

TREASURY SINGLE ACCOUNT

PHILIPPINE ASSOCIATION FOR GOVERNMENT BUDGET ADMINISTRATION, INC.
2014 1ST QUARTERLY SEMINAR & MEETING
Apo View Hotel, Davao City
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TSA: Tungo sa masinop at mabisang pamamahala ng pondo ni Juan



OUR MISSION

Fund the Republic.



TSA

**Executive Order
No. 55 (2011)
mandated the
implementation
of a **Government
Integrated
Financial
Management
Information
System and the
Treasury Single
Account****

- Unified structure of government bank accounts that aims to consolidate and optimize the use of government cash resources
- Priority project under the Philippine Public Financial Management Reform Roadmap, to enable Government to **consolidate cash resources** on a daily basis and **reduce borrowings** currently necessitated by **perceived cash shortages arising from holding so many government bank accounts** and a **fragmented system of handling receipts and payments.**



Concept: Treasury Single Account

- Treasury Single Account (TSA) refers to a **bank account with a set of linked accounts** through which the Government through the Treasury transacts all its receipts and disbursements.
- It is an account maintained by the Treasury with the Central Bank to account for (1) all receipts arising from collection of taxes, duties, fees and charges, grants and donations, proceeds of loans/borrowings, dividends, and other miscellaneous receipts intended for special purpose/s, and (2) servicing of loans/borrowings, expenses, contributions and other related expenditures.



TSA

Stakeholders

Treasury

Central Bank

NGAs

KBs

Citizens

Taxpayers





TSA

BENEFITS



- Greater clarity of fund flows
- Greater transparency in public financial management
- Improved cash and debt management
- Improvement of domestic financial markets by increasing their liquidity
- Facilitating more accurate accounting and improved reporting
- Reduced transaction costs while increasing interest earned for government



TSA Reporting And Monitoring System (TRAMS)

- part of suite of banking services provided to BTr to support the TSA implementation
- a web-based application accessible through a secure FTP site (<https://www.sftaccess.com>)
- provide NG/Treasury with up to date information on BIR/BOC/Other NGA collections and to support Treasury cash management activities



TRAMS Framework

Reporting Requirements

- AABs and AGDBs will continue to submit the BTr collection report but in a “new” file format (comma separated value or .csv file)
- **AABs will continue to submit BIR/BOC reports in the same file format required by BIR/BOC**
- AAB collection reports (.csv file format) for cash and check payments will be **electronically submitted** to BTr through TRAMS **not later than 2:00PM of next banking day, counted from collection date**
- NCOs (NGA Collecting Officer) will continue to submit LDC and validated DS to BTr through the AGDB, who will prepare collection report to BTr in the “new” file format (.csv file)



TRAMS Framework

Remittance of Collection

- AABs/AGDBs to electronically remit BIR/BOC/Other NGA collections to the TSA with BSP not later than 10:00AM of Next Banking Day, counted from Collection Date
- collections may be adjusted due to (i) returned checks (ii) over/under-remittance
- Adjustments to be included in Collection Report, subject to submission of supporting documents



