

Payment to Suppliers



DBM Circular 2016-10

dtd November 16, 2016

- 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



Definition of Terms

- **Modified Disbursement Scheme (MDS).** A procedure whereby disbursements by NG agencies chargeable against the account of the Treasurer of the Philippines are effected through GSBs.
- **Government Servicing Banks.** Financial institutions authorized, upon accreditation by the Monetary Board, to accept government deposits and perform banking services on behalf of government agencies.



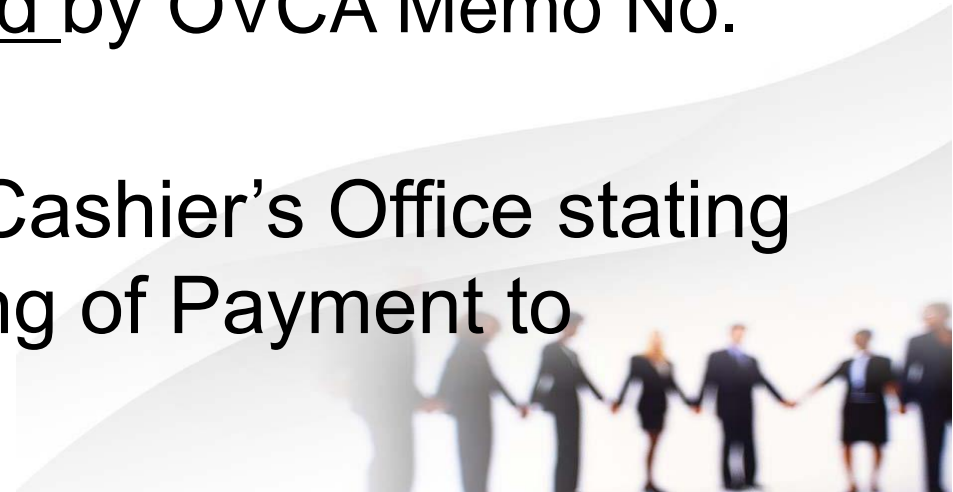
Requirements

- Payment is assured when the following informations are provided on the vouchers:
 - 1. Voucher is FMIS approved
 - 2. Land Bank Account Number of supplier
 - 2. Email Address & Contact number
 - 3. Issuance of Official Receipt prior to payment or paying



Other Communications

- OC Memo No. 2007-27 addressed to All Local Suppliers/creditors stating that effective April 2, 2007, **payment** due to suppliers/creditors shall be made thru ADA with Land Bank UPLB Branch in line with the paperless and automated transactions. Issuance of original ORs for payment must first be made to serve as supporting documents otherwise payments shall be put on hold. Reiterated by OVCA Memo No. 8-2014
- OVCA Memo No.2016-11 addressed to Cashier's Office stating issuance of Supplier's OR before crediting of Payment to Suppliers/Creditors.



Expected Results

No need to
follow-up



Suppliers are assured
of payment



Efficiency



