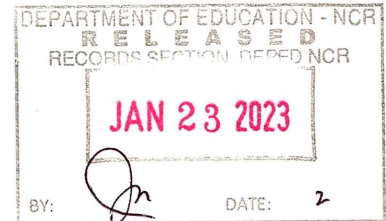





Republic of the Philippines
Department of Education
NATIONAL CAPITAL REGION



DNCR-F-ORD-033/R0/01112019

MEMORANDUM
No. NCR **047** s. 2023

TO : **Schools Division Superintendents**
Division Accountants
Division Budget Officers
All Other Concerned

FROM :  **WILFREDO E. CABRAL, CESO III**
Regional Director

SUBJECT : **Department of Budget and Management (DBM) Response to the Query on Payment for Fiscal Year (FY) 2021 Continuing Appropriations (CA)**

DATE : January 18, 2023

1. Enclosed is the Memorandum OUF-2023-0007 dated January 12, 2022, relative to the above-captioned subject.
2. Attention is invited to the paragraph no. 2 with table on classification of projects with contracts obligated on or before December 31, 2022, which is self-explanatory, for additional guidance.
3. For immediate dissemination and strict compliance.

Encl.: As stated






Republic of the Philippines
Department of Education
OFFICE OF THE UNDERSECRETARY FOR FINANCE

MEMORANDUM
OUF-2023-0007

FOR : VICE PRESIDENT AND SECRETARY SARA Z. DUTERTE
UNDERSECRETARIES
ASSISTANT SECRETARIES
BUREAU AND SERVICE DIRECTORS
REGIONAL DIRECTORS
FINANCE OFFICERS
ALL OTHER CONCERNED


ANNALYN M. SEVILLA
FROM : Undersecretary

SUBJECT : DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)
RESPONSE TO THE QUERY ON PAYMENT FOR FISCAL YEAR
(FY) 2021 CONTINUING APPROPRIATIONS (CA)

DATE : January 12, 2023

This refers to our letter to DBM dated November 24, 2022, seeking clarification on the validity of obligation and disbursement of the DepEd FY 2021 CA as authorized in Section 62 of the Republic Act (R.A.) No. 11640, and Section 3.5. of the DBM National Budget Circular No. 587 dated January 3, 2022, which states that Maintenance and Other Operating Expenses, and Capital Outlay are valid for release, obligation, and disbursement until December 31, 2022.

In relation to the DBM's response letter dated December 28, 2022 (attached as Annex "A"), received by this Office on January 5, 2023, kindly refer to the table below for easier reference:

	PROJECTS WITH CONTRACTS OBLIGATED ON OR BEFORE DECEMBER 31, 2022	ACCOUNTS PAYABLE (A/P)
1	Without Delivery	✓
2	With Delivery	✓
3	Under Progress Billings	✓

Please be informed that all accounts payable (A/P) are subject to the provisions of the EO 87, DBM-COA JC 2021-1, and other existing accounting and auditing rules, which state that **should the A/P remain outstanding for two (2) years, the said A/P shall be reverted to the general fund.**

For your information and compliance.

Thank you.



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

Doc. Ref. No. 2022-BF-0152921-E

DEC 28 2022

HONORABLE SARA Z. DUTERTE

Vice-President of the Philippines
Concurrent Secretary
Department of Education (DepEd)
DepEd Complex, Meralco Ave., Pasig City

Dear **Vice-President Duterte**:

This refers to the letter of the DepEd requesting guidance and clarification on the validity of obligations and disbursements for the budgetary items under the FY 2021 Continuing Appropriation (CA), RA no. 11640¹.

Please refer to the matrix below for the requested guidance and clarifications.

