



BUDGET EXECUTION: FY 2018 RELEASE OF FUNDS

*PAGBA 1st Quarterly Seminar and Meeting
February 8, 2018 : The Mansion, Iloilo City*



Republic of the Philippines

DEPARTMENT OF BUDGET AND MANAGEMENT

Outline of Presentation

Key Concepts/Policies

One year validity of Appropriations

GAAAO / SARO / GARO

Disbursement Authorities (Changes)

Specific Procedures

Use of PS Appropriations

Modification of Allotment Within P/A/P

Use of Savings for Augmentation

Use of Income (SAGF)

Use of Excess Income (GFA-UA)

Direct Release of Funds to Implementing/Operating Units

Other Concerns

Transparency Provisions

Agency Performance Review

Important Timelines

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KEY ISSUANCES RELATING TO FY 2018 BUDGET EXECUTION

□ Circular Letter No. 2016-9

October 27, 2016

Submission of the Annual Budget Execution Plans

BED No. 1 (Financial Plan)

basis for classifying agency budgetary items into FCR/FLR

BED No. 2 (Physical Plan)

basis for assessment of agency performance

BED No. 3 (Monthly Disbursement Program)

basis for issuance of disbursement authorities

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KEY ISSUANCES RELATING TO FY 2018 BUDGET EXECUTION (CONT.)

❑ **Circular Letter No. 2017-12**

October 19, 2017

Amended Guidelines for the Preparation of the Annual Budget Execution Plans

❑ **National Budget Circular No. 573**

January 3, 2018

Guidelines on the Release of Funds for FY 2018

❑ **Circular Letter No. 2018-4**

January 24, 2018

Modified Guidelines for the Payment of Retirement Gratuity and Terminal Leave (RG/TL) Benefits



TOTAL OBLIGATION PROGRAM*

FY 2018 - P3,767B

1. Programmed GAA Items: P2,786 B (74%)

Agency-Specific Budget
Special Purpose Funds

2. Total Programmed Automatic Appropriations per BESF Tables: P981 B (26%)

RLIP (Table B.2.c)

SAGF (Table B.16)

IRA, IP,NL,TEF (Table H)

***Consistent with the DBCC-approved Disbursement Program of P3,313B and the deficit target corresponding to 3% of the GDP**



VALIDITY OF APPROPRIATIONS FOR THE FY 2018 BUDGET

All Appropriations shall be valid
for release and obligation for the
purpose specified until

December 31, 2018

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FUND RELEASE PROCEDURES

A.I Obligation Authorities for GAA items

General Appropriations Act as Allotment Order (GAAAO)

→ For items in the GAA “For Comprehensive Release” (FCR)

Special Allotment Release Order (SARO)

→ For budget items (Agency Specific and SPFs) in the GAA tagged “For Later Release” (FLR)

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FUND RELEASE PROCEDURES (CONT.)

A.II Obligation Authorities for Automatic Appropriations

General Allotment Release Order (GARO)

→ For Full Year RLIP Requirement of filled positions at the beginning of the year

Special Allotment Release Order (SARO)

→ Items under Automatic Appropriations (IRA, TEF, NL, SAGF Requirements, Additional RLIP for newly filled/created positions during the year and deficiencies in RLIP contributions, etc.)



FUND RELEASE PROCEDURES (CONT.)

B. Disbursement Authorities

For Cash Disbursements

- Notice of Cash Allocation (NCA)

For Non-cash Disbursement

- Non-Cash Availment Authority (NCAA)
- Cash Disbursement Ceiling (CDC)
- Tax Remittance Advice (TRA)
 - issued by agencies to **BIR**

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FUND RELEASE PROCEDURES (CONT.)

B. Disbursement Authorities

1. Notice of Cash Allocation for crediting

- To Regular MDS Sub-Accounts - Valid until last working day of the quarter of issuance
 - **Comprehensive NCA covering the 4 quarterly current operating requirements per BED No. 3**
 - ✓ Total quarter requirements to be credited on the 1st working day of the quarter covered

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FUND RELEASE PROCEDURES (CONT.)

