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(National Headquarters Philippine Coast Guard)
139 25th Street, Port Area
Manila 1018

NHQ-PCG/CGFS

04 December 2024

STANDING OPERATING PROCEDURE
NUMBER 35-24

**DISBURSEMENT THROUGH LIST OF DUE AND DEMANDABLE ACCOUNTS
PAYABLE-ADVICE TO DEBIT ACCOUNT (LDDAP-ADA)**

1. AUTHORITY

Republic Act No. 9993, also known as the “Philippine Coast Guard Law of 2009” and its Implementing Rules and Regulations (IRR).

2. REFERENCES

- A. Government Accounting Manual Volume 1;
- B. DBM Circular Letter No. 2013-16: Implementation of the Expanded Modified Direct Payment Scheme (ExMDPS) for Accounts Payable Due Creditors/Payees of all National Government Agencies (NGAs) dated December 23, 2013;
- C. Amendment 2013-16A of DBM Circular Letter No. 2013-16 dated 06 February 2014;
- D. Amendment 2013-16B of DBM Circular Letter No. 2013-16 dated 25 February 2014;
- E. DBM Circular Letter No. 2018-14: Updated Guidelines in the Implementation of the Modified Direct Payment Scheme (MDPS) Due Creditors/Payees of All National Government Agencies (NGAs);
- F. Bureau of Internal Revenue Regulations No. 7-2024 dated 22 March 2024;
- G. NHQ-PCG/CG-6 SOP No. 13-21, entitled “Revised List of Documentary Requirements for the PCG Transactions” dated 12 August 2021 ;
- H. HCGFS SOP No. 004, entitled “Processing and Reporting of PCG Remittances” dated 12 April 2024; and
- I. HCGFS SOP No. 001, entitled “Payroll Crediting” dated 26 January 2024.

3. PURPOSE

This Standing Operating Procedure (SOP) prescribes the guidelines on the disbursement through List of Due Demandable Accounts Payable-Advice to Debit Account (LDDAP-ADA) of the Philippine Coast Guard (PCG).

4. SCOPE

This SOP covers all disbursement made through List of Due and Demandable Accounts Payable-Advice to Debit Account (LDDAP-ADA).

5. OBJECTIVE

This SOP provides the guidelines and step-by-step procedure of crediting claims through LDDAP-ADA to the PCG.

6. DEFINITION OF TERMS

For the purpose of this SOP, the following terms are defined as follows:

- A. **Accounts Payable (A/P)** – refers to valid and legal obligations of National Government Agencies (NGAs)/ Operating Units (OUs), for which, goods/services/projects have been delivered/rendered/completed and accepted, regardless of the year when these obligations were incurred.
- B. **Advice of Check Issued and Cancelled (ACIC)** – a report prepared and generated from online and manual platforms of the Land Bank of the Philippines (LBP) and submitted to the same at least daily by an agency/entity. This report enables the payees to in-cash/negotiate the issued checks.
- C. **Advice to Debit Account (ADA)** – authorization issued by the National Government Agencies (NGAs)/ Operating Units (OUs) appearing in the lower portion of the LDDAP-ADA. It serves as an instruction to the Modified Disbursement System-Government Servicing Banks (MDS-GSBs) to debit a specified amount from its available Notice on Cash Allocation (NCA) balance under regular MDS sub-account for payment of creditors/payees through the Expanded Modified Direct Payment Scheme (ExMDPS).
- D. **Disbursements** – constitute all cash paid out during a given period through cash, MDS checks, or Advice to Debit Account (ADA). It may also mean the settlement of government payables/obligations and shall be covered by Disbursement Voucher (DV)/Petty Cash Voucher (PCV)/Payroll.
- E. **Disbursement Voucher (DV)** – is a form used to pay an obligation to employees/individuals/agencies/creditors for goods purchased or services rendered. It shall be prepared by the requesting office/unit.



