



Republic of the Philippines
Department of Education
Region IV-A
SCHOOLS DIVISION OF QUEZON PROVINCE



DEPED - QUEZON
ICT UNIT

UPLOADED

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14 February 2022

DIVISION MEMORANDUM
DM No. 14, s. 2022

REITERATION OF COA CIRCULAR 2016-07, TITLED: "ADVISORY FOR ALL NATIONAL GOVERNMENT AGENCIES (NGAs) TO COMPLY ON COA CIRCULAR NO. 2015-007 PRESCRIBING THE ADOPTION OF FY2016 GAM FOR BUDGETARY DOCUMENTS AND TRANSACTIONS AND COA CIRCULAR 2021-01, TITLED: "CLARIFICATION ON THE USE OF RER AND CERTIFICATION IN RELATION TO REIMBURSEMENT OF EXPENSES NOT REQUIRING OFFICIAL RECEIPTS (ORs)

To: OIC-Assistant Schools Division Superintendents
Division Chiefs
Section Heads
Elementary and Secondary School Heads of Non-Implementing Units (Non-IUs)
All Others Concerned

1. Attached is COA Circular No. 2016-07 dated July 20, 2016 with the subject, "Advisory for all National Government Agencies (NGAs) to Comply on Commission on Audit (COA) Circular No. 2015-007 [Prescribing the Adoption of FY 2016 Government Accounting Manual (GAM)] for Budgetary Documents and Transactions" which provided guidelines on applying capitalization threshold of P15,000 for information of all concerned.
2. Attention is invited to Paragraph 3.1 of the aforesaid COA Circular which states that "All NGAs are advised to observe the COA-prescribed adjusted capitalization threshold for all fixed assets, raised to P15,000 from the previous P10,000 cut-off." Also to Paragraph 3.1.3, "The agency shall adjust its Books of Accounts and Registries, to effect reclassification of the affected items, i.e., those still classified as CO but which are now to be considered as Maintenance and Other Operating Expenses (MOOE), per the higher capitalization threshold."

DEPEDQUEZON-TM-SDS-04-009-003



"Creating Possibilities, Inspiring Innovations"

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3. In line with this, please be informed that all expenses under MOOE shall under the threshold of less than P15,000 including Repairs and Maintenance Expense.
4. Also attached herewith is the COA Circular No. 2021-01 to address the confusion on the use of RER and Certification.
5. Immediate and widest dissemination of this memorandum is earnestly desired.

ELIAS A. ALICAYA JR., EdD
Assistant Schools Division Superintendent
Officer-In-Charge
Office of the Schools Division Superintendent

Acc/jft 2/14/2022

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO ST., SAN MIGUEL, MANILA

CIRCULAR LETTER

No. 2016 - 7
July 20, 2016

TO : All Heads of Departments/Agencies/State Universities and Colleges and Other Offices of the National Government, Constitutional Offices and Government-Owned or Controlled Corporations

SUBJECT : Advisory for All National Government Agencies (NGAs) to Comply with Commission on Audit (COA) Circular No. 2015-007 [Prescribing the Adoption of FY 2016 Government Accounting Manual (GAM)] for Budgetary Documents and Transactions

1.0 COA Circular No. 2015-007 dated October 22, 2015 Chapter 2 (General Provisions, Basic Standards and Policies) prescribed the use of the **FY 2016 GAM for National Government Agencies (NGAs) (Volume III)** for all NGAs including SUCs. Observance of the FY 2016 GAM's provisions, including the adoption of the higher capitalization threshold of P15,000, is required considering that any non-compliance with the Philippine Public Sector Accounting Standards (PPSAS) cannot be rectified either by disclosure of accounting policies used or by notes or explanatory materials.

2.0 In particular, the following Chapters/Sections of the FY 2016 GAM are to be observed:

2.1 Chapter 8 **Inventories:**

Section 10. Semi-expendable Property. Tangible items below the capitalization threshold of P15,000 shall be accounted as semi-expendable property. The following policies shall apply:

2.1.1 Semi-expendable property which were recognized as Property, Plant and Equipment (PPE) shall be reclassified to the affected accounts.

2.1.2 These tangible items shall be recognized as expenses upon issue to the end-user.

2.2 Chapter 10 **Property, Plant and Equipment:**

Section 3. Criteria for Recognition. The cost of an item of PPE shall be recognized as assets **if and only if:**

2.2.1 it is probable that the future economic benefits or service potential associated with the item will flow to the entity;

2.2.2 the cost or fair value of the item can be measured reliably;

2.2.3 beneficial ownership and control clearly rest with the government;

2.2.4 the asset is used to achieve government objectives; and

2.2.5 it meets the capitalization threshold of P15,000.