DepEd Concerns/Issues	DBM Response
If the DepEd is obliged to pay for program contracts under FY 2021 funds that are awarded by the end of December 2022 but are yet to be completed, delivered, and accepted after FY 2022.	<p>Pursuant to General Provision no. 62 of RA No. 11640 and Item no. 3.5 of NBC No. 587², FY 2021 CA is valid for release, obligation, and disbursement until December 31, 2022.</p> <p>With this, projects in the early stage of procurement with contracts that have not been awarded shall be valid for obligation and payment until December 31, 2022.</p> <p>Meanwhile, for projects covered with awarded contracts and are already being implemented, payments for delivered goods and services not yet processed by December 31, 2022, are already considered accounts payable (A/P). Hence, such can still be paid after the December 31, 2022 cut-off date, subject to the limitations set by COA-DBM Joint Circular No. 1, s. 2021³.</p> <p>Hence, those projects funded under FY 2021 CA but were not completed, delivered and accepted, and paid by December 31, 2022, are considered A/Ps, to be governed by the release of funds guidelines for FY 2023.</p>

CENTRAL RECORDS DIVISION
FILE COPY



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

Reference No. 2021-BF-0138942

PICKED UP

UNDERSECRETARY ANNALYN M. SEVILLA
Finance Service
Department of Education
DepEd Complex, Meralco Ave., Pasig City

ORIGINAL RECEIVED
By: *H. H. Remon*
Designation: *L.O.*
Office: *BUDGET DIV.*
12-21-21

Dear **Undersecretary Sevilla**:

This pertains to your letter¹ appealing to extend the delivery, inspection, acceptance, and payment of valid obligations charged against FY 2020 Continuing Appropriations² (CA) until such time that the contracts are completed/delivered/ accepted.

We understand the concern of your Department on the impact of health protocols and mobility restrictions due to the current COVID-19 pandemic, and the recent Super Typhoon Odette which affected the procurement, delivery, and implementation process of the DepEd, not to mention the complexity and magnitude of the agency's programs.

Please be informed that projects sourced from the FY 2020 CA are covered by the following guidelines:

- Pursuant to Section 1 of RA No. 11520 and Item no. 3.6.2 of NBC No. 583³, the FY 2020 CA is valid for release, obligation, and disbursement until December 31, 2021. Hence, projects in the early stage of procurement with contracts that have not been awarded to the winning bidders, shall be valid for obligation and payment until December 31, 2021.
- Meanwhile, for projects covered with awarded contracts and are already being implemented, payments for delivered goods and services not yet processed by December 31, 2021 are already considered accounts payable (A/P). Hence, such can still be paid after the December 31, 2021 cut-off date, subject to the limitations set by COA-DBM Joint Circular No. 1, s. 2021⁴.

¹ Received thru email on December 24, 2021

² RA 11465, as extended thru RA 11520

³ Guidelines on the Release of Funds for FY 2021

⁴ 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



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

DMS Reference No.: 2021-BF-0065584

UNDERSECRETARY ANNALYN M. SEVILLA

Undersecretary for Finance

Department of Education

2nd Floor, Rizal Building, DepEd Complex, Meralco Avenue, Pasig City

Dear **Undersecretary Sevilla**:

This refers to your letter appealing for the extension of the delivery, inspection, acceptance and payment of valid obligations charged against the FY 2019 appropriations until December 31, 2021.

Please be informed that projects sourced from the FY 2019 GAA (Continuing Appropriations) are covered by the following guidelines:

- i. For MOOE and other CO items (non-infra), the validity of release and obligations is until December 31, 2020¹, while the validity of disbursement is until June 30, 2021².
- ii. Projects in the early stage of procurement with contracts which have not been awarded to the winning bidders, shall be valid for obligation until December 31, 2020 and shall be valid for payment until June 30, 2021.
- iii. However, for projects covered with awarded contracts and are already being implemented, payments for delivered goods and services not yet processed by June 30, 2021 are already considered accounts payable. Hence, such 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. 2021.

Based on the documents attached to your letter, the DepEd has 74 existing contracts/purchase orders under various implementation stages (on-going, delivery or delivered but payment is still in-process). Given that these projects are covered by contracts, the government is obliged to pay these projects once completed/delivered/accepted.

¹ RA No. 11464 – An Act Extending the Availability of the FY 2019 Appropriations to December 31, 2020 Amending for the Purpose Section 65 of the General Provisions of RA No. 11260, The General Appropriations Act of FY 2019

² National Budget Circular No. 578 – Guidelines on the Release of Funds for FY 2020