- F. **Electronic Modified Disbursement System (EMDS)** – is a secured internet banking facility for NGAs, including the Bureau of Treasury (BTr) and the Department of Budget and Management (DBM), which offers banking convenience to perform (MDS) transactions online.
- G. **EMDS Authorizer** – access of user to a particular enrolled MDS account to implement (approve or reject) the EMDS transaction initiated by the maker.
- H. **EMDS Maker** – access of user to a particular enrolled MDS account to initiate EMDS transactions.
- I. **Land Bank of the Philippines (LBP)** – authorized government servicing bank to which DBM issues the NCAs for crediting to the MDS sub-accounts of PCG.
- J. **List of Due and Demandable Accounts Payable-Advice to Debit Account (LDDAP-ADA)** – an accountable form integrating the ADA with the LDDAP, which is a list reflecting the names of creditors/payees to be paid by the NGA/OU and the corresponding amounts of the unpaid claims, duly certified and approved by the Head of the accounting unit and the agency, or authorized officials.
- K. **Modified Disbursement System (MDS)** – a disbursement system implemented to facilitate effective management of the national government's cash resources, whereby NGAs settle their payables through the issuance of checks or through credit to bank accounts.
- L. **Notice of Cash Allocation (NCA)** – shall be the authority of an agency to pay operating expenses, purchases of supplies and materials, acquisition of Personal Protective Equipment (PPE), accounts payable, and other authorized disbursements through the issuance of MDS checks, ADA, or other modes of disbursements.
- M. **Unified Accounts Code Structure (UACS)** – is a government-wide harmonized budgetary, treasury and accounting code classification structure jointly developed by the Department of Budget and Management (DBM), Commission on Audit (COA), Department of Finance (DOF) and Bureau of Treasury (BTr) which aims to facilitate financial reporting and consolidate actual revenue collection and expenditure, enable the assessment of outturns against transparency/accountability and improve efficiency in terms of utilization of government funds.
- N. **Window Advice to Debit Account Data Entry System (WinACICDES)** – a window-based system designed to encode and generate manual ACIC and produces encrypted text files that can be stored directly in all types of storage media such as Universal Serial Bus (USB) flash drives and Compact Disc (CD)/Digital Video Disc (DVDs).

7. POLICIES

- A. Payment through LDDAP-ADA shall only be made if required documents are complete, correct and accurate as provided in CG-6 SOP No. 13-21 dated 12 August 2021.
- B. Mandatory remittances through LDDAP-ADA shall be forwarded to LBP for crediting not later than 8th day of the following month to avoid penalties.
- C. Remittances to Private Financial Institutions through LDDAP-ADA shall be forwarded to LBP for crediting not later than every 30th day of the month.
- D. In case the scheduled remittances fall on weekends and holidays, remittances through LDDAP-ADA shall be forwarded to LBP earlier than the prescribed schedule.
- E. EMDS shall be used in generating ACIC for Commercial Claims, Insurances and Mandatories (registered to EMDS).
- F. CGFS shall submit duly signed LDDAP-ADA and ACIC to the LBP. The LBP shall not process LDDAP-ADA without the ACIC in accordance to the provisions of BTr Letter Circular No. 3-2018.
- G. LBP shall effect payment of A/Ps to the individual accounts of creditors within the next two (2) banking days after the receipt of LDDAP-ADA and ACIC.

Exemption from the two (2) banking days crediting shall only be allowed for:

- i. payroll fund except pension benefits and other personnel benefits, and professional services rendered under job order and contract of service status; and
- ii. cash advances.

Since LBP designate a cut-off time, receipt of LDDAP-ADA and ACIC after said time, shall be considered submission on the following day.

- H. Consistent with accounting and auditing rules and regulations, the NGAs are reminded to require their creditors to issue Sales Invoice as evidence of receipt of payment through LDDAP-ADA and ACIC.
- I. The ACIC shall be pre-numbered consecutively, i.e., without gaps, within a calendar year.
- J. WinACICDES database shall be used in generating ACIC for Payroll, Cash Advances and Commercial Claims (not registered to EMDS).

- K. Documentary requirements must be complete and duly signed by authorized signatories. Otherwise, it will be returned to sender/concerned offices.
- L. Payment of LDDAP-ADA shall be made in accordance with the existing laws, rules and regulations.

