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MEMORANDUM

TO/FOR : **ALL OFFICES**
DENR Central Office

FROM : **THE UNDERSECRETARY**
Finance, Information Systems and Climate Change

SUBJECT : **DEADLINE FOR SUBMISSION OF DISBURSEMENT
VOUCHERS AND PURCHASE ORDERS/CONTRACTS
WITH COMPLETE DOCUMENTARY REQUIREMENT**

DATE : **NOV 09 2020**

Pursuant to COA and DBM Joint Circular No. 2014-1 dated 02 July 2014, government agencies are mandated to submit Budget and Financial Accountability Reports (BFARs) to COA and DBM within 15th day after the end of each quarter and Executive Order No. 91 dated 09 September 2019, adopting the Cash Budgeting System Beginning Fiscal Year 2020, and for other purposes.

To ensure that all claims/transactions are recorded in the book of accounts as **Accounts Payable** at the **end of the calendar year or Closing of the Books**, Disbursement Vouchers and Purchase Orders/Contracts together with pertinent supporting documents shall be submitted to the Accounting Division as follows:

Claim/Transaction Period	Deadline of Submission
October 31, 2020 and earlier	December 15, 2020
November 01, 2020 – December 31, 2020	January 05, 2021

In this connection, all offices are hereby required to observe the timely submission of Purchase Orders/Contracts and Disbursement Vouchers as specified in the above-cited dates. Please be informed that claims pertaining to prior years up to calendar year 2020, which are not submitted and recorded as accounts payable this year, shall not be accommodated for payment in the following year.

For information and strict compliance.


ATTY. ANALIZA REBUELTA-TEH, *CESO* 




MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 91

ADOPTING THE CASH BUDGETING SYSTEM BEGINNING FISCAL YEAR 2019, AND FOR OTHER PURPOSES

WHEREAS, Section 25 (1), Article VI of the 1987 Constitution prescribes that the form, content and manner of preparation of the budget shall be prescribed by law;

WHEREAS, Section 36, Chapter 5, Book VI of Executive Order (EO) No. 292 or the "Administrative Code of 1987," provides that an operational cash budget shall be implemented to ensure the availability of cash resources for priority development projects, and to establish a sound basis for determining the level, type and timing of public borrowings;

WHEREAS, Section 3, Chapter 2, Book VI of EO No. 292 declares it a policy of the State to formulate and implement a National Budget that is supportive of and consistent with the socio-economic development plan, and oriented towards the achievement of explicit objectives and expected results, to ensure that funds are utilized and operations are conducted effectively, economically and efficiently;

WHEREAS, significant gaps between the actual expenditure outturns and annual appropriations translate to billions of Pesos of delayed and foregone services, which should have been delivered to the general public;

WHEREAS, there is a need to improve the fiscal planning of government agencies through the implementation of an operational cash budget and by setting deadlines for obligation of funds and execution of projects during the fiscal year, in order to speed up the implementation of programs and to promptly deliver goods and services to our people; and

WHEREAS, Article VII, Section 17 of the Constitution provides that the President shall have control over all the executive departments, bureaus and offices;

NOW, THEREFORE, I, RODRIGO ROA DUTERTE, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. ADOPTION OF THE CASH BUDGETING SYSTEM. The government hereby adopts the Cash Budgeting System (CBS) effective 01 January 2019. Accordingly, the following are hereby directed:

- a. All authorized appropriations shall be available for obligation and disbursement only until the end of each fiscal year (FY);

THE PRESIDENT OF THE PHILIPPINES

- b. Obligations incurred by the National Government within each FY shall be implemented during the same FY. Goods and services corresponding to said obligations shall be delivered or rendered, inspected and accepted by the end of each FY; and
- c. Payments for obligations incurred shall be made until the end of the extended payment period (EPP), which shall be three (3) months after the end of the validity of appropriations against which they were obligated, unless another period has been determined by the Department of Budget and Management (DBM), upon consultation with relevant agencies.

Appropriations covering financial subsidy to local government units (LGUs) shall be available for obligation and disbursement until the end of the succeeding FY. On the other hand, appropriations for the statutory shares of LGUs shall be available for obligation and disbursement until fully expended.

All funds transferred between or among government agencies and LGUs shall not be considered disbursed under this Section, until the transferred amounts have been actually utilized to pay for goods delivered and services rendered, inspected and accepted.

