REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

June 2, 2014

REVENUE MEMORANDUM ORDER NO. 21-2014

SUBJECT : Prescribing Policies, Guidelines and Procedures Relative to the Frequency of Deposits of Internal Revenue Tax Collections by Revenue Collection Officers (RCOs)/Special Collecting Officers (SCOs)/Other Collecting Officers (COs) to Authorized Government Depository Banks and the Imposition of Applicable Sanctions/Penalties for Violations Thereof

TO : All Internal Revenue Officials, Employees and Others Concerned

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I. BACKGROUND

Ministry of Finance Order No. 20-73 dated June 14, 1973, as amended by the Joint Circular No. 1-81 by the Commission on Audit (COA) and then Ministry of Finance, and further amended by the Department of Finance Order No. 56-92 dated May 22, 1996 and Section 69 of PD 1445 as well as Section 21 of COA Circular No. 2002-002, prescribed the frequency of deposits of national collections direct to the Bureau of the Treasury and/or through any of the Authorized Government Depository Banks (AGDBs). In the latest COA Memorandum No. 2013-004 dated July 9, 2013, it prescribed that "*Collection Officers shall deposit all their collections as well as collections turned over to them by sub-collectors with Authorized Government Depository Bank (AGDB) daily or not later than the next banking day. Where collections are minimal and daily deposit thereof becomes costly and impractical, the COs shall deposit their collections at least once a week, or as soon as the collections reached P 10,000. 00 x x x x* ".

Likewise, Section III. Policies and Guidelines, Item No. 7 of Revenue Memorandum Order (RMO) No. 7-2007, as amended by RMO No. 8-2008 and further amended by RMO No. 8-2009, prescribed the strict compliance of the above-stated issuances relative to the deposit of collections to the AGDB.

However, there are instances when the set collection threshold and frequency of deposits required to be made by the RCOs/SCOs/other COs are considered impractical due to the following circumstances:

1. The internal revenue tax collections of RCOs are usually substantial in amount only during deadlines. During ordinary days, the collections are minimal;

2. The tax collection from the taxpayers by RCOs assigned in lower class municipalities are relatively small in amount;

3. Due to the distance between the work stations of some RCOs/SCOs/COs and the concerned AGDBs, the daily/weekly travel from the municipality assignment to/from the nearest AGDB will consume most of the RCOs'/SCOs'/other COs' time; thus, lesser time are allotted for the acceptance of tax returns payments and the performance of their other functions; and

4. The travel expenses that the RCOS/SCOs/other COs may incur for a month for purposes of depositing the tax collections, if the existing policy on set threshold and frequency of deposits is strictly enforced, will sometimes be more than their monthly allowance especially for those in the island municipalities and those that require special means of transportation (e.g. bancas, hired tricycles, etc.).

II. OBJECTIVES

This Order is being issued to:

1. Prescribe the policies and guidelines relative to timeliness in depositing collections to AGDBs by RCOs/SCOs/COs;

2. Prescribe the policies and guidelines relative to the imposition of the appropriate sanctions to all concerned Bureau personnel, in case of non-compliance with the existing policies and guidelines on timely and intact remittance/deposit of collections; and

3. Define the duties and responsibilities of all concerned revenue officials for a more effective implementation hereof.

III. POLICIES AND GUIDELINES

The following policies and guidelines shall be strictly observed:

1. The following schedule relative to the amount of collection and frequency of deposits shall be strictly followed by all concerned RCOs/SCOs/COs:

