



# LEYTE STATE UNIVERSITY

Visca, Baybay, Leyte 6521-A  
Philippines

*Office of the President*

8 March 2002

**MEMORANDUM CIRCULAR NO. 18**  
Series of 2002

**T O: All Concerned**

**R E: Processing of Claims/Payments**

Please be reminded that the Notice of Cash Allocation (NCA) is released monthly and the utilization report, which is the Summary List of Checks Issued (SLCI), is submitted three (3) days before the end of the month.

Under the new government accounting system, the NCA is journalized and recorded thus, any disbursement/transfer of cash charged against the NCA affects the MDS account and the specific account being paid for. In this new system, the Cash Office cannot just transfer or make cash advances without the specific obligations to be paid that may result in a big balance of unutilized amount to be deducted from the succeeding month's release. When this happens every month, we might be short of cash towards the end of the year, which would result to huge accounts payable.

To avoid such occurrence, the following shall be observed:

1. Since the payment of labor under job contract is based on accomplishments, processing of claims shall be done **every 15<sup>th</sup> of the month** instead of at the end of the month **starting March 15, 2002.**
2. All valid claims should be in the **Accounting Office five (5) days before the end of the month** so that the documents shall be with the Cash Office for check preparation before the cut-off date.
3. Claims for benefits/allowances like the monthly honoraria and year-end benefits released **in May and November** and remittances (government share) should be processed and paid within schedule.

Should there be **no more cash** after the cut-off date, the Accounting Office shall process any claim received **only after receipt of the NCA from the DBM.**

Your usual cooperation is requested.

  
**PACIENCIA P. MILAN**  
President



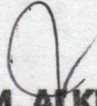
**LEYTE STATE UNIVERSITY**  
Visca, Baybay, Leyte

***Office of the Vice President  
for Administration and Finance***

**1<sup>st</sup> Indorsement**  
March 4, 2002

Respectfully forwarded to the President of Leyte State University, the letter of Ms. Norma V. Cala concerning the potential problem related to the disbursement of funds following the new government accounting system.

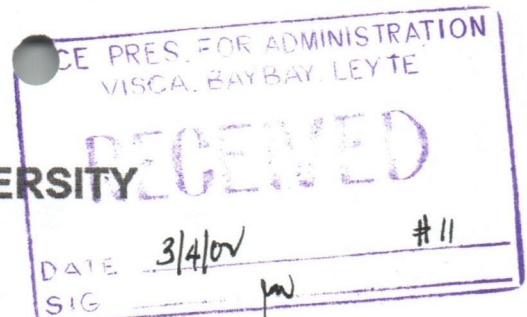
To avoid this problem a draft memorandum is also enclosed for all concerned to observe and comply.

  
**JOSE M. ALKUINO, JR**  
Vice President for Administration  
and Finance



**LEYTE STATE UNIVERSITY**

Visca, Baybay, Leyte



March 4, 2002

**DR. PACIENCIA P. MILAN**

President

Leyte State University

Visca, Baybay, Leyte

Through: **Dr. Jose M. Alkuino, Jr.**

Vice President for Administration and Finance

Dear **Dr. Milan**:

The shift from obligation accounting to accrual accounting poses some problems especially on the disbursement of funds.

In the old accounting system, the NCA is not recorded in the books of the agency but is entered only in the Allocation and Utilization Control Sheet to monitor and control the utilization of the NCA. Charges/transfers from the NCA do not affect the books of accounts.

Under the new government accounting system the NCA is journalized and recorded thus any disbursement/transfer of cash charged against the NCA affects the MDS account and the specific account being paid for. In this new system, the Cash Office cannot just transfer or make cash advances without the specific obligations to be paid that may result in a big balance of unutilized amount to be deducted from the succeeding month's release. When this happens every month, we might be short of cash towards the end of the year, which would result to huge accounts payable.

To avoid such occurrence, please see attached draft memorandum for all concerned to observe and comply.

Very truly yours,

  
**NORMA V. CALA**  
FMO

cc: Ms. R.C. Lemos  
Ms. C.U. Nuevo