



Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
Tel Nos. 929-6626;929-6628;929-6635;929-4028;929-4028
929-3618;426-0465;426-0001;426-0347;426-0480
VOIP Trunkline (632) 988-3367
Website: <http://www.denr.gov.ph> / E-mail: web@denr.gov.ph

MEMORANDUM

FOR/TO : **ALL Officials and Employees**
DENR-Central Office

FROM : **The Undersecretary**
Finance, Information Systems and Climate Change

SUBJECT : **DEADLINE OF SUBMISSION OF CLAIMS WITH COMPLETE SUPPORTING DOCUMENTS TO THE ACCOUNTING DIVISION**

DATE : **NOV 22 2023**

This refers to the Commission on Audit (COA) and Department of Budget and Management (DBM) Joint Circular No. 2019-1 dated January 1, 2019 ^{1/} mandating government agencies to submit Budget and Financial Accountability Reports (BFARs) to DBM and COA within the 10th day of the month following the last month of the covered reporting period, and Executive Order No. 91 dated September 9, 2019 ^{2/} which provides that all authorized appropriations shall be available for obligation and disbursement only until the end of each Fiscal Year (FY). Further, government agencies are also mandated to submit year-end financial reports to COA and DBM not later than February 14 of the following year as prescribed under Section 60, Chapter 19 on Financial Reporting, Volume I of the Government Accounting Manual (GAM).

To ensure that all claims are settled before the closing of the books of account for FY 2023, please submit the Disbursement Vouchers together with the required supporting documents, including the approved Obligation Request and Status (ORS), to the Accounting Division not later than **December 19, 2023**.

The said deadline will allow ample time for processing of claims and preparation of Lists of Due and Demandable Accounts Payable – Advice to Debit Account (LDDAP-ADAs) that are advised to be transmitted to the Modified Disbursement System – Government Servicing Banks (MDS-GSBs) **not later than two (2) working days before the end of the quarter involved**, as stated under Item 5.0 of DBM Circular Letter No. 2013-16(B) dated February 25, 2014 ^{3/}.

In view of the foregoing, claims that will be received **after December 19, 2023** will be considered **Accounts Payable for payment in FY 2024** provided that the same are compliant with the end-period validity of appropriations due to implementation of Cash Budgeting System (CBS) and submitted to the Accounting Division for setting up as Accounts Payable not later than **January 5, 2024**.

For your information and strict compliance.

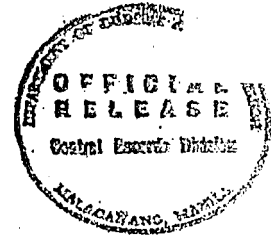

ATTY. ANALIZA REBUELTA-TEH

MEMO NO. 2023 - 1019

^{1/} Guidelines prescribing the use of modified formats of the Budget and Financial Accountability Reports (BFARs)

^{2/} Adopting the Cash Budgeting System (CBS) Beginning Fiscal Year (FY) 2019, and for Other Purposes

^{3/} Addendum: Expanded Modified Direct Payment Scheme for Accounts Payable (A/Ps) of National Government Agencies Operating Units (NGAs/OUs)



COA-0
JOINT C
2019

REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
DEPARTMENT OF BUDGET AND MANAGEMENT

JOINT CIRCULAR NO. 2019-1

January 1, 2019

TO : HEADS OF DEPARTMENTS, AGENCIES, STATE UNIVERSITIES AND COLLEGES (SUCs), CONSTITUTIONAL OFFICES ENJOYING FISCAL AUTONOMY AND OTHER OFFICES OF THE NATIONAL GOVERNMENT; HEADS OF GOVERNMENT-OWNED OR CONTROLLED CORPORATIONS (GOCCs) MAINTAINING SPECIAL ACCOUNT IN THE GENERAL FUND (SAGF) AND RECEIVING NATIONAL GOVERNMENT BUDGETARY SUPPORT (SUBSIDY/EQUITY); HEADS OF BUDGET AND ACCOUNTING UNITS; AND ALL OTHERS CONCERNED