TRAMS Framework

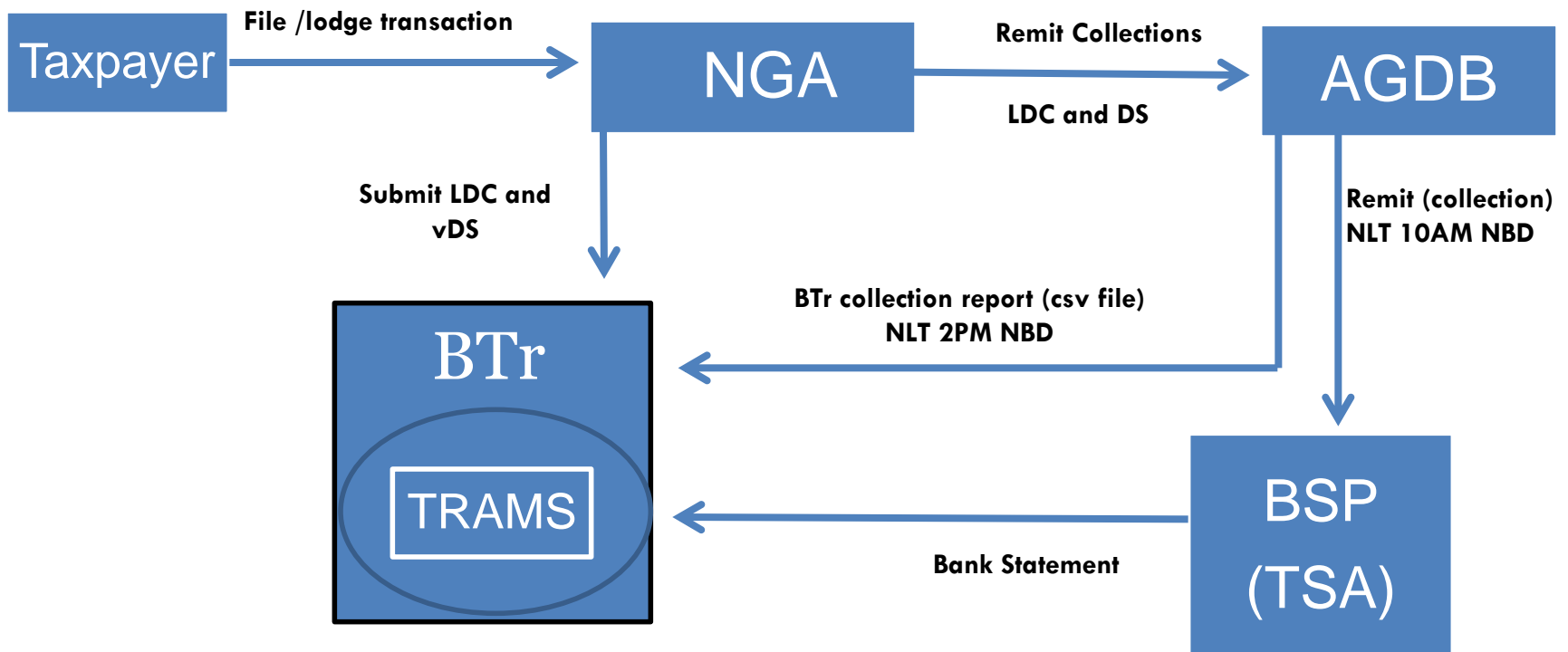
Compensation to banks for services

- **Float** of collections already **cancelled** (per EO 55 s. 2011)
- NG through Treasury shall pay collecting banks transaction fees for processing collection of **tax** and **duty** payments - P10.00 for electronic; P40.00 for over-the-counter
- **NO** transaction fees are paid to **AGDBs** for processing collection of fees, charges, or other non-tax exactions paid citizens to NGAs to acquire government services (e.g. driver's license fee, business name registration fee, etc)
- Fees for banking services (e.g. deposit pick-up) shall be for the account of NGA



Transaction Cycle

Other NGA Collections (Fees and Charges)

