up this portion (For Bureau of the Treasury use only)**

<table>
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<tr>
<th>8. APPLICATION REF. NO.:</th>
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<tr>
<th>EVALUATED BY:</th>
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<tr>
<th>APPROVED/DISAPPROVED BY:</th>
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<tbody>
<tr>
<td>(Signature over printed name of the Regional Director)</td>
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<th>Reason for disapproval:</th>
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**Do not fill-up this portion (For the bank use only)**

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<th>9.</th>
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This is to confirm the existence of Account Name ____________________________ (Name of Agency) with Account Number ____________________________ in Branch ____________________________.

Signature over printed name of the Authorized Bank Officer
UNDEARTAKING

KNOW ALL MEN BY THESE PRESENTS:

This Institution __________________________, represented by __________________________, with postal address at __________________________, under and by virtue of these presents, and in compliance with Treasury Circular No. ______-2014 in the opening of bank account, do hereby agree and undertake to execute, submit, and deliver to the Bureau of the Treasury and Authorized Government Depository/Servicing Bank a waiver of confidentiality for each bank account that will be opened or hereinafter be opened to account for government receipts and disbursements.

IN WITNESS WHEREOF, I have hereunto affixed my signature this _____ day of ______ in __________________________.

Name of Agency

By:

Head of Agency/Authorized Representative

SIGNED IN THE PRESENCE OF:


ACKNOWLEDGMENT

Republic of the Philippines )

_________________________ )S.S.

BEFORE ME, Notary Public for and in the __________________________ this day of ____________, 20____ personally appeared:

Name __________________________

Competent Proof of Identification

Issued on/Valid until __________________________

Representing [name of Agency]

known to me to be the same person/s who executed the foregoing Undertaking and acknowledged to me that the same is his/her true and voluntary act and deed and of the institution represented.

WITNESS MY HAND AND SEAL on the date and at the place first above written.

NOTARY PUBLIC

Doc. No. __________________________
Page No. __________________________
Book No. __________________________
Series of __________________________
WAIVER OF CONFIDENTIALITY

KNOW ALL MEN BY THESE PRESENTS:

That in compliance with our Undertaking dated _____________, in favor of the Bureau of the Treasury and the Authorized Government Depository/Servicing Bank, we, ____________________________ hereby unconditionally waive our right to secrecy of bank deposits under the Bank Secrecy Law over Account Number ____________________________ in favor of the Bureau of the Treasury/Treasurer of the Philippines or Authorized Representative and the bank branch to which the bank account is opened and maintained.

That we declare that we have read this document and have fully understood its contents. We further declare that we voluntarily and willingly executed this Waiver with full knowledge of our rights under the law.

IN WITNESS WHEREOF, I have hereunto set my hand at ______________, this _______ day of ______________, 20__________.

Name of Agency

By:

Head of Agency/Authorized Representative

SUBSCRIBED AND SWORN to before me this day of ______________ affiant exhibited to me competent proof of his identity.

NOTARY PUBLIC
(Date)

(Head of GSB-Branch (BOLD) )
(GSB-Branch )
(Address )

Dear Mr./Ms./Ma'am/Sir __________:

Greetings!

This is to authorize (Rand and Name of the Incoming Jail Warden) as the new signatory and accountable officer for the bank account under the name of the (Name of the Jail Unit and Address ) with Account Number __________ maintained in your branch.

Attached are the Specimen Signatures and his Appointment Order.

For your information.

Thank you and more power!

Respectfully yours,

_________________________ 
Regional Director