SUBJECT: UPDATED GUIDELINES RELATIVE TO BUDGET AND FINANCIAL ACCOUNTABILITY REPORTS (BFARs) STARTING FY 2019

1.0 RATIONALE

Agencies are required to regularly submit accountability reports to the Department of Budget and Management (DBM) and the Commission on Audit (COA) in compliance with the pertinent Sections of the General Provisions (GP) of the annual General Appropriations Act (GAA). Relative thereto, COA-DBM Joint Circular (JC) No. 2013-1 dated March 15, 2013 and COA-DBM JC No. 2014-1 dated July 2, 2014 prescribed the BFAR forms and the corresponding submission timelines, including encoding at the DBM Unified Reporting System (URS) pursuant to DBM Circular Letter (CL) No. 2016-11 dated December 6, 2016, and in accordance with the agency schedule provided under DBM CL No. 2018-9 dated September 6, 2018.

The BFAR forms, contents and submission deadlines are necessarily consistent with and supportive of budget innovations such as the adoption of GAA as an Allotment Order (GAAAO), the Unified Accounts Code Structure (UACS) and the Philippine Public Sector Accounting Standards (PPSAS), as well as the Program Expenditure Classification (PREXC)-fied budget structure. Hence, constant updating as warranted is undertaken to facilitate consolidation and harmonized integration of the aforecited developments into the reports.

With the adoption of the annual cash-based appropriations starting FY 2019 and taking into account the one-year availability of funds for the government's

programs/activities/projects, the BFARs forms and contents need to be fine-tuned, to ensure that they generate quality adequate information to enable the DBM and the COA, as oversight agencies, to effectively report, monitor and/or evaluate agency performance as basis for sound policy decisions, in a timely manner.

2.0 COVERAGE

This Circular covers all departments, agencies, SUCs, Constitutional Offices enjoying fiscal autonomy and other offices of the national government, and GOCCs maintaining SAGF and receiving budgetary support from the national government.

3.0 OBJECTIVE

To prescribe modified formats for BFARs as earlier prescribed under DBM-COA JC No. 2014-1 dated July 2, 2014, and revised submission timelines, consistent with the updated policies as of date, to wit:

- 3.1 To restructure the BFAR format/contents to conform to the PREXC-fied Budget Structure;
- 3.2 To provide more details for clarity and ensure consistency in information being reported among the various forms; and
- 3.3 To prescribe new forms to generate information consistent with the total resource budget framework.

4.0 GUIDELINES

4.1 The BFAR formats under this JC considered the following:

4.1.1 Retention of BAR format, except for the adoption of the PREXC-fied budget structure.

4.1.2 Updating of affected BFAR formats, by:

4.1.2.1 Adopting the PREXC-fied budget structure, including deletion of Key Result Area (KRA);

4.1.2.2 Modification of terminologies/presentation formats consistent with latest standard practice/set of rules, among others:

4.1.2.2.1 Use of "Agency/Entity", "Fund Cluster", "Modification", "Augmentation", "Off-Budgetary Funds", "Aging of Unpaid Obligations".

4.1.2.2.2 Designation of the Agency/Entity Head or his/her Authorized Representative as the approver of BFARs, upon recommendation by the Director of Financial Management Service (FMS) or his/her equivalent.

4.1.2.3 Incorporating additional information and/or reporting formats, deemed necessary for monitoring/tracking purposes, such as:

4.1.2.3.1 Provision for FAR No. 1-B columns 8, 13 and 18 (Financial Expenses) to be exclusively accomplished by the Bureau of the Treasury (BTr).

