



Republic of the Philippines
DEPARTMENT OF FINANCE

DOF-LOCAL FINANCE CIRCULAR NO. 5-94
September 30, 1994

TO : All Regional Directors for Local Government Finance; District Treasurers of Metropolitan Manila; Provincial, City and Municipal Treasurers; and Others Concerned.

SUBJECT : Transfer by the Local Treasurer of Cashier's Cashbook to the Local Accountant.

For the information and guidance of all concerned, queries were received by this Department requesting clarification as to whether or not the books of accounts and all accounting records required under Section 51 of Commission on Audit Circular No. 92-382, dated July 3, 1992, to be transferred to the Local Accountant, shall include the Cashier's Cashbook.

The requests for clarification were made on account that while the Local Treasurers had already transferred other accounting documents to the Local Accountants, the latter insist also on the transfer of the cashbook as they interpret the phrase "cashbook of accountable officers" mentioned in Section 51 of the abovestated Circular to include the cashbook.

In this connection, attention is invited to Sections 49, 50 and 51 of Commission on Audit Circular No. 92-382 which read as follows:

"Sec. 49. Updating of accounts before transfer of accounting functions to the accountant. — To effect the transfer of the accounting functions from the treasurer to the accountant, all the books and records (cashbooks, journals, ledgers, etc.) shall be updated, incorporating all the necessary reconciliations and adjustments, to the date of transfer, which shall be as of the end of the month. The trial balances shall then be drawn in the usual manner including all required supporting statements.

Pending the actual transfer of the accounting books and records, the local accountant may open a new set of appropriate journals and ledgers to record the transactions made after the cut-off date.

"Sec. 50. Rendition of accounts. — The treasurer shall render his accounts as of the date of transfer, to the unit auditor concerned, in accordance with existing regulations. The unit auditor shall verify the completeness of the accounts submitted.

"Sec. 51. Transfer of books of accounts and all accounting records. — The treasurer shall transfer to the accountant all journals and ledgers, copies of trail balances, statements of operations and balance sheets, with supporting schedules and statements; copies of transaction documents, inventory reports of supplies and property, and such other financial statements and reports which form the accounting records. Under existing regulations, cashbooks of accountable officers who have ceased to be such, shall also be submitted to the accountant and shall form part of the accounting records."

On the basis of the abovestated provisions, it is apparent that the transfer of accounting functions from the treasurer to the accountant shall be made at the end of the month. However, the treasurer before the date of transfer is required to update all the books and records, incorporating all the necessary reconciliations and adjustments and thereafter prepare the trial balances in the usual manner.

Moreover, the treasurer, on the date of the transfer of accounting functions to the accountant, is required to render his accounts to the unit auditor concerned in accordance with existing regulations.

Although Section 51 of the Audit Circular speaks of submission of cashbooks of accountable officers to the accountant, however, the submission of the same cashbook shall be made only in case the accountable officers concerned "have ceased to be such", i.e., in case of retirement, transfer, resignation, promotion, dismissal from the service, death or other form of permanent incapacity. Although Section 49 of the Circular made mention of "cashbooks", however, the said cashbooks are only for updating in preparation of rendition of the treasurer's account to the unit auditor pursuant to Section 51 of the same Circular. Hence, the cashbooks and other pertinent records used solely by the treasurer in the performance of his duties and functions should not be transferred to the accountant.

The District Treasurers of Metropolitan Manila and all Provincial Treasurers are hereby instructed to disseminate the contents of this Circular to the Municipal Treasurers within their respective jurisdictions.

(SGD.) **JUANITA D. AMATONG**
Acting Secretary of Finance