8. PROCEDURES (Annex A)

- A. Coast Guard Finance Service (CGFS) Duty Office Watch shall receive the duly signed LDDAP-ADA and DV with complete attachments which shall be forwarded to MDS Section Encoder.
- B. MDS Section Encoder, Management Branch, Coast Guard Finance Service Unit (CGFSU) shall check and ensure the completeness and correctness of data being encoded in the MDS database based on the received LDDAP-ADA and DV.
- C. Commander, CGFS shall sign the lower portion of LDDAP-ADA.
- D. Authorized Signatory shall countersign the lower portion of LDDAP-ADA based on the amount of disbursement as shown below:

Authorized Signatories	Amount
Commandant, PCG	Php 1,000,000.01 and above
Deputy Commandant for Operations, PCG	Php 500,000.01 to Php 1,000,000.00
Deputy Commandant for Administration, PCG	Php 75,000.01 to Php 500,000.00
Chief of Coast Guard Staff, PCG	Php 0.01 to Php 75,000.00

- E. Upon completion of the signatures on the LDDAP-ADA, Teller Section personnel, Management Branch, CGFSU shall require the supplier to issue Invoice prior preparation of ACIC of MDS Section.
- F. MDS Section Encoder, Management Branch, CGFSU shall check the completeness of documentary requirements, correctness of data being encoded and the nature of claims, and subsequently print the ACIC.
- G. MDS Section Encoder shall forward the ACIC for signature and countersignature to the following:

For EMDS:

- i. Commanding Officer, CGFSU/ Executive Officer, CGFSU/ OIC, Management Branch, CGFSU (EMDS Authorizer); and
- ii. Commander, CGFS



For WinACICDES:

- i. ACIC shall be signed on the “Certified Correct” portion by any of the following authorized signatories:
 - a. OIC, Management Branch, CGFSU;
 - b. Executive Officer, CGFSU;
 - c. Executive Officer, CPMU;
 - d. DCS for Logistics, FS-4; and
 - e. DCS for Operations, FS-3.
 - ii. ACIC shall be signed on the “Approved” portion by any of the following authorized signatories:
 - a. Commanding Officer, CGFSU;
 - b. Commanding Officer, CPMU;
 - c. Legal Officer, CGFS;
 - d. Chief of Staff, CGFS;
 - e. Deputy Commander, CGFS; and
 - f. Commander, CGFS.
- H. Liaison, CGFSU shall log and forward the ACIC and its attachments to LBP for crediting.

9. RESPONSIBILITIES

A. Commander, CGFS

- i. Shall be the authorized signatory on the lower portion of LDDAP-ADA; and
- ii. Shall be the authorized counter signatory of the ACIC.

B. Commanding Officer/Executive Officer/OIC, Management Branch, CGFSU

- i. **EMDS**

- a. Shall ensure the correctness and accuracy of the encoded data on EMDS;
- b. Shall approve the encoded data of LDDAP-ADA; and
- c. Shall be the authorized signatory of printed ACIC.

ii. **WinACICDES**

- a. Shall ensure the correctness and accuracy of the data on printed ACIC; and
- b. Shall be the authorized signatory of printed ACIC.

C. **MDS Section Encoder/Authorized Personnel**

- i. Shall ensure the completeness of signatures on DV and correctness of data prior encoding to MDS database for monitoring;
- ii. Shall encode and print the ACIC; and
- iii. Shall be the authorized signatory of printed ACIC.

D. **Teller Section, Management Branch, CGFSU**

Shall require the supplier or end user to issue an "Invoice", "Charge Invoice", "Credit Invoice", "Billing Invoice", "Service Invoice", or any name describing the transaction before the preparation of ACIC.

E. **Duty Office Watch**

Shall receive and check the following:

- i. LDDAP-ADA (signed by the Chief Accountant and DCCGS for Comptrollership, CG-6);
- ii. Duly signed DV (with stamped NCA number); and
- iii. Supporting documents.

F. **Abstract Section Personnel**

Shall forward to Coast Guard Accounting Service Office (CGASO) a copy of ACIC within five (5) days after the submission to LBP. Exemption of this timeframe during every end of the quarter and every end of the year.

10. RESCISSION CLAUSE

All SOPs, policies and provisions of existing regulations that are inconsistent with the provisions of this SOP are hereby amended or rescinded as the case may be.

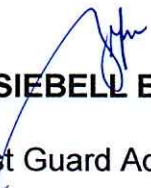
11. EFFECTIVITY

This SOP shall take effect fifteen (15) days after publication.