4.1.2.3.2 Provision of more details, to wit:

- Inclusion of "notice of transfer allocations, working fund, outright deductions for claims, etc.";
- Breakdown of unpaid obligations to distinguish between current year's and previous years' appropriations, with specific aging classifications (1 year to less than 2 years, more than 2 years);
- Breakdown of Revenue and Other Receipts to include foreign-assisted projects (FAPs) and SAGF (domestic and foreign) with details such as Revenue and Non-Revenue Collections/Receipts (refund of cash advance, disallowance, overpayment of expense, absence without pay, etc.); and
- Breakdown by specific Special Purpose Funds (SPFs), as well as the subtotals by allotment class, by cost structure [i.e., General Administration and Support (GAS), Support To Operations (STO), Operations], and subtotals per Program/Sub-programs.

4.1.3 Prescribing new reporting forms to monitor the transferred funds from department/central office (CO)/regional office (RO)/operating unit (OU) to the implementing agency/unit and to track utilization status of trust receipts.

- 4.1.3.1 **FAR No. 1-C** (Statement of Obligations, Disbursements, Liquidations and Balances for Inter-Agency Fund Transfers).
- 4.1.3.2 **FAR No. 6** (Statement of Approved Budget, Utilization, Disbursements and Balances for Trust Receipts).
- 4.2 Copies of the BFARs, including both retained, modified, and additional forms, are attached hereto as Annexes.
- 4.3 Departments/Agencies/OU's shall accomplish and submit BFARs to COA, DBM, and to BTr, as applicable through the URS, in accordance with the timelines prescribed in the pertinent section of the GP of the GAA for the Budget Year, to wit:
 - **Within 30 days after the end of each quarter**
 - **BAR No. 1**
 - **FAR No. 1**
 - **FAR No. 1-A**
 - **FAR No. 1-B**
 - **FAR No. 1-C**
 - **FAR No. 2**
 - **FAR No. 2-A**
 - **FAR No. 5**
 - **FAR No. 6**
 - **On or before 30th day following the end of the year**
 - **FAR No. 3**
 - **On or before the 10th day of the month following the last month of the covered reporting period.**
 - **FAR No. 4**
- 4.3.1 Submission of BFARs shall be subject to their encoding access schedule in the URS, as prescribed in DBM CL 2018-9 dated September 16, 2018.
- 4.3.2 As evidence and to validate the online submission, only hard copies of BFARs generated from the URS and duly signed by the head of department/agency/OU or his/her authorized representative shall be accepted as official agency submission.
- 4.4 The status of agency compliance, with the online submission through the URS and submission of hard copies of BFARs generated from the URS, shall be posted at the DBM website, consistent with the government's transparency and accountability thrusts.

5.0 REPEALING CLAUSE

All provisions of existing circulars and other issuances inconsistent with this JC are hereby rescinded/repealed and/or modified accordingly.

6.0 UNAFFECTED PROVISIONS

Except as expressly repealed, or by necessary implication, modified by this JC, the existing provisions of JC Nos. 2013-1 dated March 15, 2013 and 2014-1 dated July 2, 2014 shall remain in full force and effect.

7.0 SEPARABILITY

If any provision of this Circular as now or later amended or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

8.0 PENALTY CLAUSE

Failure to submit reports required under this Circular shall be subject to the provisions of Section 57, Chapter 6, Book VI of Executive Order No. 292 (Administrative Code of 1987).

9.0 EFFECTIVITY

This Circular shall be effective immediately and remain to be in force unless otherwise repealed/amended.


BENJAMIN E. DIOKNO
Secretary
Department of Budget and Management




MICHAEL G. AGUINALDO
Chairperson
Commission on Audit



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

EO.
9

- 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.


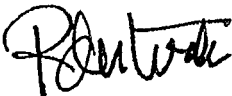
SECTION 7. SEPARABILITY. If any provision of this Order is declared invalid or unconstitutional, the other provisions not thereby affected shall remain valid and subsisting.

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.

