

# **GOVERNMENT ACCOUNTING MANUAL for NATIONAL GOVERNMENT AGENCIES (OVERVIEW)**

**PHILIPPINE ASSOCIATION FOR GOVERNMENT BUDGET ADMINISTRATION (PAGBA)  
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# GOVERNMENT ACCOUNTING MANUAL (GAM) (For National Government Agencies)

## OVERVIEW



# Presentation Outline

- **Legal Basis**
- **GAM for NGAs**
  - Objectives
  - Summary of Contents
  - Changes Adopted
  - New Standards Adopted
  - Budget and Financial Accountability Reports
  - Responsibility Accounting
- **Implementation strategy/plan**



# Legal Basis

Article 1X-D, Section 2 par. (2),  
1987 Philippine Constitution



# GAM for NGAs : a PFM Reform

- An activity of the Accounting and Auditing Reforms Project under the PFM Reform Roadmap
- Prepared by a committee supervised by COA's Philippine Public Sector Accounting Standards Board
- Exposed to various stakeholders for comment/ recommendation
- Funded by a KfW Technical Assistance Fund
- Approved by COA Commission Proper, through COA Circular No. 2015-007 dated October 22, 2015
- To be used effective January 1, 2016
- Capacity Building activities lined-up from October to December 2015

# Objectives of the GAM

## Provides updates on the following:

- Government Accounting Policies, Guidelines, Standards and Procedures
- Coding Structure and Accounts
- Accounting Books, Registries, Records, Forms, Reports and Financial Statements
- Accounting Journal Entries



# Contents of the GAM

Volume 1	Volume 2	Volume 3
<b>22 Chapters, 19 Annexes, Acronyms</b>	<b>92 Appendices</b>	<b>3 Chapters</b>
✓ Accounting Policies	✓ Books, Registries, Records, Forms and Reports <ul style="list-style-type: none"> <li>▪ Accounting</li> <li>▪ Budget</li> <li>▪ Treasury</li> <li>▪ Property/Supply Management</li> </ul>	✓ List of Accounts ✓ Code and Description of Accounts
✓ Guidelines and Procedures <ul style="list-style-type: none"> <li>▪ Accounting</li> <li>▪ Budget</li> <li>▪ Treasury</li> <li>▪ Property/Supply Management</li> </ul>	✓ Instructions: How to Accomplish ✓ When/Where to Submit	
✓ Illustrative Accounting Entries		
✓ Sample Format of the FS		

# Chapters in Volume 1, GAM for NGAs

Chapter 1 - Introduction

[Chapter 2](#) - General Provisions, Basic Standards and Policies

[Chapter 3](#) - Budget Monitoring and Reporting

[Chapter 4](#) – Responsibility Accounting

[Chapter 5](#) - Revenue and Other Receipts

[Chapter 6](#) - Disbursements

[Chapter 7](#) - Financial Instruments

[Chapter 8](#) - Inventories

[Chapter 9](#) - Investment Property

[Chapter 10](#) - Property, Plant and Equipment

[Chapter 11](#) - Agriculture

[Chapter 12](#) - Intangible Assets





# Chapters in Volume 1, GAM for NGAs

[Chapter 13](#) - Leases

[Chapter 14](#) - Service Concession Arrangements: Grantor

[Chapter 15](#) - Interest in Joint Venture

[Chapter 16](#) - The Effects of Changes in Foreign Exchange Rates

[Chapter 17](#) - Borrowing Costs

[Chapter 18](#) - Provisions, Contingent Liabilities and Contingent Assets

[Chapter 19](#) - Financial Reporting

[Chapter 20](#) - Consolidated and Separate Financial Statements

[Chapter 21](#) - Bank Reconciliation

[Chapter 22](#) - Illustrative Accounting Entries



# Changes Adopted in the GAM

Particulars	NGAS Manual	GAM
1. FS Title	<ol style="list-style-type: none"> <li>1. Balance Sheet</li> <li>2. Statement of Income and Expenses</li> <li>3. Statement of Government Equity</li> <li>4. Cash Flow Statement</li> </ol>	<ol style="list-style-type: none"> <li>1. Statement of Financial Position</li> <li>2. Statement of Financial Performance</li> <li>3. Statement of Changes in Net Assets/Equity</li> <li>4. Statement of Cash Flow</li> </ol>
2. Components of FS	Four	Six
		<p><u>In addition to the above:</u></p> <ol style="list-style-type: none"> <li>5. Statement of Comparison of Budget and Actual Amounts</li> <li>6. Notes to Financial Statements</li> </ol>

# Changes Adopted in the GAM

Particulars	NGAS Manual	GAM
3. Chart of Accounts	COA Circular 2004-008, September 20, 2004	COA Circular 2013-002, January 30, 2013 COA Circular 2014-003, April 15, 2014 COA Circular 2015-007, October 22, 2015
4. Unified Accounts Code Structure (UACS)	None	Compliant
5. Books Maintained	Regular Agency Book and National Government Book	By Fund Cluster



# Changes Adopted in the GAM

Particulars	NGAS Manual	GAM
6. Estimated Useful Lives of PPE	Prescribed by COA	Management prerogative
7. PPE Threshold	None	P15,000 and above
8. Inventory Costing	Moving Weighted Average	Moving Weighted Average; Specific Identification



# Changes Adopted in the GAM

Particulars	NGAS Manual	GAM
9. Fund Maintenance	One Fund Concept	Fund Clustering <b>01</b> - Regular Agency Fund <b>02</b> - Foreign-Assisted Projects Fund <b>03</b> - Special Accounts-Locally Funded/Domestic Grants Fund <b>04</b> - Special Account-Foreign Assisted/Foreign Grants Fund <b>05</b> - Internally Generated Funds/Retained Income Fund <b>06</b> - Business Related Funds/Revolving Fund <b>07</b> - Trust Receipts