Section 4. Applying the Capitalization Threshold of P15,000. The capitalization threshold of P15,000 represents the minimum cost of an individual asset recognized as PPE on the Statement of Financial Position.

Items with individual values below the threshold but which work together in the form of a group of network asset whose total value exceeds the threshold shall be recognized as part of the primary PPE, e.g., computer network, PABX system, sewerage system.

Expenditures incurred on purchasing, developing and operating hardware, like web servers, staging servers, production servers and internet connections of a website is accounted for as PPE if the total value of the primary asset (communications network) and these items is within the threshold of P15,000 and above.

3.0 In this connection, the following guidelines are hereby issued:

3.1 All NGAs are advised to observe the COA-prescribed ~~adjusted~~ capitalization threshold for all fixed assets, raised to P15,000 from the previous P10,000 cut-off.

3.1.1 All budget release documents (including those items released through the General Appropriations Act (GAA) as the Release Document or GAARD) received by the NGA shall be reviewed to identify and come up with a list of programs/activities/projects (P/A/Ps) affected by the adoption of the higher capitalization benchmark, i.e., those costing P10,000 up to less than P15,000 initially classified as capital outlays (CO) based on the lower benchmark, to ensure compliance with the COA's higher threshold.

3.1.2 The adjustments contemplated involve mere reclassification among allotment classes within the same P/A/P and cannot be considered as realignment. Hence, no additional Special Allotment Release Order (SARO) shall be required for the purpose.

3.1.3 The agency shall adjust its Books of Accounts and Registries, to effect the reclassification of the affected items, i.e., those still classified as CO but which are now to be considered as Maintenance and Other Operating Expenses (MOOE), per the higher capitalization threshold.

3.1.4 All NGAs shall submit to DBM and COA the list of all items reclassified pursuant to the FY 2016 GAM's P15,000 threshold, for purposes of ensuring data consistency among the agency records, the DBM's and the COA's electronic data systems.

3.2 Clarification relative to the accounts reclassification shall be referred to COA for resolution.

4.0 This Circular shall take effect immediately.


BENJAMIN E. DIOKNO
Secretary



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

CIRCULAR

No. : 2021-001
Date : JUN 24 2021

TO : All Heads of Departments, Bureaus, Offices, Agencies and Instrumentalities of the National Government, Heads of Local Government Units, Managing Heads of Government Corporations, Commission on Audit (COA) Assistant Commissioners, Directors, Auditors and All Others Concerned

SUBJECT : Clarification on the use of Reimbursement Expense Receipt (RER) and Certification in relation to reimbursement of expenses not requiring Official Receipts (ORs)

COA Circular No. 2004-006 dated September 9, 2004 provides the guidelines and principles on the acceptability of the evidence of receipt of payment for disbursements. Item 3.3.1(b) under the General Guidelines and Principles of the said COA circular specifies that the RER is a paper-based document which is acceptable for disbursements where the payee is not a business entity required by the Bureau of Internal Revenue to issue ORs, and the money is advanced by the official concerned, and the expense is authorized to be reimbursed by the government agency concerned.

COA Circular No. 2017-001 dated June 19, 2017 on reimbursement of expenses not requiring ORs requires that a Certification shall be submitted for expenses of P300.00 or less.

To address the confusion on the interpretation of COA Circular No. 2004-006 and COA Circular No. 2017-001, as far as the use of the RER and the Certification is concerned, the table below specifies the required supporting documents for the reimbursement/liquidation of expenses:

Particulars	Documents Required
Expenses regardless of amount purchased from/rendered by establishment issuing receipts/invoice	OR/Invoice
Expenses amounting to P300.00 or less purchased from/rendered by establishment not issuing receipts/invoice	Certification of Expenses Not Requiring Receipts


Expenses amounting to more than P300.00 but not exceeding P1,000.00 purchased from/rendered by establishment not issuing receipt/invoice	RER
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Any circular or directive in conflict herewith is hereby amended/modified/revoked accordingly.

This Circular shall take effect 15 days from date of publication in a newspaper of general circulation.




MICHAEL G. AGUINALDO
Chairperson


ROLAND C. PONDOC
Commissioner