BY COMMAND OF ADMIRAL GAVAN PCG:

OFFICIAL:

HOSTILLO ARTURO E CORNELIO
RADM PCG
Chief of Coast Guard Staff



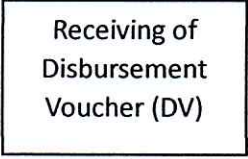

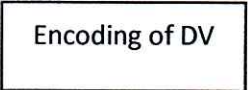

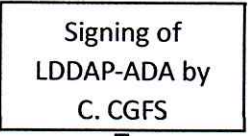




JAYSIEBELL B FERRER
CDR PCG
Coast Guard Adjutant

Annex:

A – Process Flow of the Disbursement through List of Due and Demandable Accounts Payable-Advice to Debit Account (LDDAP-ADA)



Annex A

Process Flow of the Disbursement through List of Due and Demandable Accounts Payable-Advice to Debit Account (LDDAP-ADA)

ACTIVITY	PERSON / BRANCH RESPONSIBLE	DETAILS/FUNCTIONS	INTERFACE
			
 	- CGFS Office Watch	- Shall receive the duly signed LDDAP-ADA and Disbursement Voucher (DV) with complete attachments and shall be forwarded to MDS Section Encoder.	- LDDAP-ADA - Signed DV - Supporting Documents
 	- MDS Section, Management Branch, CGFSU	- Shall check and ensure the completeness and correctness of data being encoded in the MDS database based on the received LDDAP-ADA and DV	- LDDAP-ADA - Signed DV - Supporting Documents
 	- C, CGFS	- Shall sign the lower portion of LDDAP-ADA.	- LDDAP-ADA - Signed DV - Supporting Documents
  	- O/CCGS, O/DCO, O/DCA, O/CPCG	- Shall countersign the lower portion of LDDAP-ADA based on the amount of disbursement as shown below: CCGS- PHP 0.01 to PHP 75,000 DCA- PHP 75,000.01 to PHP 500,000 DCO- PHP 500,000.01 to PHP 1,000,000.00 CPCG - PHP 1,000,000.01 and above	- LDDAP-ADA - Signed DV - Supporting Documents



<p style="text-align: center;">↓</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">Issuance of Invoice</div> <p style="text-align: center;">↓</p>	<p>- Teller Section Personnel, Management Branch, CGFSU</p>	<p>- Shall require the supplier to Issue Invoice prior preparation of ACIC of MDS Section.</p>	<p>- LDDAP-ADA - Signed DV - Supporting Documents</p>
<p style="text-align: center;">↓</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">Encoding, Approving, and Printing of ACIC</div> <p style="text-align: center;">↓</p>	<p>- MDS Section Encoder, Management Branch, CGFSU</p>	<p>- Shall check the completeness of documentary requirements, correctness of data being encoded, and the nature of claims and subsequently print the ACIC.</p>	<p>- LDDAP-ADA - Signed DV - Supporting Documents</p>
<p style="text-align: center;">↓</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">Signing of ACIC</div> <p style="text-align: center;">↓</p>	<p>- MDS Section Encoder</p>	<p>- Shall forward the ACIC for Signature and Countersignature to the following:</p> <p>For EMDS:</p> <ol style="list-style-type: none"> a. Commanding Officer, CGFSU/ Executive Officer, CGFSU/ OIC, Management Branch, CGFSU (EMDS Authorizer) b. Commander, CGFS <p>For WinACICDES:</p> <ol style="list-style-type: none"> a. ACIC shall be signed on the "Certified Correct" portion by any of the following authorized signatories: <ol style="list-style-type: none"> i. OIC, Management Branch, CGFSU ii. Executive Officer, CGFSU iii. Executive Officer, CPMU 	<p>- Printed ACIC (Payroll – 5 copies/ Others – 4 copies) - Signed LDDAP-ADA - Copy of signed DV if:</p> <ol style="list-style-type: none"> i. <i>the payment will be credited to other banks</i> ii. <i>the amount reflected is PHP500,000.00 and above</i>

		<ul style="list-style-type: none"> iv. DCS for Logistics, FS-4 v. DCS for Operations, FS-3 <p>b. ACIC shall be signed on the "Approved" portion by any of the following authorized signatories:</p> <ul style="list-style-type: none"> i. Commanding Officer, CGFSU ii. Commanding Officer, CPMU iii. Legal Officer, CGFS iv. Chief of Staff, CGFS v. Deputy Commander, CGFS vi. Commander, CGFS 	
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">Submission to LBP</div> 	<p>- Liaison, CGFSU</p>	<p>- Shall log and forward the ACIC and its attachments to LBP for crediting.</p>	<ul style="list-style-type: none"> - Signed ACIC - Signed LDDAP-ADA - Payroll Register (if any) - Flash Drive
<div style="border: 1px solid black; border-radius: 50%; padding: 10px; width: fit-content; margin: 0 auto;">END</div>			

Handwritten initials