

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. 15, SERIES of 2021: NATIONAL BUDGET CIRCULAR 586 ON THE GUIDELINES FOR THE IDENTIFICATION OF AGENCY SAVINGS UNDER THE FY 2020 GAA (RA NO. 11465) FOR PURPOSES OF AUGMENTATION OF APPROPRIATIONS THEREIN DUE TO THE CONTINUING COVID-19 PANDEMIC

DATE : 25 MAY 2021

The Office of the President issued Proclamation No. 1021 on September 16, 2020 entitled Extending the Period of the State of Calamity Throughout the Philippines Due to Corona Virus Disease 2019 Declared Under Proclamation No. 929, S. 2020

Relative thereto, the Department of Budget and Management issued National Budget Circular (NBC) No. 586 on the guidelines for the identification of agency savings under the FY 2020 GAA (RA No. 11465) for purposes of augmentation of appropriations due to the continuing covid-19 pandemic (copy attached). Section 4.1 of said guideline provides:

4.1 Each **NGA/SUC/Constitutional Office/GOCC** shall **identify, certify and report** their respective **FY 2020 unobligated allotments as of May 15, 2021 on or before May 31, 2021**. These unobligated allotments correspond to savings as a result of completed, discontinued or abandoned projects, or amounts generated due to improved systems and efficiencies which resulted to the achievement of targets at a lesser cost pursuant to Section 67 of the General Provisions of the FY 2020 GAA.

It may be worthy to note that said NBC 586 is analogous to NBC 580, such that the NGAs are enjoined to certify and offer unobligated allotments to the DBM. On this, please be guided by the following:

I. Fund Source

NBC No. 586 shall cover released allotments under the **FY 2020 GAA**, as extended by **RA 11520 or the Continuing Appropriations**, which remained unobligated as of May 15, 2021.

II. Guidelines

1. All Offices, Bureaus, Services (OBS) and Field Offices (FO) must revisit their absorptive capacity to determine allotment balances which can no longer be obligated by May 31, 2021.
2. Allotments that may be offered as available funds are those not expressly earmarked for the implementation of programs/activities/projects addressing the COVID 19 pandemic.
3. All remaining unobligated balances of the various programs/activities/projects (P/A/Ps) of the Department for FY 2020 which can no longer be obligated or those which are determined to be as savings from various activities conducted must be offered as available funds to DBM.
4. A **Certification of Availability of Funds (CAF) Annexes A and B** must be prepared by Central OBS and FOs. The CAF must be supported with details of the object of expenditures subject to review by the Budget Section/Division.
5. All P/A/Ps which cannot offer CAF for purposes of NBC 586 are like enjoined to submit a **Certification** to this effect, stating the reasons for **non-availability of funds**.
6. Pursuant to Section 4.3 of NBC 586, in case of failure to submit, the DBM shall consider the March 31, 2021 reports as basis of recommendation to the President of the amount of savings. Thus, **the non submission of either Annexes A and B and the Certification for Non-Availability of Funds** would result to the **recoupment of total unobligated balances** as may be determined from the registries of the Budget Section/Division and will be reported to DBM as savings thereof. To this effect, FM No. 2 which prescribes the timelines for the submission of Obligation Request and Status (ORS) on or before June 30, 2020 for RA 11520 (FY 2020 Continuing Appropriation) is moved earlier to May 31, 2020.

III. Timelines

All CAF and Certification of Non-Availability of Funds must be submitted must be submitted to Finance and Management Service - Budget Division (budget@dswd.gov.ph copy furnished mpcastillo@dswd.gov.ph) on or before May 27, 2021, 5pm for consolidation and onward submission to DBM.

For your guidance and strict compliance.


JOSE ERNESTO B. GAVIOLA

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

NATIONAL BUDGET CIRCULAR

No. 586
May 21, 2021

- FOR** : All Heads of Departments/Agencies/State Universities and Colleges (SUCs) and Other Offices of the National Government, Government Owned or Controlled Corporations (GOCCs) Receiving Budgetary Support; Budget Officers; Heads of Accounting Units; and All Others Concerned
- SUBJECT** : GUIDELINES FOR THE IDENTIFICATION OF AGENCY SAVINGS UNDER THE FY 2020 GAA (RA NO. 11465) FOR PURPOSES OF AUGMENTATION OF APPROPRIATIONS THEREIN DUE TO THE CONTINUING COVID-19 PANDEMIC

1.0 RATIONALE

- 1.1 The State of Calamity has been extended from the original six-month period from March 16, 2020 to September 16, 2020 (Proclamation 921, s. 2020) up to September 12, 2021, through **Proclamation 1021**, s. 2020. Given the emergent duration and scale of the COVID-19 pandemic, more funds must be made readily available, in a sustainable and responsible manner, to support the required intensified government-wide response and recovery measures including various forms of socio-economic relief and assistance to those affected by the imposition of stricter levels of community quarantine.
- 1.2 Relative thereto, the President issued **Administrative Order No. 41, s. 2021** last May 12, 2021, to tap agency savings in the form of unobligated released allotments under the FY 2020 GAA which may be used to augment deficient items of appropriations authorized by the same GAA, including if necessary, items of appropriations for the provisions of emergency subsidies to low-income households and disadvantaged or displaced workers affected by the pandemic.

