



Republic of the Philippines  
**OFFICE OF THE SECRETARY**  
Elliptical Road, Diliman  
1100 Quezon City

**MEMORANDUM ORDER**

NO. 12

Series of 2021

**SUBJECT : TRANSITION GUIDELINES ON THE PREPARATION AND SUBMISSION OF RCEF FINANCIAL STATEMENTS AND FOR OTHER PURPOSES**

---

Whereas, Republic Act No. 11203 “An Act Liberalizing the Importation, Exportation and Trading of Rice, Lifting for the Purpose the Quantitative Import Restriction on Rice, and for other purposes” created the Rice Competitiveness Enhancement Fund.

Whereas, DA-NEDA-DBM Joint Memorandum Order No. 01-2019 was issued as the Implementing Rules and Regulations of R.A. No. 11203 defining the reportorial requirements for the project as prescribed by the following provisions:

“13.6. The usual budgeting and accounting procedures in the incurrence and payment of obligations shall be followed.


13.7. The COA shall prescribe the appropriate accounting entries and the financial reporting requirements for the purpose.

13.9. The DA shall submit consolidated annual financial statements and other financial reports on SAGF-RCEF to the Government Accountancy Sector, COA on or before March 31 of each year.

13.12 x x x. It shall include putting in place a system to ensure transparency and accountability of transactions especially the procurement and ensuring that COA audits are used to guide proper procurement and disbursement of the Fund. x x x.”

Whereas, implementing agencies of SAGF-RCEF as prescribed under its IRR consists of Government-Owned and Controlled Corporations (GOCCs) and National Government Agencies (NGAs), which by industry standards follow different sets of Accounting Standards.

Whereas, Paragraph 3.1 of COA Circular No. 2015-003 dated April 16, 2015, classified Development Bank of the Philippines (DBP), Land Bank of the Philippines (LBP) and Philippine Crop Insurance Corporation (PCIC) as Government Business Enterprises (GBEs) and are required to apply Philippine Financial Reporting System (PFRS) pursuant to: (a) paragraph 10 of Preface to IPSAS and the pertinent provisions of applicable IPSAS as adopted in PPSAS 1; (b) BSP Circular 494 series of 2005; and (c) SRC Rules 68 and 68.1, its amendments, and other issuances of the SEC.

 *A food-secure and resilient Philippines*  
*with empowered and prosperous farmers and fisherfolk*





Whereas, Paragraph 3.2 COA Circular No. 2015-003 dated April 16, 2015, classified Philippine Rice Research Institute (PhilRice/PRRI) as Non-GBEs and are required to apply the Philippine Public Sector Accounting Standards (PPSAS) pursuant to COA Resolution No. 2014-003 and adopts a separate set of Chart of Accounts as prescribed under COA Circular No. 2015-010 dated December 1, 2015 as amended by COA Circular No. 2020-002 dated January 28, 2020.

Whereas, the Department of Agriculture-Office of the Secretary (DA-OSEC) including its Staff Bureaus and Regional Field Offices, Technical Education and Skills Development Authority (TESDA), Philippine Center for Postharvest Development and Mechanization (PhilMech), Land Registration Authority (LRA), and Department of Agrarian Reform (DAR) are classified as National Government Agencies per existing National Government structure and are required to adopt the PPSAS as operationalized by the Government Accounting Manual for Use of All National Government Agencies (GAM-NGAs) prescribed under COA Circular No. 2015-007 dated October 22, 2015.

Whereas, under Paragraph 2.2 of COA Circular No. 2020-002 dated January 28, 2020, Paragraph 2.0 of COA Circular No. 2017-004 dated December 13, 2017 and Paragraph 2.0 of COA Circular No. 2015-002 dated March 9, 2015 provides that the Revised Chart of Accounts for National Government Agencies shall be adopted by Government Corporations (GCs) in accounting for their Special Accounts in the General Fund (SAGF).

Whereas, as of the December 9, 2020, COA is yet to issue the prescribed accounting entries and the financial reporting requirements for the purpose as mandated by the IRR.

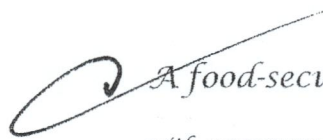
Whereas, the PSC resolved that it is deemed necessary to prepare the financial statements sans the prescribed accounting entries to be issued by COA in compliance with Rule 13.9.

Premises considered, now, therefore, by the power vested in me by existing laws, rules and regulations, **I, William D. Dar, Secretary of the Department of Agriculture and Chairman of the SAGF-RCEF Program Steering Committee**, do hereby promulgate the following:

*Section 1.* All SAGF-RCEF recipients/implementing agencies are required to submit their SAGF-RCEF Program Annual Financial Statements to DA-Accounting Division, including the complete set of accompanying schedules and Notes to Financial Statements not later than January 31st each year for consolidation purposes.

*Section 2.* DA-Accounting Division shall ensure that the Project Consolidated Financial Statements is submitted on or before the stated deadline to the Commission on Audit, Government Accounting Sector copy furnish the Office of the Auditor of the Department of Agriculture-Office of the Secretary.

*Section 3.* All IAs shall maintain complete sets of books of accounts to ensure that all transactions related to SAGF-RCEF, including transactions related to the funds

*A food-secure and resilient Philippines*  
*with empowered and prosperous farmers and fisherfolk*



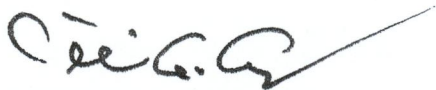
issued in 2018 under SARO No. BMB-E-18-0035183 dated December 28, 2018, shall be recorded in the Books of Accounts for the preparation of Project Monthly Trial Balances and Financial Statements SAGF-RCEF.

*Section 4.* To ensure uniformity of the Accounts to be used including the form and content of the Financial Statements and Trial balances, all IAs shall maintain their Books of Accounts and record all accounting entries in accordance with the Government Accounting Manual for National Government Agencies as prescribed by COA Circular No. 2015-007 dated October 22, 2015, as amended.

*Section 5.* All IAs are encouraged to submit their Monthly Trial Balances and Financial Statements to the Office of the Auditor assigned in their host Agencies not later than the prescribed deadlines.

*Section 6.* This order shall take effect immediately and with retroactive effect from the date of issuance of SARO No. BMB-E-18-0035183 dated December 28, 2018.

Done this 29th of January, 2021.



**WILLIAM D. DAR, Ph. D.**  
*Secretary*

DEPARTMENT OF AGRICULTURE  
In replying pls cite this code :  
For Signature: S-01-21-0498  
Received : 01/26/2021 11:59 AM

*A food-secure and resilient Philippines  
with empowered and prosperous farmers and fisherfolk*