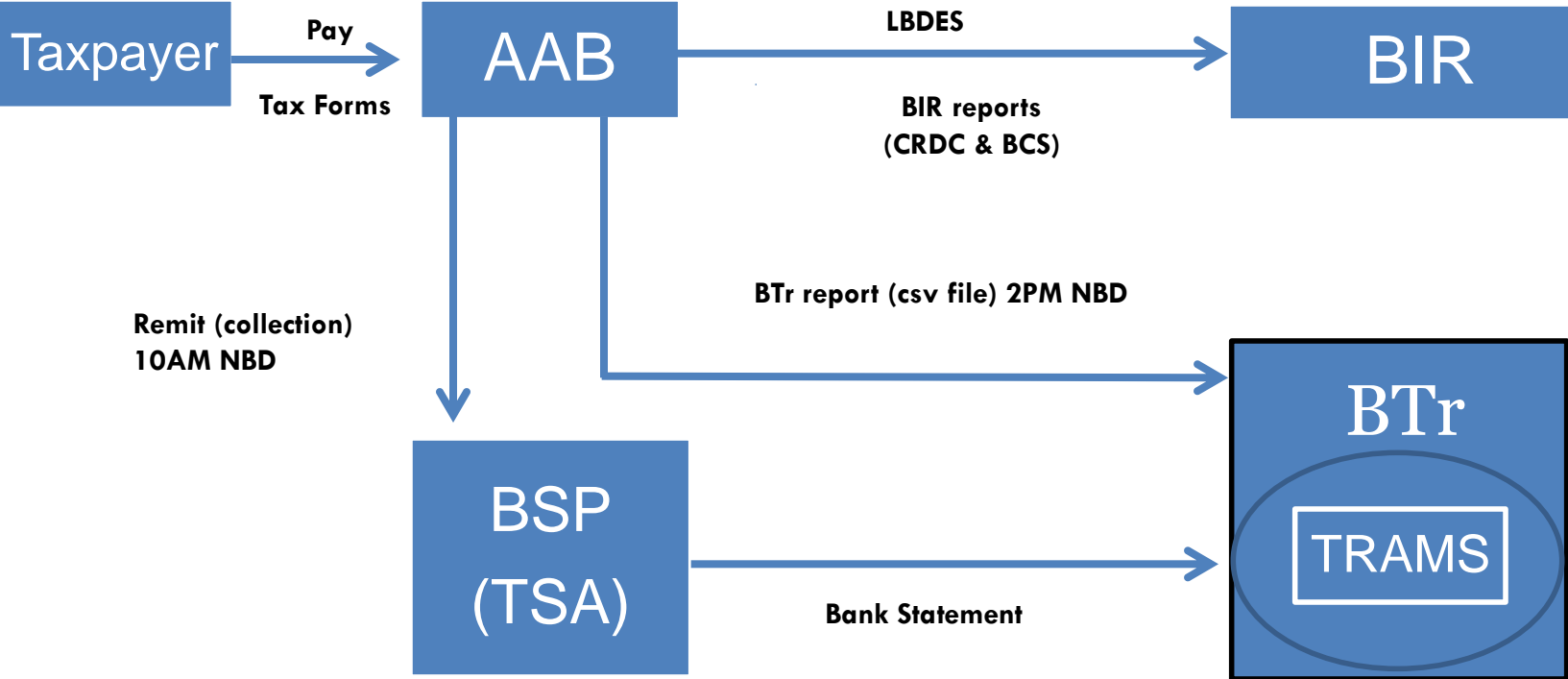


TSA: Tungo sa masinop at mabisang pamamahala ng pondo ni Juan



Transaction Cycle

BIR Collections (OTC)

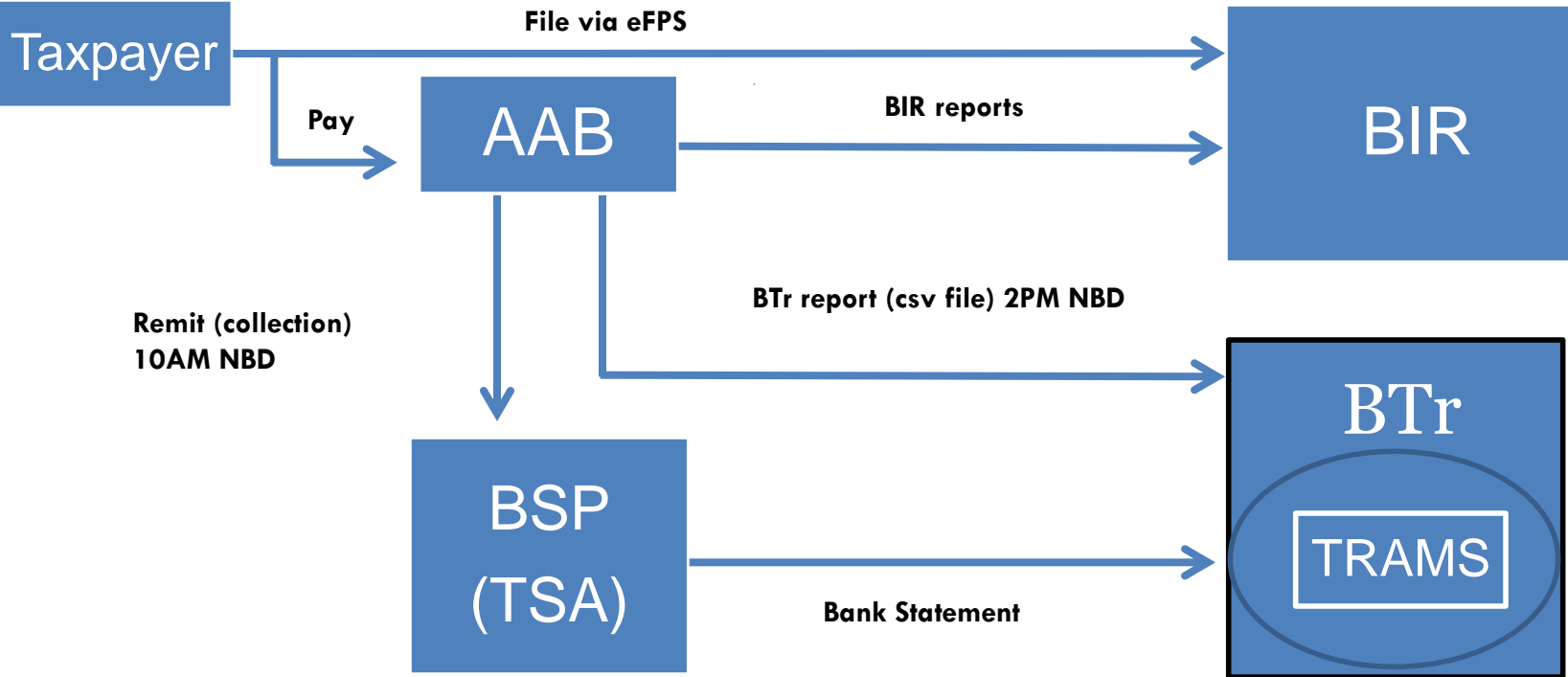


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Transaction Cycle

BIR Collections (electronic)