SECTION 2. REVERSION OF UNEXPENDED BALANCES OF APPROPRIATION. Any unreleased appropriations and unobligated allotments at the end of the FY, as well as unpaid obligations and undisbursed funds at the end of the EPP shall revert to the National Treasury and shall not thereafter be available for expenditure, except by subsequent legislative enactment. For financial subsidies to LGUs, reversion shall be made to the National Treasury after the end of the succeeding FY. Departments, bureaus and offices of the National Government, including constitutional offices enjoying fiscal autonomy, state universities and colleges, government-owned or -controlled corporations (GOCCs) and LGUs, shall strictly observe the validity of appropriations and comply with the reversion of funds.

SECTION 3. MULTI-YEAR PROJECTS. Consistent with Section 30 of the General Provisions of the General Appropriations Act (GAA) for FY 2019, multi-year procurement projects, or those with an implementation period exceeding twelve (12) months, shall require the issuance of a Multi-Year Contractual Authority (MYCA) by the DBM for national government agencies (NGAs) and qualified GOCCs prior to the conduct of procurement. The MYCA or equivalent authority shall cover the full project cost, and shall be the basis of the approved budget for the contract.

A MYCA may likewise be issued for single-year procurement projects or those with an implementation period of twelve (12) months or less, that are either research or scientific in nature, and by design necessitate implementation covering two (2) FYs.

Multi-year Public-Private Partnership projects with government undertakings authorized under Republic Act (RA) No. 6957, as amended by RA No. 7718, shall require the issuance by the DBM of a letter of commitment to cover the National Government funding commitment.

SECTION 4. EARLY PROCUREMENT ACTIVITIES OF GOVERNMENT AGENCIES. Pursuant to Section 20 of the General Provisions of the FY 2019 GAA, government agencies are authorized to undertake procurement activities short of award, to the extent consistent with RA No. 9184 or the "Government Procurement Reform Act" and its Revised Implementing Rules and Regulations.

For this purpose, Early Procurement Activities (EPA) shall cover goods to be delivered, infrastructure projects to be implemented and/or consulting services to be rendered in the following FY pending approval of the corresponding GAA. EPA shall commence from the posting of the procurement opportunity, if required, until recommendation to the Head of the Procuring Entity as to the award of the contract.

SECTION 5. TRANSITORY PROVISIONS. In the first year of implementing the CBS, the concerned national government agencies and qualified GOCCs shall strictly comply with the following:

- a. Appropriations for infrastructure capital outlays, including subsidy releases to GOCCs for infrastructure projects, shall be valid for obligation until 31 December 2019. Meanwhile, the completion of construction, inspection and payment shall be made not later than 31 December 2020; and
- b. Appropriations for maintenance and other operating expenses as well as other capital outlays shall likewise be valid for obligation until 31 December 2019. On the other hand, the delivery, inspection and payment shall be made not later than 30 June 2020.

SECTION 6. SUPPLEMENTAL GUIDELINES. Supplemental guidelines for the implementation of this Order, as may be necessary, shall be formulated in accordance with relevant laws, rules and regulations.

SECTION 7. SEPARABILITY. If any provision of this Order is declared invalid or unconstitutional, the other provisions not thereby affected shall remain valid and subsisting.

SECTION 8. REPEAL. All issuances, orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

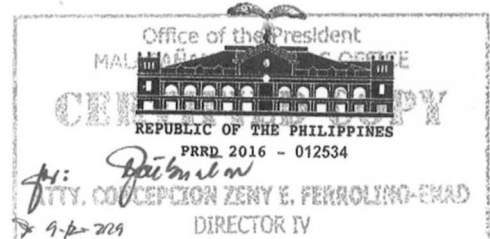
SECTION 9. EFFECTIVITY. This Order shall take effect immediately following its publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this **9th** day of **September**, in the year of our Lord Two Thousand and Nineteen.

By the President:




SALVADOR C. MEDIALDEA
Executive Secretary





Republic of the Philippines
COMMISSION ON AUDIT
DEPARTMENT OF BUDGET AND MANAGEMENT
JOINT CIRCULAR NO. 2014 - 1
July 2, 2014

TO : HEADS OF DEPARTMENTS, AGENCIES, STATE UNIVERSITIES AND COLLEGES (SUCs) AND OTHER OFFICES OF THE NATIONAL GOVERNMENT; HEADS OF GOVERNMENT-OWNED AND/OR CONTROLLED CORPORATIONS (GOCCs) MAINTAINING SPECIAL ACCOUNTS IN THE GENERAL FUND; HEADS OF BUDGET AND ACCOUNTING UNITS; AND ALL OTHERS CONCERNED

