



DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
KAGAWARAN NG KAPALIGIRAN AT LIKAS NA YAMAN



MEMORANDUM

FOR : **The Regional Executive Directors**
Region 1-13, CAR and NCR

The Directors
Line and Staff Bureaus

Heads of the Attached Agencies

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

SUBJECT : **DEADLINE FOR SUBMISSION OF AGENCY REQUEST/S FOR
THE RELEASE OF ADDITIONAL FUNDS REQUIRING THE
ISSUANCE OF SARO/NCA**

DATE : **OCT 29 2024**

Pursuant to Section 3.17.1 of the National Budget Circular No. 592 dated 02 January 2024 of the Department of Budget and Management (DBM), all request/s of the Agency for the release of additional funds requiring issuance of SARO/NCA in FY 2024 must be submitted not later than **November 15, 2024**.

In view of this, please submit your request/s for issuance of SAROs/NCAs with complete documentary requirements to the Budget Division not later than **08 November 2024**. This will give the Budget Division staff ample time to review/evaluate and facilitate the prompt endorsement of your request to the DBM.

For your strict compliance.


ATTY. ANALIZA REBUelta-TEH

MEMO NO. 2024 - 938



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

NATIONAL BUDGET CIRCULAR

No. 592
January 2, 2024

For : All Heads of Departments / Agencies / State Universities and Colleges (SUCs) and Other Offices of the National Government, including Commissions / Offices under the Constitutional Fiscal Autonomy Group (CFAG); Government-owned or -Controlled Corporations (GOCCs) and Local Government Units (LGUs) receiving budgetary support from the National Government; Budget Officers; Heads of Accounting Units; and All Others Concerned

Subject : **GUIDELINES ON THE RELEASE OF FUNDS FOR FISCAL YEAR (FY) 2024**

1.0 PURPOSES

- 1.1 To prescribe policies, procedures, rules and regulations on the release of funds in 2024 as authorized under **Republic Act (R.A.) No. 11975** (FY 2024 General Appropriations Act [GAA]), Continuing Appropriations under **R.A. No. 11936** (FY 2023 GAA), as well as automatic appropriations.
- 1.2 To synchronize fund release with the implementation of the overall physical and financial plans, targets, and schedules submitted by the departments, agencies, and/or operating units (OUs).
- 1.3 To remind agencies of the budgetary and accountability reports required for agency performance review.

2.0 COVERAGE

All departments, agencies, and OUs of the National Government, including CFAG, SUCs, as well as GOCCs and LGUs receiving budgetary support from the national government from all sources of appropriations in FY 2024.

3.0 GENERAL GUIDELINES

3.1 The FY 2024 GAA takes effect on January 1, 2024, pursuant to **Section 107**, General Provisions (GPs) of the FY 2024 GAA.

3.2 Consistent with the FY 2024 fiscal program as approved by the Development Budget Coordination Committee (DBCC), the aggregate **P5.768 Trillion** allotment release program (ARP) during the year from all appropriation sources shall not be exceeded by the Total Obligation Program reflected in Table H of the FY 2024 Budget of Expenditures and Sources of Financing (BESF).

3.2.1 The total ARP of the national government shall be an amount equal to the aggregate of the following:

3.2.1.1 The built-in appropriations of the NGAs under the FY 2024 GAA;

3.2.1.2 Special Purpose Funds (SPFs) under the FY 2024 GAA; and

3.2.1.3 The programmed level of the automatic appropriations, e.g., Retirement and Life Insurance Premiums (RLIP), Special Accounts in the General Fund (SAGF), among others.

3.2.2 In accordance with prudent fiscal management, taking into account programmed available financing sources (revenues, net proceeds from borrowing, cash balance) and subject to agency absorptive capacity, unless supported with incremental adjustments in performance targets, items chargeable against the following appropriation sources shall be accommodated within the total ARP:

3.2.2.1 Unprogrammed Appropriations (UA), FY 2024 GAA;

3.2.2.2 Other automatic appropriations, such as **additional** RLIP, SAGFs, grant proceeds, among others; as well as,

3.2.2.3 Continuing Appropriations, FY 2023 GAA.

Hence, agencies are required to submit an updated Physical Plan or Budget Execution Document (BED) No. 2 indicating the adjustment in targets.

