



Republic of the Philippines

Department of Environment and Natural Resources
Visayas Avenue, Diliman, 1106 Quezon City

☐ (632) 929-6626 to 29; 929-6252; 929-6633 to 35; 929-7041 to 43
E-mail: web@denr.gov.ph; Website: www.denr.gov.ph

MEMORANDUM

TO : THE REGIONAL EXECUTIVE DIRECTORS
Regions 1-13, NCR and CAR

THE STAFF BUREAU DIRECTORS
BMB, ERDB, FMB and LMB

FROM : THE UNDERSECRETARY
Finance, Information Systems and Climate Change

SUBJECT : DUE AND DEMANDABLE OBLIGATIONS CHARGED AGAINST
THE FY 2019 GENERAL APPROPRIATIONS ACT (GAA)

DATE : NOV 0 9 2021

This refers to Executive Order No. 91, the adoption of the Cash Budgeting System (CBS), beginning fiscal year 2019, particularly Section 5.b., which states that, "Appropriations for maintenance and other operating expenses as well as other capital outlays shall likewise be valid for obligation until **December 2019**. Accordingly, the delivery, inspection, and payment shall be made not later than **30 June 2020**".

Through the issuance of the National Budget Circular No. 578, the guidelines on the release of funds for FY 2020, above timeline was further extended **until 30 June 2021**. Cited in Section 3.5 of the same circular states that, "the guidelines prescribed under item 3.4.2 shall apply for the General Appropriations Act of Fiscal Year 2019 for MOOE and other CO item."

Relative to the prescribed deadline, a query was sent by the undersigned dated last 3 September 2021, to Undersecretary Tina Rose Marie L. Canda, Officer-in-Charge of the Department of Budget and Management (DBM), seeking advise on how to settle obligations charged against the FY 2019 appropriations that remain unsettled despite the complete delivery, service rendered, inspection and acceptance before the **extended period**.

Based on the response to our query received last 29 September 2021, projects with obligations for MOOE and other CO items that are already being implemented and are covered with awarded contracts, are already considered accounts payable despite payments not being processed yet for delivered goods and services by 30 June 2021. Hence, ^{they} can still be paid after 30 June 2021 cut-off date, subject to the limitations set by COA-DBM Joint Circular No. 1, s. 2021.

For information and guidance.


ATTY. ANALIZA REBUELTA-TEH



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

SECRETARY ROY A. CIMATU

Department of Environment and Natural Resources (DENR)
Visayas Avenue, Diliman, Quezon City

Attention : **Undersecretary Analiza Rebuelta-Teh**
Finance, Information Systems and Climate Change

Dear **Secretary Cimat**:

This refers to your letter seeking guidance and advice relative to the due and demandable obligations charged against the FY 2019 General Appropriations Act (GAA) which have remained unpaid since the completion of requirements went beyond the deadline prescribed under the Cash Budgeting System (CBS).

As provided under Section 3.4.2 of National Budget Circular No. 578,¹ the completion of construction, inspection, acceptance and payment for infra-related Capital Outlays (CO) shall be made not later than December 31, 2021, while the delivery, inspection, acceptance and payment for Maintenance and Other Operating Expenses (MOOE) and other CO items shall not be later than June 30, 2021.


Based on the submitted list of unpaid obligations (**Annex A**), the DENR has seven (7) existing contracts/transactions under various implementation stages (on-going, delivery or delivered but payment is still in process).

Please be informed that projects which are covered with awarded contracts and are already being implemented, despite payments not being processed for delivered goods and services by June 30, 2021, are already considered accounts payable. Hence, obligations for MOOE and other CO items can **still be paid after the June 30, 2021 cut-off date**, subject to the limitations set by COA-DBM Joint Circular No. 1, s. 2021².

Given that the projects are covered by contracts, the government is obliged to pay these projects once completed/delivered/accepted.

We hope that we have provided you with the guidance you seek.

Very truly yours,


TINA ROSE MARIE L. CANDIA
Officer-in-Charge



¹ Guidelines on the Release of Funds for FY 2020

² Guidelines Implementing Executive Order (E.O.) No. 87 Directing that All Accounts Payable which Remain Outstanding for Two Years or More in the Books of National Government Agencies be Reverted to the Accumulated Surplus or Deficit of the General Fund of the National Government



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SEP 01 2021

USEC TINA ROSE MARIE L. CANDIA,
Officer in Charge, Office of the Secretary
Department of Budget and Management
General Solano St.
San Miguel, Manila

ATTENTION: Ms. Cristina B. Clasara
Director, Budget and Management Bureau-E

Dear Undersecretary Candia:

Section 5.b. of Executive Order No. 91 entitled "Adopting the Cash Budgeting System Beginning Fiscal Year 2019, and for Other Purposes", states that "Appropriations for maintenance and other operating expenses as well as other capital outlays shall likewise be valid for obligation until December 2019. Accordingly, the delivery, inspection and payment shall be made not later than 30 June 2020."

Further R.A. No. 11464, "An act Extending the Availability of the FY 2019", extended until June 30, 2021 the above timelimits for the delivery, inspection and payment for MOOE and other capital outlay, in reference to the guidelines prescribed under Sec. 3.4.2 of the National Budget Circular No. 57R.

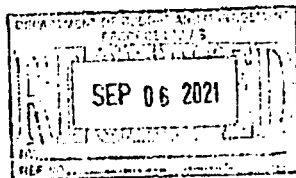
However, despite the extension, there are still transactions funded from 2019 appropriations and were obligated in FY 2019 and FY 2020, as shown in "Annex A", but were not paid due to the following reasons:

- Goods/Services under Maintenance and Other Operating Expenses (MOOE) and Non-Infrastructure Capital Outlay projects were delivered/rendered/completed, inspected and accepted before June 30, 2021 but COA documentary requirement were only completed after the Extended Payment Period (EPP) that resulted to non-payment.
- Non-infrastructure capital outlay projects were completed before June 30, 2021 but inspected, accepted and completed the COA documentary requirement after the EPP.
- Non-infrastructure capital outlay projects that were only completed, inspected, accepted and completed the COA documentary requirement after the EPP.

In view of the foregoing, may we seek your guidance and advise on how we can pay these obligations to avoid problem that may arise in the future.

Thank you.

Very truly yours,



Analiza Rebuelta-Teh
ATTY. ANALIZA REBUERTA-TEH
Undersecretary
Finance, Information Systems
and Climate Change

Director, Administrative Service DENR, OC
Director, Human Resource Development Service DENR, QL
Director, Knowledge and Information Service System DENR, QC

LIST OF DUE AND DEMANDABLE OBLIGATIONS		PARTICULARS		AMOUNT	CVA	QRS NO.
2019	2020-12-07012	<p>Justification: Goods were delivered/ completed/inspected and accepted before the June 30, 2021 extended payment period (EPP) but due to the limited manpower enforced because of the COVID-19 pandemic, the complete documentary requirements to process the payment were submitted to Finance after the EPP.</p> <p>Advance Solutions Inc. (See attached Annex A.1)</p>	2,307,686.50	2019		
2019	2019-12-11050	<p>Justification: The goods were delivered/completed/inspected and accepted before the June 30, 2021 extended payment period (EPP). Because of the community quarantine, it hampered the submission of the documents and the concerned office also had a difficulty reaching Trends and Technology Inc, adding to the delay in the transmittal of the complete documentary requirements.</p> <p>Trends & Technologies, Inc. (See attached Annex A.2)</p>	7,895,000.00	2019		
2019	2020-11-06746	<p>Justification: The goods were delivered/completed/inspected and accepted before the June 30, 2021 extended payment period (EPP) and subsequently submitted the complete documentary requirements only after the EPP due to the limited workforce of the concerned office.</p> <p>The Brain Computer Corp. (See attached Annex A.3)</p>	1,430,000.00	2019		
2019	2020-12-07990	<p>Justification: Goods were delivered/completed/inspected and accepted before the June 30, 2021 extended payment period (EPP). However, due to concerns from different stakeholders and users the complete documentary requirements were submitted to Finance only after the EPP due to the arising concerns from the COVID-19 pandemic.</p> <p>Asahi Design Centre, Inc. (See attached Annex A.4)</p>	445,242.02	2019		

LIST OF DUE AND DEMANDABLE OBLIGATIONS			
PAYEE/PARTICULARS	AMOUNT	GAA	ORS NO.
<p>ACC Carasco Enterprise, Inc. (See attached Annex A.5)</p> <p>Justification: Repairs and renovation was completed before June 30, 2021 extended payment period (EPP) but was inspected and accepted only after the EPP. Subsequently, the concerned office was able to submit the complete documentary requirements after the EPP due to concerns from stakeholders/end-users arising from the COVID-19 Pandemic.</p>	887,714.40	2019	2019-12-10647
<p>Procurement Service (See attached Annex A.6)</p> <p>Justification: Services were rendered before the June 30, 2021 extended payment period (EPP). However, the pertinent documentary requirements were submitted late due to the COVID-19 Pandemic. Operation of work was disrupted limiting the employees reporting for work, not to mention that some personnel of the concerned offices got infected by the virus.</p>	351,490.52	2019	2019-12-09684
<p>Torre Venezia Suites, Inc. (See attached Annex A.7)</p> <p>Justification: Services were rendered before the June 30, 2021 extended payment period (EPP). However it was not processed due to the inconsistency of the SOA and contract agreement. The end-user was not able to provide before the EPP the response to the comment of the Accounting Division because of the demand of the end-user's activities.</p>	69,600.00	2019	2019-12-09828