

**MEMORANDUM**

**FOR** : **HEADS OF ALL OFFICES, BUREAUS, SERVICES AND UNITS**  
DSWD Central Office

**THE REGIONAL DIRECTORS**  
DSWD Regional Offices I to XII, NCR, CAR and CARAGA

**FROM** : **THE UNDERSECRETARY**

**SUBJECT** : **FINANCIAL MANAGEMENT GUIDELINES NO. 3: GUIDELINES ON THE RELEASE OF FUNDS FOR FY 2020**

**DATE** : **17 JANUARY 2020**

The Department of Budget and Management (DBM) has released the **Guidelines on the Release of Funds for Fiscal Year (FY) 2020 through the issuance of National Budget Circular (NBC) No. 578 dated January 06, 2020.**

In view of this, please be guided by the above-cited NBC on the release of funds and use of funds under the 2020 General Appropriations Act (GAA), as follows:

**Section 3.0 General Guidelines:**

- 3.1 *The FY 2020 GM takes effect on January 1, 2020 as provided under Section 1, General Provisions (GP) of said law.*  
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- 3.4 *With the adoption of the **Cash Budgeting System (CBS) and consistent with Section 60, GPs of the FY 2020 GM**, all appropriations authorized under the FY 2020 GM, including budgetary support to GOCCs and SAGF, shall be **available for release and disbursement for the purpose specified**, and under the same General and Special Provisions of said GM applicable thereto **until December 31, 2020.***
- 3.4.1 *The appropriations for the following items under the FY 2020 GM shall be valid for obligation until December 31, 2020:*
- 3.4.1.1 *Infrastructure Capital Outlays (CO), including subsidy releases to GOCCs for infrastructure projects; and DBM CL No. 2020-1 dated January 2, 2020 (Release of Funds for January of FY 2020)*
- 3.4.1.2 *MOOE and other CO items.*
- 3.4.2 *The completion of construction, inspection, acceptance and payment for infra-related CO shall be made not later than December 31, 2021, while the delivery, inspection, acceptance and payment for MOOE and other Co items shall not be later than June 30, 2021.*
- 3.4.3 *Amounts appropriated under the FY 2020 GM as **financial assistance to LGUs** released during the fiscal year shall be available for disbursement for the purpose specified **until December 31, 2021.***

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**3.4.5 After the end of validity period, all unreleased appropriations or 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. 2922 and shall not be available for expenditure except by subsequent legislative enactment.**

3.5 Pursuant to R.A. 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 R.A. No. 11260, the General Appropriations Act of Fiscal Year 2019, the guidelines prescribed under item 3.4.1 and 3.4.2 hereof shall apply.

*Relative thereto, unreleased appropriations as well as unobligated allotments for Personnel Services chargeable against the continuing FY 2019 GM, shall be valid for release, obligation and/or disbursements, as applicable, up to December 31, 2020 only.*

In view of this, please be guided by the following rules on the use of funds under the 2020 GAA and other funds unless justified otherwise:

#### **I. Obligations:**

With the adoption of the CBS, **all transactions for FY 2020 must be obligated on or before December 31, 2020.**

Note, however, to ensure maximum utilization of funds, we would like to reiterate our Financial Management Advisory No. 2 series of 2020.

#### **II. Disbursements:**

a. The NBC No.578 allows an **extended for the delivery, inspection, acceptance, and payment of obligations**, as follows:

- Appropriations for **infrastructure capital outlays**, including subsidy releases GOCCs and other implementing units or agencies, the completion of construction, inspection and payment shall be made **not later than December 31, 2021**; and
- Appropriations for **Maintenance and Other Operating Expenses (MOOE) as well as other Capital Outlays (CO)** except for infrastructure capital outlays, the delivery, inspection and payment shall be made **not later than June 30, 2021**.

b. **Financial Assistance to LGUs** released during the fiscal year shall be available for disbursement for the purpose specified **until December 31, 2021**.

#### **III. Personal claims of Officials and Employees:**

To ensure obligation of claims not later than December 31, 2020, please be reminded of the following:

- **Period to claim reimbursements for traveling expenses** is within two (2) calendar months after the return of an official or employee to the Philippines, in case of official travel abroad; or within one (1) calendar month of his/her return to permanent official station in case of official local travel. Please note that travel expenses not filed for claims within specified dates shall not be processed (AO 13 series of 2019).



- All other claims for the month must be submitted to the FMS **on or before the 10<sup>th</sup> day of the following month except for the month of December 2020.**
- For **December 2020**, all other claims, including anticipated claims, must be submitted **on or before December 16, 2020**, as follows:
  - a. Signed Obligation Request and Status (ORS) and Disbursement Voucher (DV) for actual claims from 1<sup>st</sup> and 2<sup>nd</sup> week of December;
  - b. A list of detailed expenses expected to be incurred after December 13, 2020 (Annex A) for grants to beneficiaries, mandatory and fixed expenditures and Employees personal claims including payment to suppliers must be submitted and coordinated with the Budget Division – regular Program/Special Project Fund Controllers.
  - c. Please note that the FMS reserves the right to deny acceptance of submission of claims after the period stated herein.

Also, please be reminded that **payment of funded ORS in FY 2019** for Maintenance and Other Operating Expenses (MOOE) as well as other Capital Outlays (CO) except for infrastructure capital outlays **shall be made not later than June 30, 2020.**

Further, please be reminded that **2019 Continuing Appropriation must be programmed for obligation not later than June 30, 2020.**

For any inquiries or questions regarding this guidelines, please contact the following:

Name	Position	Telephone Number/s
• Ms. Meriel P. Castillo	Chief, Budget Division for Regular Programs	Direct line: 951-7118 Trunk line: 931-8101-07 local 224/225 VOIP: 88570
• Ms. Janine G. Cosino	Chief, Budget Division for Special Programs	Direct line: 931-8149 Trunk line: 931-8101-07 local 216 VOIP: 88571

For your guidance and strict compliance.

  
**JOSE ERNESTO B. GAVIOLA**

  
WCB/AFS/224;225