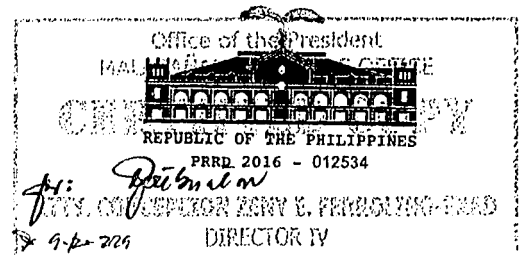
SECTION 9. EFFECTIVITY. This Order shall take effect immediately following its publication in the Official Gazette or in a newspaper of general circulation.

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
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACAÑANG, MANILA

CIRCULAR LETTER

No. 2013-16 B
February 25, 2014

TO : All Heads of Departments/Agencies/State Universities and Colleges and Other Offices of the National Government, Budget Officers and Heads of Accounting Units, COA Auditors, Heads of MDS Government Servicing Banks (MDS-GSBs), and All Others Concerned

SUBJECT : Addendum to DBM Circular Letter No. 2013-16 Re: Expanded Modified Direct Payment Scheme (Expanded MDPS) for Accounts Payable (A/Ps) of National Government Agencies/Operating Units (NGAs/OUs)

1.0 This Circular is being issued to:

1.1 Provide additional guidelines for the following:

1.1.1 Remittance of social insurance premium contributions to government corporations, such as Government Service Insurance System (GSIS), PHILHEALTH, and Home Development Mutual Fund (HDMF) – per Item No. 5.4.1.3 of CL 2013-16; and

1.1.2 Payment of A/Ps to utility companies, such as: supplier of petroleum, oil and lubricants, water, illumination and power services, telephone, internet and other communication services, among others – per Item No. 5.4.1.5 of CL No. 2013-16.

1.2 Clarify the procedure for payment of A/Ps to creditors of NGAs/OUs with small transactions (e.g., claims lower than the required amount for opening or maintaining an account with the bank) and/or creditors which can not be conveniently paid through Advice to Debit Account (ADA), as determined by the Agency Head.

2.0 In order to give sufficient time for the concerned government corporations and utility companies cited under item numbers 1.1.1 and 1.1.2 of this Circular and the government servicing banks (GSBs) of the MDS (i.e., Land Bank of the Philippines, Development Bank of the Philippines and Philippine Veterans Bank), in completing the necessary fine-tuning of their respective IT systems for the purpose of implementing the Expanded MDPS, all NGAs/OUs are directed to continue to issue **MDS checks** to cover payment of A/Ps to subject creditors.

DBM CI-
LETTER
2013-16

- 3.0 Upon advice from the MDS-GSBs, DBM will issue another Circular, on when NGAs/OU's shall use the Advice to Debit Account (ADA) per List of Due and Demandable A/Ps, for payment of A/Ps to said corporations/utility companies.
- 4.0 In the case of creditors falling under the category cited under item no. 1.2 of this Circular, which cannot be conveniently nor practicably paid using the ADA, the payment of their claims may be made via the Petty Cash Fund (PCF)/Cash Advance of the agency.
- 4.1 Agencies shall use the pertinent form, i.e., List of Advances/Deposits – Advice to Debit Account (LAD-ADA) prescribed by DBM in a separate issuance, for the purpose of issuing cash advances to their designated disbursing officers.
- 4.2 Payment to creditors concerned to be charged against the PCF/Cash Advance may be in form of cash, subject to the rules and regulations on the utilization and liquidation of cash advance prescribed under COA guidelines.
- 4.3 In the liquidation of cash advances (an internal agency transaction), the designated disbursing officer concerned shall include the List of Creditors paid as one of the supporting documents, in addition to those required by COA.
- 5.0 In the event of NCAs issued near the end of the quarter, NGAs/OU's are advised to ensure that issued LDDAP-ADA and/or LAD-ADA are transmitted to the MDS-GSB not later than two (2) working days before the end of said quarter involved. This would ensure crediting of the creditors' accounts before the quarterly lapsing of the NCA.
- 6.0 For guidance of all concerned.


FLORENCIO B. ABAD
Secretary