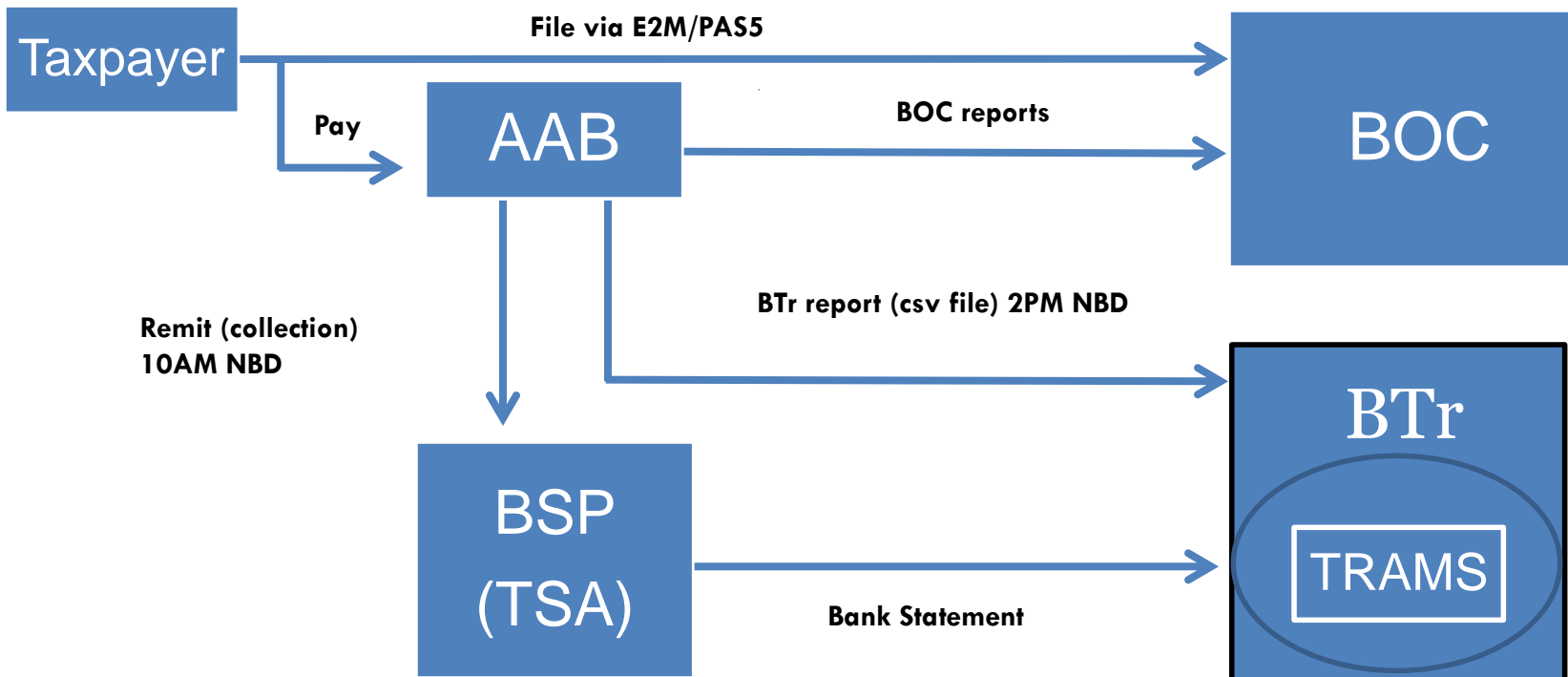


TSA: Tungo sa masinop at mabisang pamamahala ng pondo ni Juan



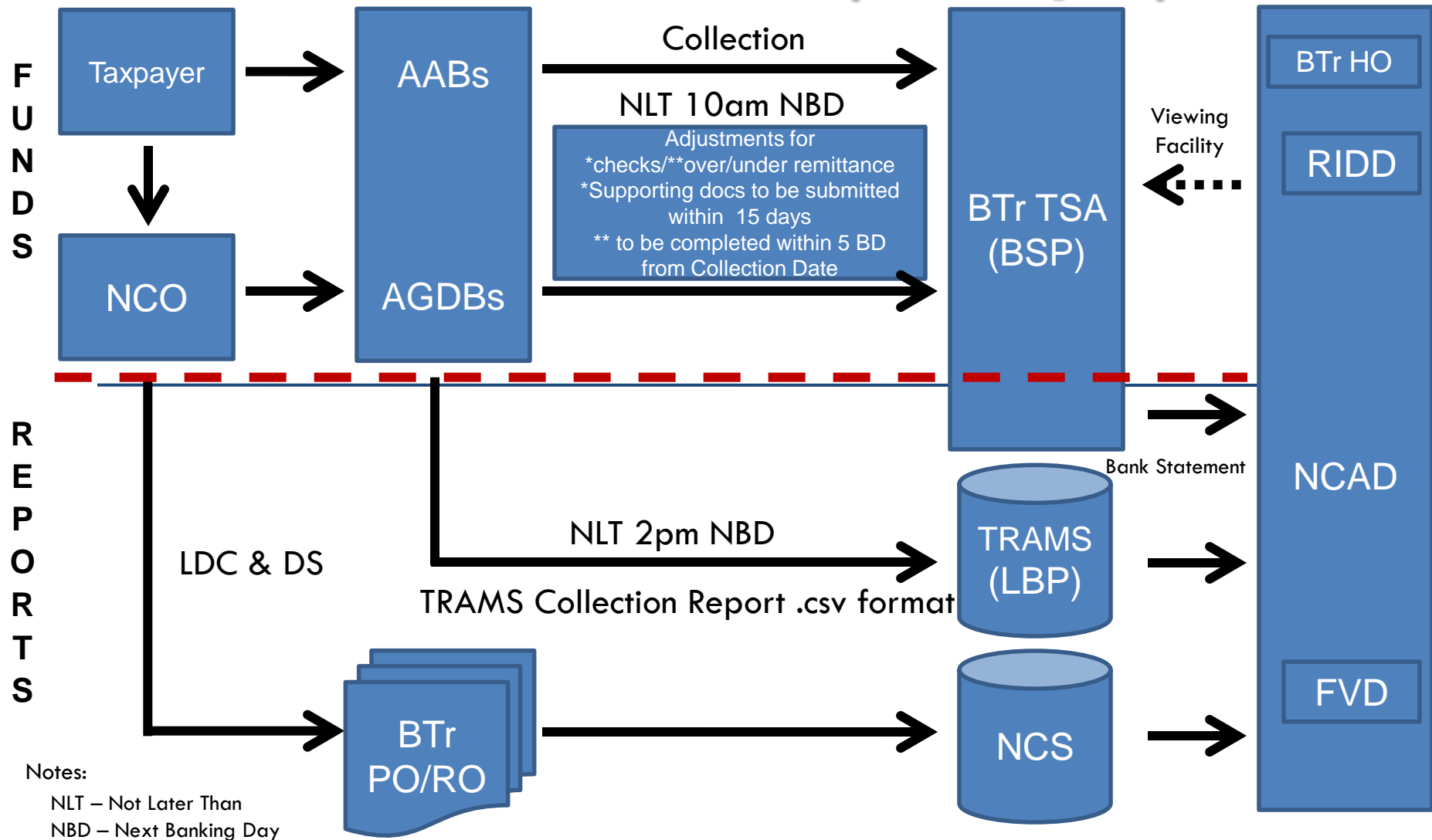
Transaction Cycle

BOC Collections (electronic)





TSA Framework (Receipts)



TSA: Tungo sa masinop at mabisang pamamahala ng pondo ni Juan

TSA Framework (Disbursement)



Supplier



Spending Agency



Budget Office



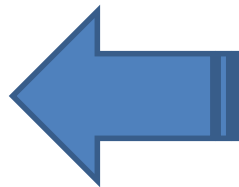
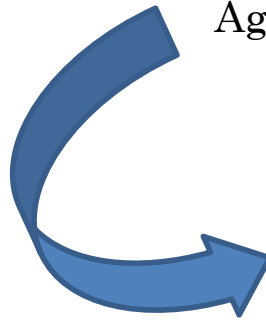
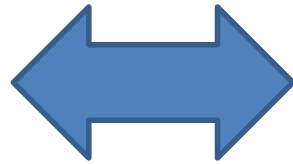
Largest Banks in the Philippines



Supplier's Bank



Central Bank (TSA)





Disbursement principle under TSA

- **NGAs** continue to be responsible to manage its allocated budget
- NGA disbursement shall continue to observe MDS guidelines/regulations
- **Treasury** only manages the **cash** for the whole-of-Government (NG level), maximize returns/income for the NG, make available NGA cash requirement for disbursement under MDS



TSA Implementation Timeline

- 2014 Quarter 1

Consolidate all **Treasury** bank accounts - **Done**

- 2014 Quarter 3

Consolidate bank accounts of Other NGAs

- 2014 Quarter 2

Consolidate bank accounts of select **NG Agencies** – in process

- 2014 Quarter 4

System Review & Roll out of National Payroll System in TSA



New Account Coding Structure

- **DBM DOF COA Joint Circular No. 2013-1 (Aug. 6, 2013)**
 - Implement the Unified Account Code Structure (UACS) for NG financial transactions in all phases of the budget cycle: budget preparation, legislation, **execution** and **accountability**
 - All agencies to implement beginning January 1, 2014
- **COA Circular 2013-002 (Jan. 30, 2013) effective Jan. 1, 2014**
 - Adoption of the Revised Chart of Accounts for National Government Agencies



Impact of UACS to TSA Implementation

Efficiency of Process

- UACS compliant FMIS(front & back-end systems) of Revenue/Collection Agencies will facilitate efficient recording/accounting by Treasury in its FMIS (back end)

Reliability of Information

- Revenue and Expenditure data are verifiable from single source

Informed Judgment

- UACS compliant data (receipts and disbursements) will provide Treasury with accurate and credible bases for cash, liquidity, payment, and liability management