DISTANCE (OFFICE/ WORK STATION TO AGDB)		TRAVEL TIME (TO AND FROM OFFICE/ WORK STATION TO AGDB)	MEANS OF TRANSPORT-ATION	AMOUNT OF COLLECTIONS	FREQUENCY OF DEPOSITS
a.	Office /Station is co-located with the AGDB	Not Applicable	Not Applicable	Total daily collections regardless of amount	Not later than next banking day
b.	Office /Station is located within 30-kilometer radius	Less than 1 hour (one way)	Ordinary transportation/ (e.g. Jeep, bus or tricycle)	Total daily collections regardless of amount	Not later than next banking day
		More than 1 hour (one way)	Ordinary transportation	As soon as the cash collections reached P10,000.00 If the total amount of cash collections for the week is less than P10,000.00	Not later than next banking day Not later than Friday of each week
		More than 1 hour (one way)	Special transportation (e.g. hired tricycle, banca, etc.)	As soon as the daily cash collections reached P10,000.00	Not later than Friday of the week
c.	Office /Station is more than 30-	Less than 1 day (one way)	Ordinary transportation	Total collections regardless of amount	Not later than Friday of each week

	kilometer radius	Less than 1 day (one way)	Special Transportation	As soon as the daily cash collections reached P10,000.00	Not later than Friday of the week
		1 day or more (one way)	Any transportation	As soon as the daily cash collections reached P10,000.00	Not later than Friday of the following week but not later than the end of the month of collection*
d.	Work station is located in the Island and other far-flung municipalities	More than one day (one way)	Special transportation and transportation cost is expensive	Total collections regardless of amount	Once a month but not later than the end of the month of collection*

**Cash Collections must be deposited before end of banking hours and Check Payments before the clearing cut-off time in order to ensure that the collections are credited by the Bureau of Treasury on the month of collection pursuant to RMC No. 17-2012 dated April 4, 2012*

However, the abovementioned schedules should not prevent the RCOs, SCOs, and other COs from depositing earlier the tax/ non-tax collections, if deemed necessary, in order to safeguard these collections and protect the interest of the government.

In relation to Item 1.d above, all concerned RDOs must submit the list of RCOs/SCOs/other COs who are assigned to these municipalities including justifications why they should be allowed to deposit their collections not on a daily basis, for monitoring purposes. The list should be submitted to the Assistant Commissioner, Collection Service, Attention: The Chief, Collection Programs Division copy furnished The Chief, Collection Performance Monitoring Division at Room 507, 5th Floor, BIR National Office Bldg., Agham Road, Diliman, Quezon City for approval.

2. All collections must be deposited intact to the nearest AGDB on or before the herein specified deadline/scheduled date of deposit/remittance. In order to account all monthly collections in time for the preparation of the monthly collection reports and for the immediate reconciliation thereof, all collections for the month must be deposited by the end of the month and before the AGDB's cut-off or clearing time for check payments pursuant to the provisions of Revenue Memorandum Circular No 17-2012 dated April 4, 2012.

3. If the prescribed day for depositing of collections of the RCOs/ SCOs/ COs falls on a tax deadline and there is a need for these officers to be at their respective work stations/offices to accept tax payments/returns, the RCOs/ SCOs/ COs may be allowed to deposit their collections on the next banking day after the said tax filing/payment deadline. However, this policy shall not apply to RCOs/SCOs/COs falling under Section III, 1.a. hereof.

4. It shall be the responsibility of all Revenue District Officers/Heads of Offices, Finance and Collection Division Chiefs and Collection Section Chiefs/Supervisors to strictly monitor the activities of all the RCOs/SCOs/COs under their jurisdiction by conducting regular spot checking and/or audit, to ensure that all their activities are in accordance with existing rules and regulations, and that the tax collections received are fully reported, accounted for, and deposited intact and on time to the AGDB, pursuant to the applicable provisions of this Order.

5. Non-compliance with the provisions of this Order and other existing rules and regulations on the collection, reporting and remittance of all collections by RCOs/SCOs/ COs are subject to penalties and sanctions prescribed under existing issuances and civil service laws, rules and regulations, as enumerated in Revenue Memorandum Circular No. 74-2012.

IV. REPEALING CLAUSE

All issuances and/or portions thereof inconsistent with the provisions of this Order are hereby repealed and/or amended accordingly.

V. EFFECTIVITY

This Order shall take effect immediately.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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