B. Disbursement Authorities

1. Notice of Cash Allocation for crediting

- To Regular MDS Sub-Accounts - Valid until last working day of the quarter of issuance
 - **RG/TL**
 - ✓ Operating units (OUs) are directed to use their Regular MDS-Sub Accounts for payment of RG/TL Benefits effective February 1, 2018 per CL No. 2018-4
 - **Other NCAs (covering For Later Release (FLR) items and prior year's obligations)**
 - ✓ To be credited as issued based on the attached Annex A (Monthly Requirement Schedule)



FUND RELEASE PROCEDURES (CONT.)

B. Disbursement Authorities

2. Other NCAs for crediting to:

- Special MDS Accounts (RG/TL):
Valid until last working day of following month
(All NCAs issued for RG/TL benefits **prior to February 1, 2018** shall still follow the lapsing at the end of the month following the issuance date)
- Trust MDS Accounts:
Valid until last working day of the year
- BTr for Working Fund:
Valid until last working day of the year

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FUND RELEASE PROCEDURES (CONT.)

B. Disbursement Authorities

3. Other Disbursement Authorities issued by DBM

- Non-Cash Availment Authority (NCAA)
- Cash Disbursement Ceiling (CDC)

Effective on issue date and valid until last working day of the year

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Other Specific Procedures

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USE OF PS APPROPRIATIONS

1. May be used to cover **PS deficiencies**

- ✓ Authorized Magna Carta benefits
- ✓ Specific-purpose allowances and benefits
- ✓ Award of backpay for cases with final and executory decisions of Courts, CSC, COA, etc.
- ✓ Personnel benefits authorized in prior years, **These benefits shall not be considered as prior years' unbooked obligations.**
- ✓ Upgrading faculty positions up to the 6th cycle pursuant to NBC No. 461 dated June 1, 1998.

2. **Available PS Allotments may be frontloaded for payment of PS deficiencies. (GP 46, 2018 GAA)**

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USE OF PS APPROPRIATIONS (cont.)

Documentation Requirements for PS Reallocation among P/A/Ps

- **Reallocation Advice for Use of PS Appropriations (RAPSA)** duly accomplished and signed by the Agency Head or his designated representative. In the case of SUCs, the approving authority shall be the President of SUC as Agency Head, unless approval of the Board is necessary as required in the respective charter of SUCs; and
- **Registry of Allotments and Obligations for PS (RAOPS)** reflecting said adjustments and reported in the accountability reports to be submitted to DBM, i.e., Statement of Appropriation, Allotment, Obligation, Disbursement and Balances (SAAODB).



MODIFICATION OF ALLOTMENT

Change within (P/A/P) without increasing the total amount appropriated therein,
subject to the approval of the designated authority ensued by the timely submission of reports by all offices concerned

The existence of the recipient allotment class or object of expenditure within a P/A/P is not necessary for purposes of modification

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APPROVING AUTHORITY FOR THE MODIFICATION IN THE ALLOTMENT

President of the Philippines

Intelligence Funds within the Executive Branch

Heads of Agencies

Objects of Expenditure within an allotment class

DBM Secretary

- From one allotment class to another
- From one operating unit to another
- Within SPFs
- Within purposes of Unprogrammed Appropriations
- Payment of newly-authorized Magna Carta benefits not otherwise appropriated

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MODIFICATION OF ALLOTMENT (cont.)

All modifications within Capital Outlays as appropriated in the FY 2018 GAA, may only be made until **June 30, 2018**, except in cases where calamities occur.

However, modifications from MOOE to CO and vice-versa may be acted upon up to the end of the year.

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USE OF SAVINGS FOR AUGMENTATION

Savings refer to portions or balances of any released appropriations for P/A/Ps:

- Due to completion, final discontinuance or abandonment; or
- With decreased cost due to improved efficiency.

Augmentation is the act of the constitutional officers authorized to use savings in their respective appropriations to cover a deficiency in any existing P/A/P within their respective offices.