3.3 The validity of the following appropriations are as follows:

APPROPRIATION SOURCE	ALLOTMENT CLASS	RELEASE	OBLIGATION	DISBURSEMENT
FY 2024 GAA, R.A. No. 11975 (Programmed Appropriations)	Personnel Services (PS)	until December 31, 2024		
	Maintenance and Other Operating Expenses (MOOE)	until December 31, 2025		
	Capital Outlays (CO)			
	Subsidies to GOCCs and LGUs	until December 31, 2025	until fully expended	
FY 2024 GAA, R.A. No. 11975 (Unprogrammed Appropriations)	PS	until December 31, 2024		
	MOOE	until December 31, 2024	until December 31, 2025	
	CO		until fully expended	
	Subsidies to GOCCs and LGUs			
FY 2023 GAA, R.A. No. 11936 (Continuing Appropriations)	MOOE	until December 31, 2024		
	CO			
	Statutory Shares of LGUs	until December 31, 2024	until fully expended	
Automatic Appropriations	RLIP, PS portion of SAGF, Pensions of Former Presidents or their Surviving Spouses, Net Lending, Interest Payments, and Tax Expenditure Fund	until December 31, 2024		
	SAGF (MOOE and CO)	until December 31, 2024	until December 31, 2025	
	National Tax Allotment (NTA) and Annual Block Grant		until fully expended	

3.4 As for disbursements, obligations for programs/activities/projects (P/A/Ps) covered by valid contracts, which are yet to be completed/delivered by end of the year, shall be considered as Not Yet Due and Demandable Obligations (NYDDO). Once these goods/services/projects have been delivered/rendered/completed and accepted beyond the validity period of the FY 2024 appropriations, then the same will be considered as due and demandable Accounts Payable

(AP), thus, shall follow the rules on AP, subject to the provisions of Executive Order (E.O.) No. 87 s. 2019¹ and DBM-COA Joint Circular (JC) No. 2021-1².

- 3.5 After the end of validity period, all unreleased appropriations shall lapse, while unexpended or undisbursed funds shall revert to the unappropriated surplus of the General Fund in accordance with Section 28, Chapter 4, Book VI of E.O. No. 292³ and shall not thereafter be available for expenditure except by subsequent legislative enactment.
- 3.6 All funds transferred between national government agencies, or by national government agencies to GOCCs and vice versa, or by national government agencies to LGUs shall not be considered disbursed by the source agency until the transferred amounts have been actually utilized to pay for completed construction, goods delivered and services rendered, inspected and accepted within the validity period. It is understood that transfer of funds shall strictly be in accordance with pertinent budgeting, accounting, auditing, and procurement laws, rules, and regulations (**Section 70**, GPs of the FY 2024 GAA).
- 3.7 **The obligational authority for items of appropriations in the budget shall be released through the following:**

- 3.7.1 **GAA as the Allotment Order (GAAAO)** covering items not requiring compliance to some pre-conditions per Schedule I.

It is understood that increases in appropriations and new budgetary items in the FY 2024 GAA shall be subject to the National Government's cash programming, observance of prudent fiscal management, and applicable budget execution rules and procedures. As such, agency heads shall ensure the implementation-readiness of P/A/Ps, as well as their compliance with existing laws, rules, and regulations.

