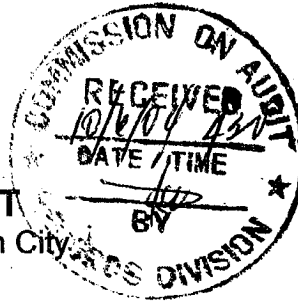


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Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City



CIRCULAR LETTER

No. : 2004-002

Date : September 30, 2004

TO : All Chief Accountants/Heads of Accounting Units, Budget Officers/Head of Budget Units of State Universities and Colleges; COA Auditors/Team Leaders and All Others Concerned

SUBJECT : **Accounting Guidelines and Procedures on the Proper Recording of Income from Tuition Fees of State Universities and Colleges (SUCS)**

1.0 PURPOSE

This Circular Letter is issued to provide uniform accounting guidelines and procedures on the proper recording of income from tuition fees in SUCS.

2.0 GENERAL GUIDELINES AND PROCEDURES

- 2.1 The accrual method of accounting shall be used in recording income from tuition fees and it shall be recorded in the Regular Agency (RA) Book. Based on the final assessment of students upon enrollment, the Accounting Unit shall record the "Accounts Receivable" with the corresponding credit to income account "Tuition Fees".
- 2.2 At the end of the year, the amount corresponding to income of the ensuing year shall be adjusted to "Other Deferred Credits". This adjustment shall be reversed immediately on the first working day of the ensuing year.
- 2.3 An Allowance for Doubtful Accounts shall be provided every year based on the age of the receivables and percentage rate provided in Section 66, Volume I of the New Government Accounting System (NGAS) manual.
- 2.4 The dormant accounts receivable with Authority to Write-off shall be removed from the RA Books and recorded in the Registry of Accounts Written Off.

2.5 The Report of Collections and Deposits (RCD) shall be prepared and submitted to the Accounting Unit by the Cashier/Collecting Officer daily. The RCD shall be the basis in recording the collections in the books of accounts of the agency.

3.0 ACCOUNTING ENTRIES

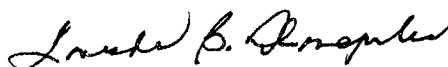
The illustrative accounting entries are shown in Annex A of this Circular Letter.

4.0 SAVING CLAUSE

Cases not covered in this Circular shall be referred to the Government Accounting and FMIS (GAFMIS), COA for resolution.

5.0 EFFECTIVITY

This circular letter shall take effect immediately.


LOURDES B. DIMAPILIS
Assistant Commissioner