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Office of the President

30 August 2012

MEMORANDUM CIRCULAR NO. 62

Series of 2012

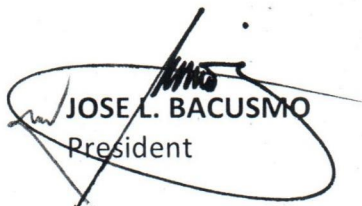
T O: All Concerned

R E: CSC MC No. 12, s. 2012 – Guidelines Governing the Liquidation  
of Cash Advances

Attached please find a copy of CSC Memorandum Circular No. 12, Series of 2012 providing guidelines governing the liquidation of cash advances and the penalty to be imposed for failure of an accountable officer to liquidate within the prescribed period.

As indicated in the attached circular, failure of an accountable officer to render an account within the periods prescribed and after formal demand shall constitute the administrative offense of **Gross Neglect of Duty punishable by dismissal from the service for the first offense**. Furthermore, full liquidation/settlement of the subject cash advance outside the given periods shall constitute the offense of **Simple Neglect of Duty punishable by suspension from the service for one (1) month and one (1) day to six (6) months for the first offense and dismissal from the service for the second offense**.

For the information, guidance and compliance of all concerned.

  
JOSE L. BACUSMO  
President

MC No. 12, s. 2012

## MEMORANDUM CIRCULAR

**TO :** ALL HEADS OF CONSTITUTIONAL BODIES,  
DEPARTMENTS, BUREAUS AND AGENCIES OF THE  
NATIONAL AND LOCAL GOVERNMENTS, STATE  
COLLEGES AND UNIVERSITIES, INCLUDING  
GOVERNMENT-OWNED AND/OR CONTROLLED  
CORPORATIONS WITH ORIGINAL CHARTERS

**SUBJECT :** Amendment to Rule V of CSC Resolution No. 04-0676 dated June  
17, 2004 (Policy Guidelines to Govern the Liquidation of Cash  
Advances and the Penalty to be Imposed for Failure of an  
Accountable Officer to Liquidate within the Prescribed Period)


Pursuant to CSC Resolution No. 12-00103 dated January 12, 2012<sup>1</sup>, the Commission resolved to amend Section 8, Rule V of CSC Resolution No. 04-0676 dated June 14, 2004 (Policy Guidelines to Govern the Liquidation of Cash Advances and the Penalty to be Imposed for Failure of an Accountable Officer to Liquidate within the Prescribed Period). It provides that the failure of an Accountable Officer to render an account within the periods prescribed and after formal demand shall constitute the administrative offense of Gross Neglect of Duty punishable by dismissal from the service for the first offense. The amendment to said Section 8, Rule V reads, as follows:

### *"RULE V. ADMINISTRATIVE LIABILITY*

*"Section 8. The failure of an Accountable Officer to render an account in full within the periods prescribed and after formal demand shall constitute the administrative offense of Gross Neglect of Duty punishable by dismissal from the service for the first offense. Full liquidation/settlement/payment of the subject cash advance outside the given periods shall constitute the offense of Simple Neglect of Duty punishable by suspension from the service for one (1) month and one (1) day to six (6) months for the first offense, and dismissal from the service for the second offense."*

<sup>1</sup> CSC Resolution No. 12-00103 was published in The Manila Times on June 5, 2012

The amended Rule shall take effect after fifteen (15) days from the publication of CSC Resolution No. 12-00103 in a newspaper of general circulation.

  
FRANCISCO T. DUQUE III, MD, MSc  
Chairman

**JUL 10 2012**

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UCA Memorandum Circular 2012





**Amendment to Rule V of CSC Resolution No.  
04-0676 dated June 17, 2004 (Policy Guidelines to  
Govern the Liquidation of Cash Advances and the  
Penalty to be Imposed for Failure of an Accountable  
Officer to Liquidate Within the Prescribed Period**

X-----X

Number: 1200103  
Promulgated: 12 JAN 2012

## **RESOLUTION**

**WHEREAS**, Section 27, Article II of the 1987 Constitution provides that it shall be the policy of the State to maintain honesty and integrity in the public service and take positive and effective measures against graft and corruption;

**WHEREAS**, Section 12 (2), Chapter 3, Title I, Subtitle A, Book V of the Administrative Code of 1987 (Executive Order No. 292) empowers the Civil Service Commission (CSC) to prescribe, amend and enforce rules and regulations to carry into effect the provisions of the Civil Service Law and other pertinent rules;

**WHEREAS**, the CSC, together with the Commission on Audit and Office of the Ombudsman, forged a joint anti-corruption plan called the Solana Covenant in 2004 to help and support each other in fighting corruption. As part of their collective action, the three (3) constitutional bodies identified the need to strictly implement the rules on liquidation of cash advances as this has become a source of graft and corruption in the bureaucracy. Each constitutional body issued parallel circulars to monitor and impose necessary sanctions regarding violations of the guidelines on liquidation of cash advances;

**WHEREAS**, the CSC issued CSC Resolution No. 04-0676 dated June 17, 2004 entitled "*Policy Guidelines to Govern the Liquidation of Cash Advances and the Penalty to be Imposed for Failure of an Accountable Officer to Liquidate Within the Prescribed Period*", providing for the rules governing the liquidation of cash advances in aggregate amounts of Fifty Thousand Pesos (Php50,000.00) and above per accountable officer and the penalty to be imposed for failure to liquidate within the prescribed period;

**WHEREAS**, there is a need to amend and clarify certain provisions of CSC Resolution No. 04-0676, particularly Rule V thereof, to conform with Supreme Court jurisprudence, as well as set parameters in determining administrative liability of concerned accountable officer;

*In a Race to Serve: Responsive, Accessible, Courteous and Effective Public Service*

**NOW, THEREFORE**, the Commission hereby **RESOLVES** to amend Rule V of CSC Resolution No. 04-0676 dated June 17, 2004, as follows:

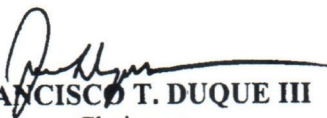
**"RULE V. ADMINISTRATIVE LIABILITY**

*"Section 8. The failure of an Accountable Officer to render an account in full within the periods prescribed and after formal demand shall constitute the administrative offense of Gross Neglect of Duty punishable by dismissal from the service for the first offense. Full liquidation/settlement/payment of the subject cash advance outside the given periods shall constitute the offense of Simple Neglect of Duty punishable by suspension from the service for one (1) month and one (1) day to six (6) months for the first offense, and dismissal from the service for the second offense."*

All rules, regulations and issuances which are inconsistent herewith are hereby repealed, amended or modified accordingly.

This Resolution shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

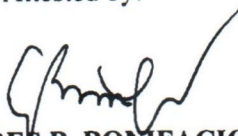
Quezon City.

  
**FRANCISCO T. DUQUE III**  
Chairman

  
**MARY ANN Z. FERNANDEZ MENDOZA**  
Commissioner

**On Leave**  
**RASOL T. MITMUG**  
Commissioner

Attested by:

  
**DOLORES B. BONIFACIO**  
Director IV  
Commission Secretariat and Liaison Office