Agency heads shall also ensure that their performance targets are revised accordingly and reflected in the relevant BEDs to be submitted to the Department of Budget and Management (DBM) for monitoring and evaluation; and

¹ dated August 13, 2019 (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, or the Cumulative Result of Operations of the National Government)

² dated March 8, 2021 (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)

³ dated July 25, 1987 (Administrative Code of 1987)

- 3.7.2 **Special Allotment Release Order (SARO) or General Allotment Release Order (GARO)**, for items not covered by GAAAO per Schedule II.
- 3.8 Release of funds in the FY 2024 GAA are made directly to the Regional Offices (ROs) and OUs of agencies, except non-implementing units (**Section 73**, GPs of the FY 2024 GAA). An OU herein referred to is an organizational entity directly receiving fund release documents from DBM and capable of administering the same.
- 3.8.1 Funds specifically appropriated in the GAA to ROs or OUs of agencies shall be released directly to these ROs and OUs, except as otherwise requested by the agencies from the DBM.
- 3.8.2 Funds for **Centrally-Managed Items (CMI)** or Lump-sum Appropriations in the agencies' budgets are those with unidentified recipient ROs or OUs and/or unspecified allocation per recipient in the GAA, and thus subject to issuance of SARO. Such CMIs shall be released directly to the RO or OU upon agency submission to DBM of a Special Budget Request (SBR), supported by the complete details of the activities or projects and the corresponding cost up to the lowest level, i.e., provincial, city or municipal, as the case may be (**Section 74**, GPs of the FY 2024 GAA).
- 3.9 Release of funds, i.e., Obligational Authority and/or Disbursement Authority, shall be in accordance with the targets set forth under the **DBM-evaluated BEDs consistent with the FY 2024 GAA**, prepared and submitted by agencies/OU through the Unified Reporting System (URS) pursuant to the provisions of DBM Circular Letter (CL) No. 2022-14⁴.
- All concerned are reminded of the following relative to BEDs:
- 3.9.1 The **Financial Plan (FP) or BED No. 1** shall be the basis for determining the obligation program of the agency, classifying the agencies/OUs' budgetary items according to budget release documents: a) GAAAO; and b) SARO/GARO.
- 3.9.2 The **Physical Plan (PP) or BED No. 2** shall serve as the overall physical plan of the department/agency/OUs and shall be updated to include changes in targets for increases and reduction in the amounts of existing P/A/Ps from President's Budget to GAA, as well as targets for new P/A/Ps in the GAA.

⁴ dated October 28, 2022 (Prescribing Guidelines for the Preparation and Submission of the Annual Budget Execution Plans Covering the Fiscal Year (FY) 2023 Budget and Thereafter)

3.9.3 The **Monthly Disbursement Program (MDP) or BED No. 3** shall serve as the basis for the DBM's release of disbursement authorities including the comprehensive NCA. The MDP shall likewise be prepared for subsequent regular operating requirements of the agency.

3.9.3.1 Additional NCAs, as may be required, shall be issued for items covered by SARO, as well as those pertaining to Current and Prior Year's obligations (i.e., APs/due and demandable obligations/NYDDO).

3.9.3.2 Other disbursement authorities, i.e., Tax Remittance Advice (TRA), Non-Cash Availment Authority (NCAA), Cash Disbursement Ceiling (CDC), may be issued for agency specific budgets.

3.10 Agencies concerned shall expedite the issuance of guidelines upon which appropriations in the GAA are conditioned for implementation, pursuant to the Special Provisions in the specific budgets of said agencies.

3.11 In addition, agencies are reminded that agency-specific funds for the purchase of motor vehicles for FY 2024 as reflected in the FY 2024 GAA **shall no longer require the issuance of another Authority to Purchase Motor Vehicles (APMV)** by the DBM. This policy covers motor vehicles with the same number, specifications, maximum allowable cost, and Intended use/user indicated in the **APMV attached to the confirmation letters issued by the DBM** to the agencies during budget preparation.

3.12 Pursuant to **Section 80**, GPs of the FY 2024 GAA, the general rule is that departments, bureaus and offices of the National Government, including Constitutional Offices enjoying fiscal autonomy and SUCs shall spend their respective programmed appropriations under the FY 2024 GAA.

