



Supreme Court of the Philippines
Manila

OFFICE OF THE COURT ADMINISTRATOR

CIRCULAR No. 13-92

To : All Executive Judges and Clerks of Court of the Regional Trial Courts and Shari'a District Courts.

Subject : Court Fiduciary Funds

Our attention has been called by the Treasurer of the Philippines that collections from bailbonds, rental deposits and other fiduciary collections are being deposited with the Provincial, City and Municipal Treasurers in compliance with Circular No. 5 dated November 25, 1982, issued by then Chief Justice Enrique M. Fernando, which procedure runs counter to the provisions embodied in the General Appropriations Act for Fiscal Year 1992, specifically Sections 4 and 12 of its General Provisions, to wit:

- 1) Section 4 provides that trust receipts shall be treated as a trust liability of the agency concerned and deposited in an authorized government depository bank or in the National Treasury as the case may be xxx; Provided, xxx, that if the amount is deposited in a savings account, the interest shall accrue to the General Fund and shall be remitted to the National Treasury at the end of each quarter.
- 2) Section 12 provides that performance bonds and deposits filed or posted by private entities with agencies of the government shall be deposited in an authorized government depository bank as trust liabilities, under the name of the agency concerned, the interests thereon and any forfeited amounts to be recorded as income of the General Fund and remitted to the National Treasury.

Conformably herewith, Circular No. 5, dated November 25, 1982, is hereby revoked and declared of no further force or effect. The following procedure is therefore prescribed in the administration of Court Fiduciary Funds:

Guidelines in Making Deposits

- 1) Deposits shall be made under a savings account. Current account can also be maintained provided that it is on an automatic transfer of current account from savings.
- 2) Deposits shall be made in the name of the Court.
- 3) The Clerk of Court shall be custodian of the Passbook to be issued by the depository bank and shall advise the Executive Judge of the bank's name, branch and savings/current account number.

Guidelines in Making Withdrawals

- 1) Withdrawal slips shall be signed by the Executive Judge and countersigned by the Clerk of Court.
- 2) If maintaining a current account, withdrawals shall be made by checks. Signatories on the check shall likewise be the Executive Judge and the Clerk of Court.

All collections from bailbonds, rental deposits and other fiduciary collections shall be deposited immediately by the Clerk of Court concerned, upon receipt thereof, with an authorized government depository bank.

Interests earned on these deposits and any forfeited amounts shall accrue to the General Fund of the government. Within two (2) weeks after the end of each quarter, the Clerk of Court shall withdraw such interests and forfeited amounts and shall remit the same to the National Treasury under a separate Remittance Advice, duplicate copy thereof to be furnished the Chief Accountant of the Supreme Court for record and control purposes.

No withdrawals, except as specifically provided in the immediately preceding paragraph, shall be allowed unless there is a lawful order from the Court that has jurisdiction over the subject matter involved.

Only one depository bank shall be maintained and said bank must be formally informed by the Executive Judge as to who are the authorized signatories to the withdrawal slips.

Except in instances specifically mentioned in the immediately succeeding paragraph, all fiduciary collections currently deposited with the local treasurers shall be withdrawn therefrom and deposited with the savings/current accounts maintained by the courts for these collections.

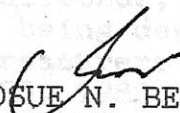
J

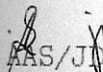
In localities where there are no branches of authorized government depository banks or, even if there be a branch but it is impractical, for justifiable reasons, to maintain deposits therein, all fiduciary fund collections shall be deposited by the Clerk of Court with the Provincial, City or Municipal Treasurer. In either case, the Clerk of Court must first seek a favorable recommendation from the Executive Judge.

Within two (2) weeks after the end of each quarter, all Clerks of Court are hereby required to submit to the Chief Accountant of the Supreme Court a quarterly report indicating the outstanding balance maintained with the depository bank or local treasurer, and the date, nature and amount of all deposits and withdrawals made within such period.

This Circular is effective as of this date.

March 1, 1992.


JOSUE N. BELLOSILLO
Court Administrator


JAS/JMP/mm
dodong

- 2) Section 12 provides that performance bonds and deposits filed or posted by private entities with agencies of the government shall be deposited in an authorized government depository bank or in the National Treasury as the case may be. Provided, that if the amount is deposited in a savings account, the interest shall accrue to the General Fund and shall be remitted to the National Treasury at the end of each quarter.

Annexed herewith, Circular No. 5, dated November 1991, is hereby revoked and declared of no further force. The following procedure is therefore prescribed for the administration of Court Fiduciary Funds: