



Budget Execution *2015*



Outline

- Overview
 - Key Issuances on 2015 Budget Execution
- Fund Release Procedures
 - Obligational Authorities
 - Disbursement Authorities
- Transparency & Accountability
- Important Timelines



Key Issuances on 2015 Budget Execution

- NBC No. 555: Submission of Budget Execution Plans & Targets for FY 2015
- NBC No. 556: Guidelines on the Release of Funds for 2015 (with Annexes A-C)



NBC No. 555



Agencies



BEDs

1. Financial Plan
2. Physical Plan
3. Monthly Disbursement Program
4. Annual Procurement Plan for Common-Used Supplies & Equipment



Online Submission

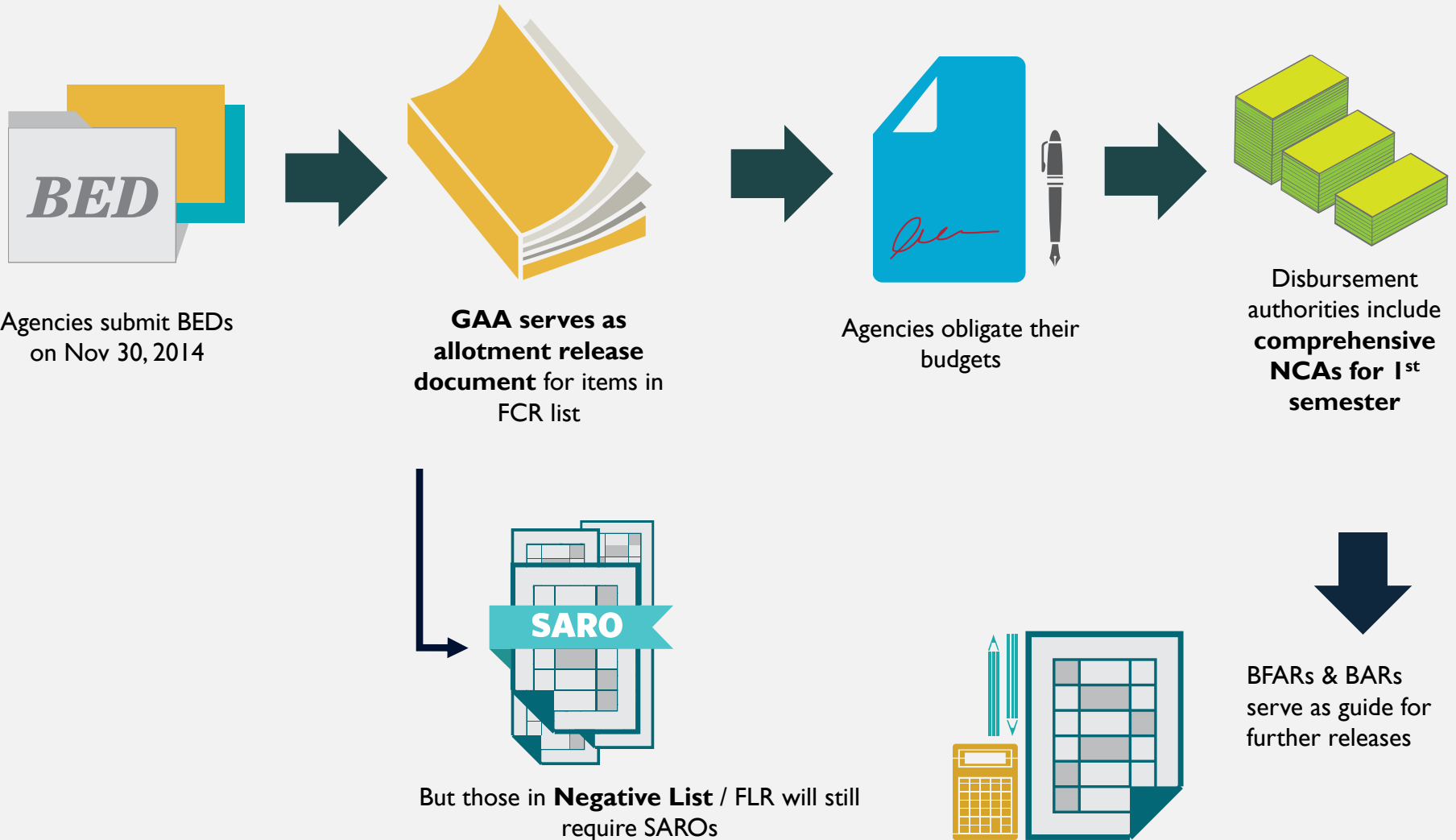


The GAA as Release Document

The budgets of agencies or “appropriations”—except those included in the negative list—are considered released as allotments when the General Appropriation Act takes into effect.



Fund Release System for CY 2015



Obligation Authorities for 2015



The GAA Itself

For budget items under “For Comprehensive Release”



SARO

For budget items under “For Later Release”



General Allotment Release Order (GARO)

For RLIP only



For Comprehensive Release

I. Specific Appropriations
of Dept's/agencies



GAARD



II. Other Items, which by their
nature are released
comprehensively but by
policy or law, require
issuance of SARO



SARO



The Negative List



- Centrally-Managed Items or Lump sum funds within agency specific budgets
- Special Purpose Funds
- All automatic appropriations



FCR vs. FLR: Agency Budgets

For Comprehensive Release (Annex A & AI)

For Later Release (Annex B & BI)

Via GAA-as-Release

- Agency-specific budgets not in negative list (Annex A)
- Transferred appropriations: dept-to-dept or within dept (Annex A-I)

Via SARO

- Agency-specific budgets in negative list (Annex B)
- Transferred appropriations from one dept to another, but which are included in the negative list (Annex B-I)



FCR vs. FLR: Appropriations Directly Released to Implementing Depts./Agencies/OU's

Via GAA-as-Release

- Basic Education Services (DepEd to ARMM & DepEd ROs to CO)
- National Programs under DA to ARMM-DAF
(i.e., rice, livestock, corn, high-value crops, organic agriculture, market oriented and fisheries)
- Farm-to-Market Road Projects
(DA-OSEC RFUs to DPWH-CO & DA-OSEC-CO to DPWH-ARMM)
- GASTPE (DepEd ROs to CO)
- CCT (DSWD-ROs to CO)

Via SARO

- Basic Education Facilities (DepEd to DPWH)
- Basic Education Facilities (DepEd-ROs to CO)
- National Programs under DA to ARMM-DAF
(i.e., rice, livestock, corn, high-value crops, organic agriculture and market oriented)
- National Health Insurance Program to the Indigents (DOH to PHIC)
- PAMANA and Bangsamoro Programs (DOH to PHIC)



FCR vs. FLR: Automatic Appropriations

For Comprehensive Release (Annex C)

Via GARO

- Annual Requirements for RLIP

Via SARO

- Interest Payments
- Internal Revenue Allotment
- SAGFs of certain agencies (DOTC-OTS, DOF-IC, DOLE-OSEC, OEO-HLURB)
- Pensions for President's Spouses

For Later Release (Annex CI)

Via SARO

- SAGFs of other agencies
- Adjustments on IRA
- Other Automatic Appropriations not covered by FCR
(TEF, Grant Proceeds)



Validity of Appropriations

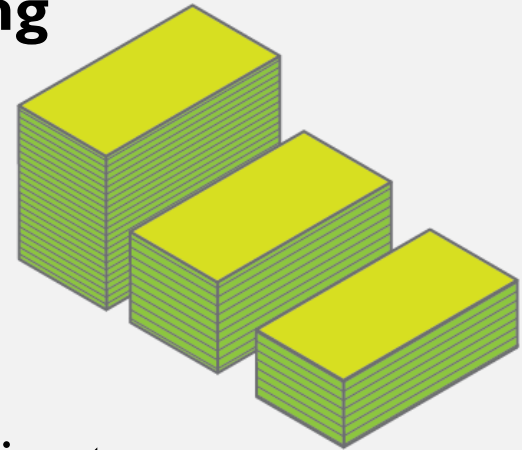
- 2015 GAA, RA 10651
 - PS: Until Dec 31, 2015
 - MOOE & CO: Until Dec 31, 2016
- 2014 GAA Continuing Appropriations
 - MOOE & CO: until Dec 31, 2015
- 2014 Supplemental Appropriations, RA 10652
 - MOOE & CO: until Dec 23, 2015
- Automatic Appropriations
 - Until December 31, 2015



Disbursement Authorities

Types of Disbursement Authorities:

- **Documents issued by DBM authorizing payment through banks/BTR**
 - NCA
 - NCAA
 - CDC
- **Tax Remittance Advice:** issued by agencies to BIR for withheld taxes
- **SAROs issued by DBM for booking purposes:** Interest Payment; Tax Expenditures (thru TEF)/Documentary Stamp tax on government-issued securities



Validity of NCAs

- To Regular MDS Sub-Accounts:
Until last working day of 3rd month of a quarter
- To Special MDS Accounts (RG/TL):
Until last working day of following month
- To Trust MDS Accounts:
Until last working day of the year
- To BTr for Working Fund:
Until last working day of the year



Specific Guidelines and Procedures



Sources of Funds for 2015



2015 GAA per R.A. No. 10651
Agency Specific Budgets and SPFs

2015 Automatic Appropriations
(RLIP, SAGFs, IRA, etc. per BESF)

2014 Continuing Appropriations

2014 Supplemental Appro per R.A.
10652



Fund Release Procedures: Comprehensive Release encompasses the ff:

New GAA

- Annual Agency Specific Budgets, thru the GAA
- First Quarter requirements for Pension, GOCCs heavily subsidized by the NG, and BuB of NIA, NEA and those provided under the LGSF, thru SAROs

Automatic Appropriations

- RLIP thru GARO
- IRA, Interest Payment, and Pensions for Presidents' Spouses thru SAROs
- SAGFs - Annual operating requirements of Agencies fully dependent on their income, thru SAROs



**Distribution of the Expenditure Program
FY 2015 versus FY 2014**

Particulars	2014		2015	
	Program	% to	Program	% to
	In Billion	Program	In Billion	Program
I. For Comprehensive Release				
New GAA				
Departments/Agencies	1,020.0		1,213.7	
SPFs	15.8		23.5	
Transferred Appropriations	2.8		6.8	
Automatic Appropriations	369.3		793.3	
Sub-total	1,407.9	62%	2,037.3	78%
II. For Later Release (Negative List)				
New GAA				
Departments/Agencies	88.9		61.7	
SPFs	266.7		345.2	
Transferred Appropriations	74.4		88.8	
Automatic Appropriations	426.7		73.0	
Sub-total	856.7	38%	568.7	22%
III. Total	2,264.6	100%	2,606.0	100%

Comprehensive Release but subject to Conditional Obligation

- PS items under DepEd budget
 - ERF, conversion to Master Teacher positions, reclassification of positions, and special hardship allowance
- MOOE and CO
 - Supplies and materials
 - Communication equipment
 - Firearms
 - Research and development programs
 - Books to be procured by agencies other than schools and the National Library exceeding five (5) copies per title
 - Ongoing FAPs
 - Grants, subsidies and contributions
 - BuB projects to be implemented by LGUs



Fund Release Procedures For GOCCs and LGUs

- **For GOCCs (BSGC)**
- 1st quarter subsidy for heavily subsidized GOCCs – for comprehensive release
- BuB Projects of NIA and NEA – for comprehensive release
- Equity and remaining subsidy – for later release

- **For LGUs (IRA and ALGU)**
- Annual IRA – for comprehensive release
- IRA adjustments, special shares in the proceeds of national taxes and LGSF – for later release
- BuB projects under the LGSF – for comprehensive release

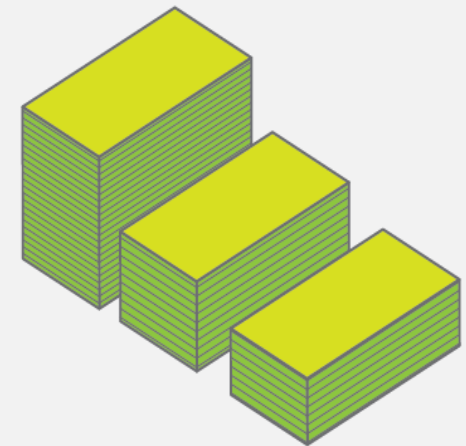


Fund Release Procedures

Notice of Cash Allocation

Initial comprehensive NCA (based on Monthly Disbursement Program per NBC 555) shall cover first semester requirements (January to June, 2015) for:

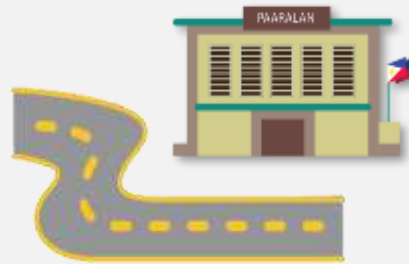
- Current year requirements
 - Agency Specific Budget
 - RLIP
- Prior Years' requirements
 - Accounts Payable (A/Ps)
 - Obligations expected to become A/Ps
- 2014 Continuing Appropriations (RA 10633)
- 2014 Supplemental Appropriations (RA 10652)



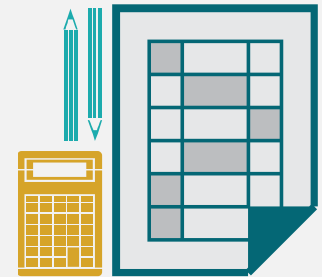
Transparency & Accountability



Transparency
Seal



Disclosures on
Infrastructure



Budget
Accountability
Reports



Transparency & Accountability

Transparency Seal

2015 GAA, GP No. 98:

- Agency mandates and functions
- Officials & contact information
- Physical & Financial Accountability Reports
- Approved Budgets & Targets
- Major Programs & Projects under Social Contract KRAs
- Program & project beneficiaries (SPs)
- Implementation Status of Projects and Programs
- Annual Procurement Plan and contracts awarded

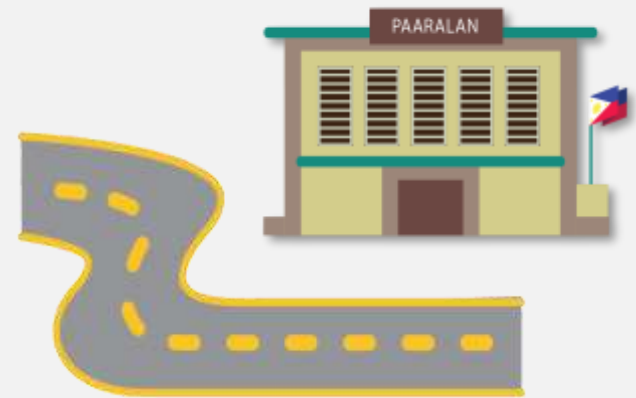


Transparency & Accountability Disclosure on Infra Projects

2015 GAA, GP No. 97:

Post the following online
w/in 30 days from entering
into contract w/ winning contractor:

- Project title, detailed description of each project, including nature and location
- Detailed estimates in arriving at the Approved Budget Contract (ABC)
- Winning contractor & detailed estimates of awarded bid



Transparency & Accountability

Budget Accountability Reports

- **BFARs per COA-DBM JC no. 2014-1**

Prepared Annually (within 30 days after the end of the year)

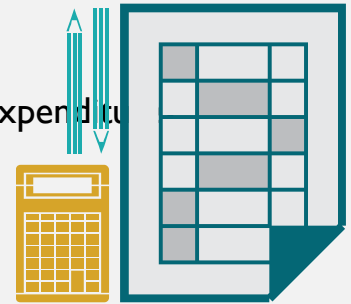
- Aging of Due and Demandable Obligations (ADDO)

Prepared Quarterly (within 30 days after the end of the quarter)

- Statement of Appropriations, Allotments, Obligations, Disbursements & Balances (SAAODB)
- Summary of Appropriations, Allotments, Obligations, Disbursements and Balances by Object of Expenditures (SAAODBOE)
- List of Allotments and Sub-Allotments (LASA)
- Quarterly Physical Report of Operation (QPRO)
- Quarterly Report of Revenue and Other Receipts (QRROR)
- Statement of Approved Budget, Utilizations, Disbursements, and Balances (SABUDB)
(for Off-Budget Fund)
- Summary of Approved Budget, Utilizations Disbursements and Balances by Object of Expenditure (SABUDBOE) (for Off-Budget Fund)

Prepared Monthly (on or before the 30th day of the following month covered by the report)

- Monthly Report of Disbursements (MRD)



Transparency & Accountability

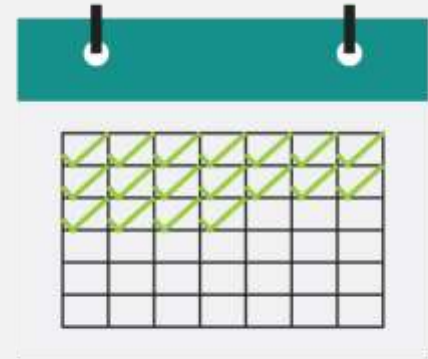
Review of Agency Performance

- Periodic monitoring of outputs, accomplishments, revenue generation, and utilization of funds vis-à-vis the plans and targets through desk review of BEDs vs. BFARs
- Regular consultation through Account Management Teams for selected departments
- Agencies must develop **remedial action plans** to address implementation delays & issues
- Review results will guide in reallocation of funds/additional releases, inputs to budget prep, etc.



Important Dates!

- **November 30, 2014** – BEDs (per NBC no. 555)
- **December 15, 2014** – APP-CSE (to DBM-PS)
- **January 30, 2015** – Revised Performance Targets corresponding to changes, i.e., increases, reductions, new budgetary items introduced in the GAA
- **February 13, 2015** – Special Budget Request/s for the release of appropriations under the 2014 Supplemental Budget (RA 10652)
- **May 31, 2015** – Operating Monthly Disbursement Program (OMDP) per NBC 555 as basis for the second semester comprehensive release of NCAs
- **June 30, 2015** – requests for modifications / realignments of funds within CO and within the same P/A/P
- **September 30, 2015** – requests for modifications / realignments of funds from CO to another allotment class within the same P/A/P
- **November 15, 2015** – request/s for any release requiring issuance of SAROs & additional NCAs

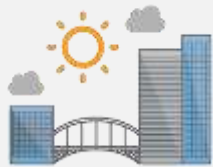


Continuing the Implementation of Vital Key PFM Reforms

In 2015:



Towards:



Early Procurement
for Infrastructure



GAA-as-Release
Document



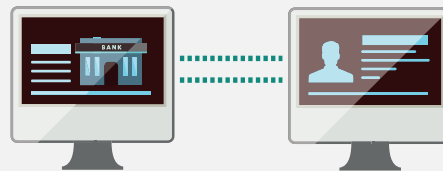
Unified Account
Code Structure



Government Integrated
Financial Management
System (GIFMIS)



Performance-Informed
Budgeting



Checkless Payments via
Expanded MDPS



Treasury Single Account



Budget Execution in 2015

Example: Infrastructure



Early bidding
(Oct-Dec of Prior FY)



Early GAA
enactment
(Dec of Prior FY)



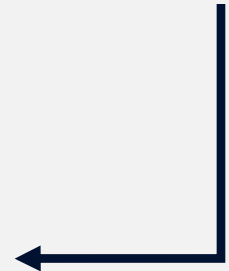
GAA as Release Doc
(January)



Award
(January)



Implementation as
Early as January





What are the BEDs or Budget Execution Documents where the agencies should reflect their budget execution plans and targets for 2015?



**Is the disbursement authority
also covered by the GAARD?**

**What does DBM have to do with
respect to disbursement
authorities?**



**Do we still need to issue SARO to
cover the memo entry of
transferred appropriations?**



What is the difference between the transferred appropriations listed under A1 and those listed under B1?



What disbursement authority is issued by agencies?



What are the available fund sources for 2015?



What are those budgetary items that although categorized as part of the For Comprehensive Release (FCR) are released through SARO?