However, in exceptional circumstances, **issued allotments within an activity or project may be modified** upon timely submission of reports by all offices concerned, and **subject to approval by the designated authority**. The existence of an allotment class or object of expenditure in the said P/A/P is not necessary for purposes of modification.

3.12.1 **Modification** refers to any change within an activity or project, allotment class, object of expenditure, within an agency or department budget. It may likewise cover SPFs as reflected in the FY 2024 GAA.

3.12.2 Modification covering allotments for MOOE and CO shall not entail any increase in the total amount appropriated for an

activity or project. In the case of programs with several activities, modification may be done only within each activity.

3.12.3 The following expenditures to cover PS requirements, are not considered as forms of modification:

3.12.3.1 Payment of deficiencies in authorized personnel benefits which may be covered by any available allotment for PS within said department or agency, subject to **Section 54**, GPs of the FY 2024 GAA.

3.12.3.2 Payment of magna carta benefits for which the DBM guidelines relative thereto shall be observed, pursuant to **Section 59**, GPs of FY 2024 GAA.

3.12.3.3 Payment of **Collective Negotiation Agreement (CNA) Incentive** subject to **Section 81**, GPs of the FY 2024 GAA.

3.13 **Savings** as defined under **Section 77**, GPs of the FY 2024 GAA, refer to portions or balances of any released appropriations in the FY 2024 GAA which have not been obligated as a result of any of the following conditions:

3.13.1 Completion, final discontinuance, or abandonment of a program, activity or project for which the appropriation is authorized; or

3.13.2 Implementation of measures resulting in improved systems and efficiencies and thus enabled an agency to meet and deliver the required or planned targets, programs, and services approved in the FY 2024 GAA at a lesser cost.

However, in case the declaration of savings is based on final discontinuance or abandonment, such discontinued or abandoned program, activity, or project cannot be proposed for funding in the next two (2) fiscal years, i.e., 2025 and 2026.

3.13.3 Savings may be used to augment actual deficiency/ies incurred for the current year in any existing item within the respective appropriations of each authorized constitutional officer cited in **Section 76**, GPs of the FY 2024 GAA. The existence of an activity or project regardless of the availability of allotment class/es is sufficient for the purpose of augmentation (**Section 78**, GPs FY 2024 of the GAA).

3.13.3.1 In the use of savings, priority shall be given to the payment of compensation, mid-year and year-end

bonus and cash gift, retirement gratuity, terminal leave benefits, old-age pension of veterans, and other personnel benefits authorized by law, and under the FY 2024 GAA, as well as the implementation of priority projects or activities covered in the FY 2024 GAA (**Section 79**, GPs of the FY 2024 GAA).

3.13.3.2 Agencies are reminded that payment for Monetization of Leave Credits (MLC) cannot be used to justify subsequent requests for PS deficiency.

3.14 **Augmentation** is the act of the constitutional officers authorized to use savings in their respective appropriations to cover actual deficiencies in any existing item of appropriation within their respective offices in the current year (**Section 78**, GPs of the FY 2024 GAA). An item of appropriation refers to the amount appropriated for an activity or project authorized in the FY 2024 GAA.

3.14.1 The following guidelines shall be observed in the use of savings for purposes of augmentation of deficient items of appropriations:

3.14.1.1 A **deficiency in an item of appropriation** occurs when following conditions exist:

- o Unforeseen modifications or adjustments in the P/A/P; or
- o Re-assessment in the use, prioritization and/or distribution of resources.

3.14.1.2 Augmentation is subject to the approval by the constitutional officers identified under **Section 76**, GPs of the FY 2024 GAA, as well as Item 5.1.2 of this NBC.

3.15 The following agencies which are included in Table B.15 of the FY 2024 BESF are **authorized by specific laws to utilize income collections accruing to their Special Accounts in the General Fund (SAGFs)** to cover their operating requirements. With this funding source, these specific agencies are provided minimal budget support in the GAA since their requirements are charged against their income collection, subject to the usual budgeting rules and regulations:

3.15.1 DOF — Insurance Commission — PS, MOOE and CO;

- 3.15.2 DOTr — Office for Transportation Security — PS, MOOE and CO;
- 3.15.3 DMW — Office of the Secretary (Verification Fees) — MOOE; and
- 3.15.4 DOJ — Land Registration Authority — MOOE and CO.