# Changes Adopted in the GAM

Particulars	NGAS Manual	GAM
10. Cash Flow	Direct Method	Direct Method
11. Completed Public Infrastructure	Derecognized	Recognized
12. Statement of Financial Position		
Assets	Without distinction	With Distinction Current and Non-current
Liabilities	Without distinction	With Distinction Current and Non-current

# Changes Adopted in the GAM

Particulars	NGAS Manual	GAM
13. Statement of Financial Performance Subsidies, Transfers	Form part of Income	Not part of Revenue from Current Operation
14. Impairment loss	None	Recognized
15. Adjustment affecting Government Equity	Uses Prior Year's Adjustment account	Direct adjustment to Equity
16. Income Collection	Without authority to use-BTr With authority to use-NGAs	Recorded by NGAs

# Changes Adopted in the GAM

Particulars	NGAS Manual	GAM
17. Accounting for Donation		
with conditionality	Income	Liability
without conditionality	Income	Revenue
with restriction	-	Revenue
18. Monitoring of Obligation/Payment	None	Section C of Obligation Request and Status (ORS)
19. Residual value	10%	At least 5%



# New Standards Adopted

Particulars	NGAS Manual	GAM
20. New Standards	none	PPSAS 3-Accounting Policies, Changes in Accounting Estimates and Errors
		PPSAS 4-The Effects of Changes in Foreign Exchange Rates
		PPSAS 5-Borrowing Costs
		PPSAS 8-Interest in Joint Ventures
		PPSAS 9-Revenue from Exchange Transactions
		PPSAS 12-Inventories
		PPSAS 13-Leases



# New Standards Adopted

Particulars	NGAS Manual	GAM
20. New Standards	none	PPSAS 14-Events after the Reporting Date
		PPSAS 16-Investment Property
		PPSAS 17-Property, Plant and Equipment
		PPSAS 19-Provisions, Contingent Liabilities, Contingent Assets
		PPSAS 20-Related Party Disclosures
		PPSAS 21-Impairment of Non-Cash Generating Assets
		PPSAS 23-Revenue from Non-Exchange Transactions (Taxes and Transfers)
		PPSAS 24-Presentation of Budget Information in Financial Statements

# New Standards Adopted

Particulars	NGAS Manual	GAM
20. New Standards	none	PPSAS 26-Impairment of Cash-Generating Assets
		PPSAS 27-Agriculture
		PPSAS 28, 29 and 30-Financial Instruments (Presentation, Recognition and Measurement, and Disclosures, respectively)
		PPSAS 31-Intangible Assets
		PPSAS 32-Service Concession Arrangements: Grantor

# Changes Adopted in the GAM (Budget)

Particulars	NGAS Manual	GAM
1. Maintenance of Registries	RAOPS, RAOMO, RAOCO, RAOFE	RAOD
	RBU	RAPAL, RBUD
2. Statement of Comparison of Budget and Actual Amounts	None	Additional component of FS
3. Registry of Revenue and other Receipts	None	New

# Budget and Financial Accountability Reports (BFARs)

(COA-DBM-DOF Joint Circular No. 2013-1, as amended by  
COA-DBM Joint Circular No. 2014-1 dated July 2, 2014)

- Quarterly Physical Report of Operation (QPRO)-BAR No. 1
- Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB)-FAR No. 1
- Summary of Appropriations, Allotments, Obligations, Disbursements and Balances by Object of Expenditures (SAAODBOE)-FAR No.1-A



# Budget and Financial Accountability Reports (BFARs)

(COA-DBM-DOF Joint Circular No. 2013-1, as amended by  
COA-DBM Joint Circular No. 2014-1 dated July 2, 2014)

- List of Allotments and Sub-Allotments(LASA)-FAR No. 1-B
- Statement of Approved Budget, Utilizations, Disbursements and Balances(SABUDB)-FAR No. 2 (for Off-Budget Fund)
- Summary of Approved Budget, Utilizations, Disbursements and Balances by Object of Expenditures(SABUDBOE)-FAR No. 2-A (for Off-Budget Fund)

# Budget and Financial Accountability Reports (BFARs)

(COA-DBM-DOF Joint Circular No. 2013-1, as amended by  
COA-DBM Joint Circular No. 2014-1 dated July 2, 2014)

- Aging of Due and Demandable Obligations (ADDO)-FAR No. 3
- Monthly Report of Disbursements (MRD)-FAR No. 4
- Quarterly Report of Revenue and Other Receipts (QRROR)-  
FAR No. 5



***Responsibility Accounting*** - a system that measures the plans (by budgets) and actions (by actual results) of each responsibility center

***Responsibility Center*** - a part, segment, unit or function of a government agency, headed by a manager, who is accountable for a specified set of activities





# Objectives of Responsibility Accounting

- **Charge/Credit all costs and revenues to the correct responsibility center**
- **Provide basis for making decisions for future operations**
- **Facilitate review activities**
- **Monitor performance of each responsibility center**
- **Facilitate evaluation of effectiveness of agency's operations**



# GAM Implementation Strategy

- **Prepared courseware for uniformity in capacity building/training**
- **Created and Trained Pool of GAM Trainers**
- **Capacity Building of users from October to December 2015:**
  - COA Officials and auditors
  - Heads of National Government Agencies
  - Accounting, Budget, Treasury and other Finance personnel
- **Provision of technical assistance to users**
- **Continuous updating of the GAM through issuance of pertinent COA rules and regulations, as necessary**

# THANK YOU

