



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
CENTRAL OFFICE
Bonifacio Drive, Port Area, Manila

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12.01.2021

November 29, 2021

DEPARTMENT MEMORANDUM)

CIRCULAR NO.)
Series of 2021)

76

12/01/2021

FOR / TO : Undersecretaries
Assistant Secretaries
Bureau Directors
Service Directors
Regional Directors
Heads of UPMOs
District Engineers
This Department

For information and guidance, attached is a copy of DBM Circular Letter No. 2021-12 dated November 24, 2021 entitled: **"MODIFICATION ON PERIOD FOR THE ENCASHMENT OF MDS CHECKS AND PAYMENT THROUGH ADVICE TO DEBIT ACCOUNT (ADA) UNDER THE MDS FOR THE REST OF FY 2021."**

A copy of the said Circular Letter may also be downloaded from the DPWH website: <http://dpwhweb>. If an office cannot access the DPWH website, a hard copy may be obtained from the Records Management Division, HRAS, upon request.

For dissemination to all concerned.


MARICHU A. PALAFOX, CESO III
Assistant Secretary for Support Services

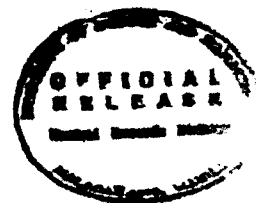
Encl: DBM Circular Letter No. 2021-12 dated November 24, 2021

cc: Office of the Secretary

10.1.4 JVL/CDP/VGV/MSV



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
BONCODIN HALL, GEN.SOLANO ST., SAN MIGUEL, MANILA



CIRCULAR LETTER

No. 2021 - 12
November 24, 2021

TO : Heads of Departments/Agencies/State Universities and Colleges and Other Offices of the National Government, Budget Officers; Heads of Accounting Units; Heads of Modified Disbursement System-Government Servicing Banks (MDS-GSBs); and All Others Concerned

SUBJECT : Modification on Period for the Encashment of MDS Checks and Payment through Advice to Debit Account (ADA) under the MDS for the Rest of FY 2021

- 1.0 In order to facilitate settlement of valid government payables within the current year, and avoid spill-over pressure of outstanding payables to the incoming year's cash disbursement program through immediate payment to government creditors/payees through ADA or encashment of MDS checks issued, this Circular is issued to prescribe the disbursement procedures to be observed for the rest of the current year, FY 2021.
- 2.0 In the disbursement of government funds, **unless modified in this Circular**, the procedures prescribed under pertinent previously issued DBM Circulars, e.g., DBM Circular Letter (CL) No. 2020-16 dated November 27, 2020 (Modification on Period for Encashment for MDS Checks and Payment through ADA under the MDS for the Rest of FY 2020), etc., shall continue to be complied with. Among the provisions under such issuances are the following:
 - 2.1 MDS checks shall be presented to the servicing bank **not earlier than 24 hours after the date of issue**.
 - 2.2 MDS-GSBs shall effect direct payment by crediting the creditor/payees' bank account, **not earlier than 24 hours but not later than 48 hours after receipt of the LDDAP-ADA**, chargeable against the agency's MDS sub- account.
- 3.0 Relative thereto, in order to facilitate encashment of MDS checks and crediting of payments through ADA to creditor/payee's bank accounts during the last month of the year, the following procedures in the settlement of payables shall be observed effective **December 1 to December 31, of the current year, FY 2021**:
 - 3.1 The **24-hour waiting period** for the encashment of MDS checks as well as the crediting of creditor/payee's bank accounts specified in the LDDAP-ADA **is hereby lifted/suspended for the specified period**. Thus,

agencies/OU's are instructed to immediately/transmit without delay the properly accomplished ACICs/SLIIEs to their respective MDS-GSBs.

3.2 Upon receipt of the covering ACIC/SLIIE by the MDS-GSB concerned:

3.2.1 Agencies/OU's shall immediately release the MDS Checks to creditor/payees.

3.2.2 MDS-GSB shall immediately effect payment to the creditors/payees and provide the NGA/OU concerned with a copy of the duly validated/posted ADA, to inform the NGA/OU of the following:

- Direct payments effected in favor of creditors/payees, i.e., machine validation shown in the lower portion of the said document; and
- Non-payment to creditor/payees indicated under "remarks" column, due to any inconsistency of information (i.e., bank branch, account name/number) between bank records and LDDAP-ADA.

4.0 Agencies/OU's are **encouraged to settle** their due and demandable obligations as soon as possible, **by issuing MDS checks/paying through ADA, not later than December 23, 2021**, if practicable. However, **they may still issue MDS checks/pay through ADA up to the last working day of the year** (e.g., Friday, December 31 in FY 2021).

5.0 Further, agencies/OU's are reminded to advise their respective creditors/payees to ensure immediate encashment of the issued MDS checks.

6.0 For compliance.


TINA ROSE MARIE L. CANDA
Officer-in-Charge