3.16 Agencies, pursuant to their respective mandates, are authorized to collect fees for the conduct of the following specific activities and use said collections to defray the cost of the future activities of a similar nature:

- 3.16.1 Seminar, conference, training, and oath-taking activities from government and private agency participants (**Section 13**, GPs of the FY 2024 GAA).
- 3.16.2 Sale of official publications, to defray the cost of preparing, printing, and disseminating such official publications (**Section 14**, GPs of the FY 2024 GAA).

The proceeds in excess of the actual cost of implementing these aforementioned activities shall be deposited with the National Treasury as income of the General Fund, pursuant to **Section 44, Chapter 5, Book VI of E.O. No. 292**.

Agencies which do not have sufficient appropriations in their budget for the purpose, i.e., conduct of seminar, conference, training and oath taking activities and/or sale of official publications, may use such proceeds subject to budgeting, accounting, and auditing rules and regulations.

3.17 Timelines

- 3.17.1 **November 15, 2024** — deadline for submission to the DBM of all agency request/s requiring issuance of obligational and disbursement authorities, as well as, other similar approvals and authorizations.
- 3.17.2 **Within thirty (30) days after the end of each quarter** — submission of the Budget and Financial Accountability Reports (BFARs) by program, activity or project, as prescribed under item 4.3 of COA-DBM JC No. 2019-1⁵ in relation to **Section 100**, GPs of the FY 2024 GAA.
- 3.17.3 **On or before the tenth (10th) day of the month immediately following the covered period** – Monthly Report of Disbursements (MRD), using Financial Accountability Report (FAR) No. 4, as prescribed under item 4.3 COA-DBM JC No. 2019-1.

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⁵ dated January 1, 2019 (Updated Guidelines Relative to Budget and Financial Accountability Reports (BFARs) Starting FY 2019)

3.17.4 On or before the end of February 2024 covering the preceding fiscal year, and on or before the end of August 2024 covering the first semester of the current year – Catch-up plans to address the bottlenecks and achieve their respective physical and financial performance targets for the year.

3.17.5 Conduct of Agency Performance Reviews (APRs) covering the Current Year: First Semester APR on or before September 15 of the Current Year and Full Year APR on or before March 15/March 31 of the Succeeding Year — The agency/ies shall submit a semi-annual APR Report to the DBM as prescribed under CL No. 2018-13⁶ consistent with Section 56, Book VI of Executive Order No. 292, s. 1987.

The DBM shall then conduct a review of the agency-submitted APR Reports, which may require consultation meeting/s. Agencies are encouraged to provide additional information relative to their performance in terms of physical outputs, as well as actual expenditures incurred in the productions/delivery of goods/services to the public vis-à-vis targets for the same period. The result of APR will be used as one of the bases for determining the necessity of any of the following:

3.17.5.1 Release of the balance of items under the FY 2024 Programmed Appropriations not covered by the GAAAO;

3.17.5.2 Additional release from SPFs;

3.17.5.3 Approval of requests for modification in allotment; or

3.17.5.4 Revision of plans/targets as reflected in the DBM-evaluated BEDs submitted by agencies.

The review of the two (2) APR Reports, mid-year and end-year, shall be conducted by the DBM using the following documents, among others:

a. BFARs as of June 30 and as of December 31 encoded through the URS;

b. APR Reports submitted by the agencies; and

⁶ dated January 1, 2019 (Guidelines for the Conduct of Agency Performance Reviews (APRs) and Evaluation thereof Effective FY 2018 and Onwards)

7.0 REPEALING CLAUSE

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

8.0 EFFECTIVITY

This Circular shall take effect immediately.


AMENAH F. PANGANDAMAN
Secretary