SUBJECT: GUIDELINES PRESCRIBING THE USE OF MODIFIED FORMATS OF THE BUDGET AND FINANCIAL ACCOUNTABILITY REPORTS (BFARs)

1.0 RATIONALE

With the implementation of important structural reforms in FY 2014, such as, the adoption of the GAA as a release document, and the Unified Accounts Code Structure (UACS), the integration of the Performance-Informed Budget (PIB) Structure in the General Appropriations Act, as well as the adoption of the Philippine Public Sector Accounting Standards (PPSAS), there is an emergent need to adapt to these innovations *vis-à-vis* the harmonized budget and financial accountability reports (BFARs) prescribed by the oversight agencies, i.e. the Department of Budget and Management (DBM) and the Commission on Audit (COA) to effectively report, monitor and/or evaluate agency performance versus plans and targets which shall serve as basis for sound policy decisions.

2.0 PURPOSE

2.1 To modify the harmonized formats of the financial accountability reports (FARs) on appropriations, allotments, obligations, and disbursements, as earlier prescribed under COA-DBM Joint Circular No. 2013-1 dated March 15, 2013; and to prescribe the financial accountability reports for approved budget/utilization/commitments and disbursements of agencies authorized by law to use their income.

- 2.2 To prescribe the revised budget accountability report (BAR) specifically the Quarterly Physical Report of Operations; and
- 2.3 To reiterate policies and procedures on the preparation and timely submission of BAR and FARs by the agencies to the DBM and COA at the prescribed deadline.

3.0 COVERAGE

This Circular covers all departments, agencies, state universities and colleges (SUCs) and other offices of the national government, and government-owned and/or controlled corporations maintaining Special Accounts in the General Fund.

4.0 GUIDELINES

The following reports/documents are required for submission to the DBM and COA:

4.1 Quarterly Physical Report of Operation (QPRO) – BAR No. 1

This report shall reflect the Department's/Agency's actual physical accomplishments as of a given quarter, in terms of the performance measures indicated in its Physical Plan (BED No. 2).

4.2 Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) – FAR No. 1

This report shall reflect the authorized appropriations and adjustments, total allotments received including transfers/adjustments, total obligations, total disbursements and the balances of unreleased appropriations, unobligated allotments, and unpaid obligations of a department/office/agency by Fund Cluster (i.e., equivalent to old Codes for Fund 101, 102, 151, etc.) and by allotment class. It shall likewise be presented by:

- Fund Authorization
- Major Final Output (MFO)
- Program/Activity/Project (PAP)
- Major Programs/Projects (identify by KRA)

Note that the Funding Source Code under the UACS will be clustered to capture the financial transactions for recording in the books of accounts maintained by the agencies.

4.3 Summary of Appropriations, Allotments, Obligations, Disbursements and Balances by Object of Expenditures (SAAODBOE) – FAR No. 1-A

This report shall be prepared by Fund Cluster and shall reflect the summary of appropriations, allotments, obligations, disbursements and balances detailed by object of expenditures consistent with the COA Revised Chart of Accounts per COA Circular No. 2013-002 dated January 30, 2013 and the Conversion from the Philippine Government Chart of Accounts to the Revised Chart of Accounts, additional accounts/revised description/title of accounts per COA Circular No. 2014-003 dated April 15, 2014.

4.4 List of Allotments and Sub-Allotments (LASA) – FAR No. 1-B

This report shall reflect the allotments released by the DBM and the sub-allotments issued by the Agency Central Office (ACO)/Regional Office (RO), their corresponding numbers, date of issuance, and amounts by allotment class and by Fund Cluster. The total allotments per this report should be equal to the total allotments appearing in the SAAODB (FAR No. 1).

4.5 Statement of Approved Budget, Utilizations, Disbursements and Balances (SABUDB)– FAR No. 2 (for Off-Budget Fund)

This report shall reflect the approved budget, utilizations, disbursements and balances of the agency authorized by law to use their income, such as OWWA/SUCs, and approved by the Board of Trustee/Regents.

4.6 Summary of Approved Budget, Utilizations, Disbursements and Balances by Object of Expenditures (SABUDBOE) – FAR No. 2-A (for Off-Budget Fund)

This report shall reflect the details of the approved budget, utilizations, disbursements and balances of the agency authorized by law to use their income presented by object of expenditures consistent with the COA Revised Chart of Accounts

4.7 Aging of Due and Demandable Obligations (ADDO) – FAR No. 3

This report shall be prepared by Fund Cluster and shall reflect the balance of unpaid obligations as indicated in the Obligation Request and the aging of due and demandable obligations as of year-end.

