



PAMBANSANG PUNONGHIMPILAN TANOD BAYBAYIN NG PILIPINAS
(National Headquarters Philippine Coast Guard)
139 25th Street, Port Area
1018 Manila

NHQ-PCG

18 November 2019

STANDING OPERATING PROCEDURE
NUMBER 20-19)

Guidelines on the Decentralization and Devolution of Budget, Accounting and Disbursement System to Coast Guard Districts

I. REFERENCES:

- A. Notice of Organization, Staffing, Compensation Action (NOSCA) No. 2019-08-030
- B. COA-DBM Joint Circular No. 2019-1 Dated January 1, 2019
- C. DBM Circular Letter No. 2017-12 dated October 19, 2017
- D. DBM Circular Letter No. 2016-9 dated October 27, 2016
- E. DBM Circular Letter No. 2015-9 dated June 30, 2015
- F. Government Accounting Manual (GAM)

II. PURPOSE:

To decentralize and devolve the budget, accounting and disbursement system from National Headquarters Philippine Coast Guard (NHPCG) to the Coast Guard Major Units.

III. SCOPE:

This SOP shall apply to all Coast Guard Budget, Accounting and Finance Center that will be established at the Coast Guard Districts.

IV. DEFINITION OF TERMS:

- A. **Government Servicing Bank** - Financial institutions authorized, upon accreditation by the Monetary Board, to accept government deposits and perform banking services on behalf of government agencies.
- B. **Modified Disbursement System (MDS)** - A disbursement system implemented to facilitate effective management of the national government's cash resources, whereby national government agencies settle their payables

through issuance of checks or through direct crediting to bank accounts, chargeable against the account of the Treasurer of the Philippines (TOP/Bureau of the Treasury) being maintained with government servicing banks (GSBs).

- C. **Notice of Transfer of Allocation (NTA)** – authority issued by the Central Office to its regional and operating units to cover the latter's cash requirements.
- D. **List of Due and Demandable Accounts Payable with Advice to Debit – (LDDAP-ADA)** – refers to 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 and the corresponding amount of their unpaid claims, duly certified and approved by the heads of the accounting units and the agency, or authorized officials.
- E. **Tax Remittance Advice (TRA)** - Document which agencies issue/file with the Bureau of Internal Revenue (BIR) to report and record remittances (constructive payment) of all taxes withheld from transactions. This serves as basis for BIR and BTr to record as income, the tax collection and deposit in their books of accounts.
- F. **Coast Guard Regional Finance Centers** – Responsible for monitoring of allotments, commitments and obligations, managing MDS accounts, processing of payments, monitoring of revenues and other receipts and financial reporting.

V. POLICIES:

- A. Accounting process, disbursement of funds and maintaining books of accounts will be decentralized and devolve to Coast Guard Districts through the Regional Finance Centers. CG Districts shall process and sign documentary requirements and submit LDDAP-ADA directly to the assigned government servicing bank.
- B. This SOP will not change the current internal control procedures including signatories of documents of financial transactions of Coast Guard Districts, except for signatories of the following documents shall be as follows:
 - 1. **Obligation Request and Status (ORS):**
 - Box A - Station/Substation/OPCON Units/Staffs of CG District
 - Box B – Head of CG District Budget Unit (D-6)
 - 2. **Disbursement Voucher (DV):**
 - Box A - Station/Substation/OPCON Units/Staffs of CG District
 - Box C - CG District Accountant
 - Box D - District Commander

3. Purchase Order (PO):

Conforme: Supplier

Station/Substation/OPCON Units/Staffs of CG District

Fund: CG District Accountant

4. LDDAP-ADA:

Certified Correct by: CG District Accountant

Approved by: Head of CG District Budget Unit (D-6)

Agency Authorized Signatories 1: Head of CG District Finance Unit

Agency Authorized Signatories 2: District Commander

C. Tax Remittance Advice (TRA), Withholding of Taxes, Alpha List (VAT & Expanded Tax) and other reports shall be filed and submit regularly to the BIR Regional Offices.