(3)

2.0 COVERAGE

All departments, agencies and operating units of the National Government, including SUCs, GOCCs receiving allotments covered by budgetary appropriations authorized under the FY 2020 GAA. This Circular shall cover released allotments under the FY 2020 GAA which **remain unobligated as of May 15, 2021**, but not expressly earmarked for the implementation of programs/activities/projects addressing the COVID 19 pandemic.

3.0 PURPOSE

To prescribe the guidelines for the agency submission of certification of savings and documents/reports to the DBM to be used as bases for the identification of savings corresponding to **unobligated FY 2020 GAA-covered allotment balances as of May 15, 2021**.

4.0 GUIDELINES

- 4.1 Each NGA/SUC/Constitutional Office/GOCC shall identify, certify and report their respective **FY 2020 unobligated allotments as of May 15, 2021** on or before **May 31, 2021**. These unobligated allotments correspond to savings as a result of completed, discontinued or abandoned projects, or amounts generated due to improved systems and efficiencies which resulted to the achievement of targets at a lesser cost pursuant to Section 67 of the General Provisions of the FY 2020 GAA.
 - 4.1.1 For this purpose, agencies shall submit to the DBM the updated FY 2021 Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) (Financial Accountability Report (FAR) No. 1) as of May 15, 2021, **pertaining to the FY 2020 appropriations**.
 - 4.1.2 The Certification of Identified Savings hereto attached as Annex A duly signed by the agency head, budget and finance officers of the government entity concerned shall likewise be submitted to the DBM **not later May 31, 2021**. The certification shall reflect adjustments, i.e. obligations incurred for the period April 1 to May 15, 2021.
- 4.2 Pending receipt of agency submission of updated SAAODB as of May 15, 2021, the DBM shall generate data from the FY 2021 SAAODB as of March 31, 2021 which shall be used as basis to determine the FY 2020 unobligated allotment balances.



- 4.3 In case agencies do not submit the required reports and certification mentioned in item 4.1 hereof within the cut-off period of May 31, 2021, the DBM shall consider the March 31, 2021 SAAODB reports from its records as confirmed and this shall serve as basis for recommendation to the President of the amount of savings.
- 4.4 The DBM shall submit a consolidated report of savings to the President, based on the certification prescribed and the reports/documents submitted by the agencies and/or DBM data.
- 4.5 Within the Executive Branch, the President is authorized to declare and use savings to augment any deficient item related to measures intended to alleviate the effects of the COVID-19 pandemic, including provision for emergency subsidies to low-income households and disadvantaged or displaced workers affected by the pandemic in accordance with Section 2 of A.O 41, s. 2021
- 4.6 While vested with fiscal autonomy, the Legislative and Judicial Branches of Government, as well as similar agencies so authorized, are strongly urged to adopt and implement the herein prescribed guidelines for the Executive Branch.

5.0 **SEPARABILITY**

If any part or provision of this Circular is held invalid or unconstitutional, other provisions not affected thereby shall remain in force and effect.

6.0 **REPEALING CLAUSE**


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

7.0 **SAVING CLAUSE**

Cases not covered in this Circular shall be referred to the DBM for resolution.

8.0 **EFFECTIVITY**

This Circular shall take effect immediately.


WENDEL E. AVISADO
Secretary



Annex A
(For CO use only)

CERTIFICATION

Relative to the DBM-NBC No. 586 dated 21 May 2021, guidelines for the identification of Agency savings under the FY 2020 GAA (RA No. 11465) for the purposes of augmentation of funds to the continuing COVID-19 Pandemic, and in order to generate adequate and readily available funds to respond to this national health emergency for reasons of fiscal prudence, the **Name of OBSU** hereby certifies that the amount of **(amount in figures and words)** from the total budget/released allotment of **name of P/A/P** for FY 2020 General Appropriations Act with the following fund source/s is no longer available for obligation, and thus made available.

It is understood that a Revised Annual Work and Financial Plan shall be submitted to effect the changes as a result to the discontinued/postponed activities.

Done this ___day of ____2021 at DSWD-Central Office, Quezon City.

Certified by:

Designated Budget Officer

Noted by:

Head of OBSU

Annex B
(For FO use only)

CERTIFICATION

Relative to the DBM-NBC No. 586 dated 21 May 2021, guidelines for the identification of Agency savings under the FY 2020 GAA (RA No. 11465) for the purposes of augmentation of funds to the continuing COVID-19 Pandemic, and in order to generate adequate and readily available funds to respond to this national health emergency for reasons of fiscal prudence, the **Field Office X** hereby certifies that the amount of **(amount in figures and words)** from the total budget/released allotment of **name of P/A/P** for FY 2020 General Appropriations Act with the following fund source/s is no longer available for obligation, and thus made available.

P/A/P	Total Amount
Total	

It is understood that a Revised Annual Work and Financial Plan shall be submitted to effect the changes as a result to the discontinued/postponed activities.

Done this ___ day of ____ 2021 at DSWD-Central Office, Quezon City.

Certified by:

Regional Budget Officer

Noted by:

Regional Director