UACS for Income (BIR)

Income		40000000 00
Tax Revenue		40100000 00
Tax Revenue - Individual and Corporation		40101000 00
Income Tax		40101010 00
Income Tax - Individual		40101010 01
Income Tax - Partnerships		40101010 02
Income Tax - Corporations		40101010 03
Professional Tax		40101020 00
Travel Tax		40101030 00
Immigration Tax		40101040 00
Tax Revenue - Property		40102000 00
Estate Tax		40102010 00
Donors Tax		40102020 00
Capital Gains Tax		40102030 00
Capital Gains Tax - Individuals		40102030 01
Capital Gains Tax - Corporations and Other Enterprises		40102030 02



UACS for Income (BOC)

Tax Revenue - Goods and Services	40103000 00
Import Duties	40103010 00
Live Animals, Animal Products	40103010 01
Vegetable Products	40103010 02
Animal or Vegetable Fats and Oils and their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes	40103010 03
Prepared Foodstuffs; Beverages, Spirits and Vinegar; Tobacco and Manufactured Tobacco Substitutes	40103010 04
Mineral Products	40103010 05
Products of the Chemical or Allied Industries	40103010 06
Plastics and Articles Thereof; Rubber and Articles Thereof	40103010 07
Raw Hides and Skins, Leather, Furskins and Articles Thereof; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (Other than Silk-Worm Gut)	40103010 08



UACS for Income (NGAs)

Income		40000000 00
Service And Business Income		
		40200000 00
Service Income		40201000 00
Permit Fees		40201010 00
Permit Fees Import		40201010 01
Permit Fees Export		40201010 02
Other Permit Fees		40201010 99
Registration Fees		40201020 00
Registration Plates, Tags and Stickers Fees		40201030 00
Regular Plates		40201030 01
Optional Motor Vehicle Special Plate		40201030 02
Vanity Licensed Plates		40201030 03
Validating Tags/Stickers		40201030 04
Clearance and Certification Fees		40201040 00
Clearance Fees		40201040 01
Certification Fees		40201040 02
Endorsement Fees		40201040 03
Identification of Specimens		40201040 04
Franchising Fees		40201050 00



Challenges to TSA implementation

- **Compliance** by all Government Agencies to Unified Account Code Structure (UACS) for its **FMIS** (Front-End/Back-End Systems)
- Regulations
 - BIR
 - **Electronic Filing and Payment System (EFPS)**
 - **Limited Bank Data Entry System (LBDES)**
 - BOC
 - **Electronic 2 Mobile (E2M) Customs system**
 - n.b. Payment Application Secure System v.5 (PASS5) is private and proprietary
 - Treasury and Other National Government Agencies
 - **NGA FMIS and Accounting System**



Strategy: Practical, doable baby steps

➤ Phased Implementation

1. Consolidation of bank accounts into TSA

- Treasury own bank accounts (**DONE**)
- National Government Agencies accounts
 - Pilot agencies
 - Size
 - ✓ Big (Oversight Agencies, eg DOF, DBM)
 - ✓ Small (e.g. BTr, LTO)
 - Account Class
 - ✓ Retained Revenues
 - ✓ No retention
 - ✓ With fiscal autonomy

2. Cash flow approach (Whole-of-Govt Cash Mngt) (EO 55, EO 449)

- Consolidate all cash from NGAs' bank account to the TSA



Strategy.... (2)

- Strengthen Public Financial Management Legal Framework
 - Long term : Congressional Legislation to Empower Dept of Finance/Treasury to Manage Finances of the whole-of-Government
 - ✓ Clarity of mandate
 - ✓ Stability of legal basis
- Improve capability of civil service on PFM
 - Short term: develop NGA specialists on PFM
- Improve support systems
 - Short term : Treasury Management System (COTS with customization), UACS and RCA implementation to NGA FMIS (budget execution and accountability systems)



Questions

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TREASURY SINGLE ACCOUNT

**Tungo sa masinop at mabisang pamamahala ng pondo
ni Juan**



Maraming salamat.



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