D. Books of accounts and reports shall be regularly updated and submitted on or before the deadline set by the NHPCG, DOTr, DBM, COA and other oversight agencies. Signing of the following reports shall be designated to as follow:

1) Budget Execution Document (BED):

a) Financial Services head shall be signed by Head of District Budget Unit (D-6).

b) Budget Officer shall be signed by personnel from the office of D-6 who is in charge of preparing the budget.

c) Planning Service Head/Planning Officer shall be signed by District Operation Officer (D-3).

d) Shall be approved and signed by CG District Commander.

2) Budget and Financial Accountability Report (BFAR) and Summary Performance Monitoring Report (SPMR):

a) Planning Service Head/Planning Officer shall be signed by D-3.

b) Director of Financial Management Service/Financial Services Head shall be signed by Head of CG District Budget Unit (D-6).

c) Budget Officer shall be signed by personnel from the office of D-6 who is in charge of certifying correctness of report.

d) Chief Accountant shall be signed by CG District Accountant.

e) Shall be approved and signed by CG District Commander.

- 3) Other signatories of financial reports/documents will be based on the duties and responsibility or job description of personnel.
 - 4) Other financial reports/documents that need approval shall be approved by the CG District Commander, except for LDDAP-ADA (refer to Para V.B.4).
- E. Designated Commander, Coast District Finance Service Unit shall be bonded.
- F. CG Districts shall maintain office space and provide equipment, supplies and utilities to the COA Resident Auditor.
- G. CG Districts may delegate the implementation of their respective APB to Stations, Sub-Stations and OPCON units in accordance with Section IV (J), Annex H, 2016 Revised IRR of RA 9184.
- H. CG Districts shall maintain internal control and measures to ensure that government fund is safeguarded from any improper use.
- I. CG Districts shall ensure that personnel have regular and continuing training program on the new updates on accounting and auditing rules and regulations.

VI. PROCEDURES:

- A. Coast Guard Human Resource Management Service (HRMS) shall prepare for the filling up of vacant positions as per NOSCA No. 2019-08-030.
- B. Coast Guard Districts shall:
1. Organize Coast Guard District Finance Service Unit, Coast Guard District Budget Unit (D-6) and Coast Guard District Accounting Unit in addition to their present organizational structure to perform the following:
 - a. Coast Guard District Finance Service Unit manages the MDS, receipts and revenues.
 - b. Coast Guard District Budget Unit (D-6) manages allotment, other available funds, commitments and obligations.
 - c. Coast Guard District Accounting Unit manages financial accounting and processes payments.
 2. Prepare and regularly update the job descriptions of newly created offices and staffs including signatories of documents.
 3. Apply for Bureau of Internal Revenue (BIR) registration and Electronic Filing and Payment System (eFPS) at BIR Revenue District Office (RDO)
 4. Coordinate with local DBM office for the reports and apply for Unified Reporting System (URS) account.



5. Coordinate with Bureau of Treasury for the opening and maintaining of MDS account.
6. Upon release of BTr approval, open MDS account at designated government servicing bank and coordinate for the bank specimen signatures of District Commander, Commander, Coast District Finance Unit and Coast Guard District Budget Unit (D-6) and Coast Guard District Accountant for the LDDAP-ADA.
7. Apply for Government Service Insurance System (GSIS) registration for the payment of insurance of CG District properties.

C. Deputy Chief of Coast Guard Staff for Comptrollership (CG-6) shall:

1. Provide the beginning balance of books of accounts of CG Districts.
2. Prepare consolidated budget report.

D. Deputy Chief of Coast Guard Staff for Operations (CG-3) shall

1. Provide CG Districts the baseline of their performance indicators or target for 2020.

E. Coast Guard Internal audit (CGIA) shall:

1. Coordinate with Commission on Audit (COA) for the Resident Auditors to be assigned in CG District Units.

VII. RECISSION:


All provisions of existing issuances that are inconsistent with the provisions of this SOP are repealed accordingly.

VIII. EFFECTIVITY:

This SOP shall take effect immediately.

BY COMMAND OF VADM GARCIA PCG:

OFFICIAL:


LIEZEL B BAUTISTA
CDR PCG
Coast Guard Adjutant

JOSE WILLIAM U ISAGA
COMMO PCG
Chief of Coast Guard Staff