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4.8 Monthly Report of Disbursements (MRD) – FAR No. 4

The report shall reflect the total disbursements made by department, office or agency and operating unit by Fund Cluster from the following disbursement authorities:

- Notice of Cash Allocation (NCA);
- NCA for Working Fund issued to BTr as an advance funding from loan/grant proceeds in favor of an agency;
- Tax Remittance Advice issued;
- Cash Disbursement Ceiling issued by departments with foreign-based agencies or units;
- Non-Cash Availment Authority; and
- Others, e.g. Customs, Duties and Taxes (CDT), BTr Documentary Stamps

The report shall track the actual disbursement of the departments/agencies against their Disbursement Program. The reasons for over or under spending shall be indicated.

4.7 Quarterly Report of Revenue and Other Receipts (QRROR) – FAR No. 5

This shall reflect the report on actual revenue and other receipts of the agency/operating units (OUs) for the current year presented by quarter, and by specific sources consistent with the COA Revised Chart of Accounts.

5.0 RESPONSIBILITIES

5.1 The BFARs shall be prepared and certified correct by the following agency officials:

5.1.1 Budget Officer/Head of Budget Unit - for the portion of the report pertaining to appropriations, allotments, obligations, unpaid obligations - not yet due and demandable, unreleased appropriations and unobligated allotments.

5.1.2 Chief Accountant/Head of Accounting Unit - for the portion of the report pertaining to disbursements and unpaid obligations - due and demandable.

5.2 The Head of each OU, office or agency shall be responsible for the timely submission of the BFARs prescribed in this Circular to the DBM offices concerned and to the COA - Audit Team Leaders and Government Accountancy Sector (GAS).

5.3 All departments/agencies/OUs shall observe the following timelines in submitting the required BFARs to COA and DBM:

- Within thirty (30) days after the end of each quarter
 - QPRO – BAR No. 1
 - SAAODB –FAR No. 1
 - SAAODBOE – FAR No. 1-A
 - LASA – FAR No. 1-B
 - SABUDB – FAR No. 2
 - SABUDBOE – FAR No. 2-A
 - QRROR – FAR No. 5
- On or before 30th day following the end of the year
 - ADDO – FAR No. 3
- On or before 30th day of the following month covered by the report
 - MRD – FAR No. 4

5.4 Departments/agencies with decentralized set-up shall establish their reasonable cut-off dates to allow sufficient time in the consolidation of quarterly reports. The following procedures shall be observed to ensure submission on the prescribed date:

- The lower operating units, i.e., field offices, district offices, provincial offices shall directly submit their reports to their COA Audit Team Leader and DBM RO concerned (in the case of DPWH, DOH, SUCs, DepEd, TESDA and CHED). However, they shall likewise furnish their RO and CO copies of their reports **within 5 days after the end of each quarter**, for consolidation purposes.
- The agency RO shall prepare a consolidated report covering the report of the region and its lower operating units, then submit the same to the ACO and COA-GAS **within 10 days after the end of each quarter**;
- The **ACO** shall prepare an overall consolidated report of the department/agency and submit the report to the CO of DBM and COA-GAS within 30 days after the end of each quarter.

5.5 The COA and DBM shall regularly monitor agency/OU compliance with the reporting requirements prescribed in this Circular.

6.0 PENALTY CLAUSE

- 6.1 The concerned offices of COA and DBM designated as the recipients of the BFARs shall notify the agency concerned on the non-submission of the said reports. Pursuant to Section 57, Chapter 6, Book VI of E.O. 292 and Paragraph 2, Section 122, of P.D. 1445, payment of salaries of the Budget Officer/Head of Budget Unit and the Chief Accountant/Head of Accounting Unit, or their authorized representatives, who fail to prepare and submit the BFARs shall be automatically suspended from the time the reports are due until they are received by COA and DBM.
- 6.2 In addition to suspension of salary as above provided, any violation of this Joint Circular without justifiable cause for three (3) consecutive times during the calendar year by the officials concerned shall be a ground for administrative disciplinary action, subject to pertinent civil service rules and regulations.

7.0 REPEALING CLAUSE

This Circular supersedes DBM-COA Joint Circular No. 2013-1 dated March 15, 2013.

8.0 EFFECTIVITY

This Circular shall take effect immediately.

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FLORENCIO B. ABAD
Secretary
Department of Budget and Management



MA. GRACIA M. PULIDO-TAN
MA. GRACIA M. PULIDO-TAN
Chairperson
Commission on Audit