



Republic of the Philippines  
COMMISSION ON AUDIT  
Commonwealth Avenue, Quezon City

CIRCULAR

No. : 2015-007  
Date : OCT 22 2015

- To :** All Heads of Departments, Bureaus, Offices, Agencies and Instrumentalities of the National Government, Heads of Financial Management Services/Comptrollership Departments, Heads of Accounting Units; Heads of Budget Units; COA Assistant Commissioners, COA Directors, COA Auditors, and All Others Concerned
- Subject :** Prescribing the Government Accounting Manual for Use of All National Government Agencies

#### 1.0 Purpose/Coverage

This Circular is issued to prescribe the Government Accounting Manual (GAM) for use of all National Government Agencies (NGAs) consisting of department, bureaus, offices and instrumentalities, including state universities and colleges, in accordance with pertinent accounting and budgeting rules and regulations, including the following:

- a. Commission on Audit (COA) Circular No. 2013-002 dated January 30, 2013 prescribing the Adoption of the Revised Chart of Accounts for National Government Agencies (NGAs);
- b. COA Resolution No. 2014-003 dated January 24, 2014 prescribing the adoption of the Philippine Public Sector Accounting Standards (PPSAS);
- c. COA Circular No. 2014-003 dated April 15, 2014 providing the implementing rules and guidelines on the Conversion from the Philippine Government Chart of Accounts under the New Government Accounting System per COA Circular No. 2004-008 dated September 20, 2004, as amended, to the Revised Chart of Accounts for NGAs;
- d. COA Circular No. 2015-002 dated March 9, 2015 prescribing supplementary ~~guidelines~~ on the preparation of financial statements and other financial reports, the transitional provisions of the implementation of the PPSAS and the coding structure;

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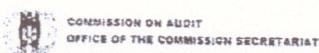
#### **4.0 Repealing Clause**

The GAM replaces the New Government Accounting System (NGAS) Manual, Volumes I, II and III, prescribed under COA Circular No. 2002-002 dated June 18, 2002.

Further, all other circulars, orders, memoranda and existing rules and regulations inconsistent with the provisions of the GAM are hereby amended/modified/revoked accordingly.

#### **5.0 Effectivity**

This Circular shall take effect on January 1, 2016.



**MICHAEL G. AGUINALDO**  
Chairperson

**HEIDI L. MENDOZA**  
Commissioner

**JOSE A. FABIA**  
Commissioner

**GOVERNMENT ACCOUNTING MANUAL  
(GAM)  
For National Government Agencies**

**Volume I  
Accounting Policies, Guidelines and Procedures  
and Illustrative Accounting Entries**

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## **FOREWORD**

The implementation of the Government Accounting Manual (GAM) for National Government Agencies is another milestone in the Philippine Government insofar as public sector accounting is concerned. The GAM will supersede the New Government Accounting System (NGAS) Manual that national government agencies have been using since 2002 when the Commission on Audit (COA), based on the authority granted under Sec. 2 (2), Art. IX-D of the 1987 Constitution, prescribed the use of the NGAS effective 1 January 2002. The revision of the NGAS Manual was prompted by the implementation of the Philippine Public Financial Management Reform Roadmap, which includes the development of the Philippine Public Sector Accounting Standards (PPSAS) that are harmonized with the International Public Sector Accounting Standards (IPSAS).

This GAM consists of three volumes as follows:

Volume I – Accounting Policies, Guidelines and Procedures, and Illustrative Accounting Entries

Volume II – Accounting Books, Registries, Records, Forms and Reports

Volume III – The Revised Chart of Accounts

The GAM contains the accounting policies in accordance with the PPSAS as well as the guidelines and procedures to be adopted by the accountants, budget officers, cashiers, property officers, accountable officers and other finance personnel in recording and reporting government financial transactions. It will serve as guide in the preparation of the financial statements and other reports and the accomplishment and/or maintenance of various registries, records and forms. Illustrative accounting entries were also provided for reference of the accounting unit in recording transactions.

To help the accountants and other agency personnel, as well as COA auditors, in determining the particular provisions of the PPSAS applicable to the financial transactions of the agencies, the provisions under the IPSAS were lifted and incorporated in the Manual, as necessary.

This GAM ensures uniformity, accuracy, reliability and timeliness in the preparation of financial statements and other reports in conformity with the requirements of the PPSAS and relevant accounting policies.



**MICHAEL G. AGUINALDO**  
Chairperson

## **ACKNOWLEDGEMENT**

The Government Accounting Manual (GAM) for National Government Agencies (NGAs) is a product of hard work and selfless commitment of the working group composed of the heads of the services and selected personnel of the Government Accountancy Sector (GAS), Commission on Audit (COA) with the proficient guidance and direction of Assistant Commissioner Lourdes M. Castillo, Director Usmin P. Diamel, Director Luzvi Pangan Chatto, Director Maria Fe A. Dinapo, as well as Director Sheila U. Villa and Director Marlon M. Marquina.

The review and evaluation of the various policies in this Manual by the National Government Sector (NGS); the Corporate Government Sector (CGS); the Planning, Finance and Management Sector (PFMS); and the Professional and Institutional Development Sector (PIDS) of this Commission helped in identifying issues and concerns that need to be addressed in the GAM.

The gathering of valuable inputs through the conduct of two (2) batches of Focus Group Discussions (FGDs) was successfully done with the unwavering support of the Assistant Commissioners, Directors, selected auditors and personnel of the NGS, PFMS and PIDS under the able leadership of Assistant Commissioners Susan P. Garcia, Carmela S. Perez and Luz Loreto-Tolentino, respectively. The FGDs were led by Assistant Commissioner Lourdes M. Castillio, GAS, and panelists from the GAS, namely, Director Usmin P. Diamel, Director Luzvi Pangan Chatto, Director Maria Fe A. Dinapo and Director Marlon R. Marquina, and from the NGS, namely, Director Marietta M. Lorenzo and Director Adelina Concepcion L. Ancajas. The FGDs were participated in by the following COA and various government agency personnel, who unselfishly shared their meaningful recommendations on how to make the Manual more useful to its intended users:

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The dream of producing this Manual as guide in the implementation of the Philippine Public Sector Accounting Standards was made a reality with the financial support from the Public Financial Management Committee through the Accounting and Auditing Reform Project Implementation Unit, and the Kreditanstalt für Wiederaufbau (KFW). The release of the funds was facilitated by the International Finance Group of the Department of Finance and the Department of Budget and Management.

The printing of this Manual was carefully done by the Printing and Publication Services, Policy Research and Institutional Development Office, PIDS, this Commission.

More importantly, the painstaking efforts of the working group became more invaluable because of the support and guidance of the top officials of the Commission: the Honorable Members of the Commission Proper composed of Chairperson Michael G. Aguinaldo, Commissioner Heidi L. Mendoza, and Commissioner Jose A. Fabia.

Finally, the Government Accountancy Sector is very grateful to all the aforementioned individuals and entities for all their priceless contributions in this Manual.

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