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USE OF SAVINGS FOR AUGMENTATION

- ✓ Only existing P/A/Ps may be funded by augmentation from savings.
- ✓ The existence of an allotment class/object of expenditure in the recipient P/A/P is not necessary for the purpose of augmentation.

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USE OF FEES AND INCOME

1. Agencies authorized by specific laws to use Income
2. Income from the conduct of seminar, conference, training and oath taking from government and private agency participants
3. Proceeds from the sale of official publications

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USE OF EXCESS INCOME

Agencies with Excess income (actual collections vis-à-vis the targets shown in Table C.4 of the FY 2018 BESF) realized, deposited and as certified by the Bureau of the Treasury may be authorized to use such excess income chargeable against the Unprogrammed Appropriations (UA) of the GAA, pursuant to Special Provision (SP) No. 2 of the UA

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DIRECT RELEASE OF FUNDS TO IMPLEMENTING / OPERATING UNITS*

Funds appropriated in the FY 2018 GAA shall be released directly to the Regional Offices (ROs) and Operating Units (OUs) of agencies.
(G.P. NO. 65)

*** SARO for memo entry purposes is no longer required.**

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DIRECT RELEASE OF FUNDS TO IMPLEMENTING/OPERATING UNITS (CONT.)

Centrally-Managed Items (CMI) shall be released directly to the OU, upon receipt by the DBM of a Special Budget Request (SBR), with corresponding cost up to the lowest level - provincial, city, municipal level, as the case may be. (***G.P. NO. 66***)

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DIRECT RELEASE OF FUNDS TO IMPLEMENTING/OPERATING UNITS* (CONT.)

Pertinent Special Provisions in the GAA

Agency appropriations authorized to be implemented by another agency shall be directly released to the implementing agency.

***SARO for memo entry purposes is no longer required.**

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OTHER CONCERNS

Transparency Provision

Departments/agencies are required to implement the transparency provisions in the FY 2018 GAA and Executive Order (EO) No. 2, s. 2016 on Freedom of Information (FOI).

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OTHER CONCERNS

Agency Performance Review (APR)

The DBM shall conduct the following APRs:

- Mid-year APR (covering January to June)
- Year-end Review (covering January to December)

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OTHER CONCERNS

Important Timelines

- **January 29, 2018** - submission to DBM of agencies' revised Performance Targets
- **On or before February 16, 2018** – deadline for submission to DBM of FAR # 3 as cited in item 4.13 of NBC 573 relative to A/Ps
- **November 15, 2018** - submission to DBM of agency request/s for any release requiring issuance of SAROs/additional NCAs.
- **Within 15 days after the quarter covered** – submission of the Budget and Financial Accountability Reports (BFARs) pursuant to GP No. 96 of the FY 2018 GAA

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OTHER CONCERNS

Important Timelines

Budgetary Documents to be submitted per NBC No. 573 dated January 3, 2018 pursuant to GP No. 96 of the FY 2018 GAA:

- **Within fifteen (15) days after the end of each quarter**
 - Quarterly Physical Report of Operation (QPRO)
 - Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB)
 - Statement of Appropriations, Allotments, Obligations, Disbursements and Balances by Object of Expenditures (SAAODBOE)
 - List of Allotments and Sub-Allotments (LASA)
 - Statement of Approved Budget, Utilizations, Disbursements and Balances (SABUDB) for Off-Budget Fund
 - Summary of Approved Budget, Utilizations, Disbursements and Balances by Object of Expenditures (SABUDBOE) for Off-Budget Fund
 - Quarterly Report of Revenue and Other Receipts (QRROR)



OTHER CONCERNS

Important Timelines

- **Every tenth (10th) day of the following month** – the Monthly Report on Appropriations, Allotments, Obligations and Disbursements should be submitted to DBM, copy furnished the NEDA and the Office of the Cabinet Secretary, in the format prescribed under CL No. 2015-9
- **December 31, 2018** for the release and obligation of appropriations from all sources, i.e., FY 2018 GAA and Programmed Automatic Appropriations

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Thank You!!!

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