



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

5/11/04  
*[Signature]*

**CIRCULAR LETTER**

No.: 2004-001

Date: May 7, 2004

**TO : Heads of Finance/Comptrollership Departments/Financial Management Services, Accountants/Bookkeepers and Budget Officers of Government-Owned and/or Controlled Corporations; COA Assistant Commissioners; Directors; Heads of Auditing Units; and All Others Concerned**

**SUBJECT : Accounting Guidelines and Procedures on the Adoption of the Chart of Accounts under the New Government Accounting System (NGAS) by Government-Owned and/or Controlled Corporations**

**1.0 PURPOSE/COVERAGE**

This circular is issued to provide accounting guidelines and procedures on the adoption of the Chart of Accounts under the New Government Accounting System (NGAS) by Government-Owned and/or Controlled Corporations (GOCCs) except government banks, the Government Service Insurance System and the Social Security System pursuant to COA Circular No. 2004 - 002 dated April 29, 2004.

**2.0 IMPLEMENTING GUIDELINES AND PROCEDURES**

- 2.1 The Chart of Accounts prescribed under COA Circular No. 2004 - 002 dated April 29, 2004, shall be adopted effective January 1, 2005 by GOCCs specified under Item No. 1.0.
- 2.2 For the purpose of conversion, the cut-off date shall be December 31, 2004 for those which shall adopt the Chart of Accounts on January 1, 2005. However, GOCCs have the option to use the said chart of accounts at an earlier date by using the trial balance at any month-end during the year.
- 2.3 GOCCs shall ensure that the general ledger (GL) and subsidiary ledger (SL) accounts as of the cut-off date are reconciled.

2.4 The accounts on the trial balance (GL and SL) shall be analyzed to determine the equivalent NGAS accounts. For accounts that cannot be appropriately converted to the NGAS Chart of Accounts, a request for the use of additional NGAS accounts shall be prepared and submitted to the Commission for approval through the Auditor concerned. Additional accounts shall not be used unless approved by COA.

2.5 A Journal Entry Voucher (JEV) to record the conversion of accounts shall be drawn containing the following:

Debit:

✓ NGAS asset accounts

✓ Old liability accounts

✓ Old equity accounts

Credit:

✓ Old asset accounts

✓ NGAS liability accounts

✓ NGAS equity accounts

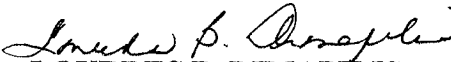
1.1 A copy of the JEV shall be attached to financial statements and reports for submission to GAFMIS, COA.

### 3.0 SAVING CLAUSE

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

### 4.0 EFFECTIVITY

This Circular Letter shall take effect immediately.

  
**LOURDES B. DIMAPILIS**  
Assistant Commissioner