

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. 2: GUIDELINES ON THE RELEASE OF FUNDS FOR FY 2021**

DATE : **19 JANUARY 2021**

President Rodrigo Roa Duterte signed and approved the Fiscal Year (FY) 2021 General Appropriations Act (GAA) on December 28, 2020 under RA No.11518 which included his Veto Message on specific items and provisions to the said GAA. This is to ensure the judicious implementation of the FY 2021 budget which is crafted to help the country reset, rebound, and recover from the COVID-19 pandemic.

Consequently, the Department of Budget and Management (DBM) has released the **Guidelines on the Release of Funds for Fiscal Year (FY) 2021 through the issuance of National Budget Circular (NBC) No. 583 dated January 04, 2021.**

NBC 583 on the release of funds and use of funds under the 2021 General Appropriations Act (GAA), sets forth the following:

Section 3.0 General Guidelines:

- 3.1 *The FY 2021 GAA takes effect on January 1, 2021 as provided under Section 1, General Provisions (GP) of said law.*

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- 3.3 *Consistent with Section 62, GPs of the FY 2020 GAA and FY President's Veto Message, all appropriations authorized under the FY 2021 GAA, including budgetary support to GOCCs and SPFs, shall be **available for release and disbursement for the purpose specified**, and under the same General and Special Provisions of said GAA applicable thereto **until December 31, 2021.***

- 3.4 *Amounts appropriated under the FY 2021 GAA as **financial assistance to LGUs** released during the fiscal year to be deposited in a trust fund shall be **available for obligation and disbursement until December 31, 2022***

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- 3.6 *With the approved extension of RA Nos. 11465 and 11494, the following end-period validity of appropriations shall be observed:*

3.6.1 June 30, 2021 – for release, obligation and disbursement of items appropriated under RA No.11494 (the Bayanihan to Recover as One Act or Bayanihan II), as extended pursuant to **RA No.11519**.

3.6.2 December 31, 2021 – for release, obligation and disbursement of items i.e., PS, MOOE and CO, under RA No.11465 (FY 2020 GAA), as extended pursuant to **RA No.11520**.

3.7 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. 292 and shall not be available for expenditure except by subsequent legislative enactment.

In view of this, please be guided by the following rules on the use of funds under the 2021 GAA and other funds:

I. Obligations:

1. The FY 2021 has the following fund sources with the corresponding **period of validity** prescribed under NBC 583:
 - a. RA 11518, FY 2021 GAA - all transactions for FY 2021 must be obligated **on or before December 31, 2021**.
 - b. RA 11519 – An Act Extending the Availability of Appropriations under RA 11494 or the Bayanihan to Recover as One Act – all transactions for Bayanihan II must be obligated **on or before June 30, 2021**
 - c. RA 11520 - - An Act Extending the Availability of the FY 2020 Appropriations – all transactions for FY 2021 must be obligated **on or before December 31, 2021**
2. **Submission of Obligation Requests and Status (ORS):**
 - i. Requirements Common to all Fund Sources
 - i. The **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).
 - ii. Bayanihan II transactions charged against RA 11519
 - a. To ensure full utilization and disbursement of funds consistent with Section II.1.a hereof, the **period to submit ORS is on or before June 21, 2021**.
 - iii. RA 11520 (FY 2020 Continuing Appropriations)
 - a. All Bayanihan I and II transactions that may be charged hereto must be disbursed within the period of disbursement prescribed under RA 11519. The **period to submit ORS is on or before June 21, 2021**.

- b. All other transactions must be obligated **on or before June 30, 2021** to ensure maximum utilization of funds and disbursed within the period prescribed in Subsection II.1.b hereof.
 - c. **Frontloading of Continuing Funds** is also advised for all obligations to be incurred in the 1st semester of FY 2021 as contained in the Work and Financial Plan of FY 2021 (both Current and Continuing Appropriation)
- iv. RA 11518 (FY 2021 GAA)
- a. All Capital Outlay must be obligated not later than July 31, 2021
 - b. All other claims for the month must be submitted to the FMS **on or before the 10th day of the following month except for the month of December 2021.**
 - c. For **December 2021**, all other claims, including anticipated claims, except for compensation-related ORS must be submitted **on or before December 17, 2021:**
 1. Signed ORS for actual claims from 1st and 2nd week of December.
 - d. The FMS reserves the right to deny acceptance of submission of claims after the period stated herein.

II. Disbursements

1. The NBC No.583 indicated the **end-period validity** of appropriations as follows:
 - i. **June 30, 2021** – for release, obligation and disbursement of items appropriated under RA No.11494 (the Bayanihan to Recover as One Act or Bayanihan II), as extended pursuant to **RA No.11519.**
 - ii. **December 31, 2021** – for release, obligation and disbursement of items i.e., PS, MOOE and CO, under RA No.11465 (FY 2020 GAA), as extended pursuant to **RA No.11520.**
 - iii. **December 31, 2021** - for release, obligation and disbursement of items i.e., PS, MOOE and CO under **RA No.11518**
2. **Financial Assistance to LGUs** released during the fiscal year shall be available for disbursement for the purpose specified **until December 31, 2022.**
3. **Submission of Disbursement Vouchers (DV):**
 - i. Bayanihan II transactions charged against RA 11519 –**The period to submit DV is on or before June 25, 2021.**
 - ii. RA 11520 (FY 2020 Continuing Appropriations)
 - a. All Bayanihan I and II transactions charged hereto must be disbursed within the period of disbursement prescribed under RA 11519. **The period to submit DV is on or before June 25, 2021.**

- b. All other DVs must be submitted **on or before November 30, 2021.**

- iii. RA 11518 (FY 2021 GAA)
 - a. All other claims for the month must be submitted to the FMS **on or before the 10th day of the following month except for the month of December 2021.**
 - b. For **December 2021**, all other claims, including anticipated claims, except for compensation-related DV must be submitted **on or before December 17, 2021.**

III. Budget Execution Requests

FM Guideline No. 31 dated November 23, 2020 on the release of Sub-Allotment Release Order (Sub-ARO), Reallocation and Withdrawal of Funds for FY 2021, is hereby amended as follows:

1. Comprehensive Release of Sub-ARO

All Offices, Bureaus and Services in the Central Office must submit to Finance and Management Service – Budget Division on or before January 29, 2021 the following:

- a. Final annual regional allocation with object of expenditures based on the Cluster Head FY 2021 Annual Work and Financial Plan
- b. Approved Cluster Head Annual Work and Financial Plan
- c. Monthly Schedule of downloading of Cash

Said final annual regional allocation will be the basis of the FMS-BD the issuance of the Sub-ARO to Field Offices until February 5, 2021.

2. Modification, Reallocation and Withdrawal of Sub-ARO

Particulars	Date
Modification/Reallocation/Withdrawal of Funds - One time Request per PAP	July to August 2021

3. For Sub-ARO, modification, reallocation of funds charged against RA 11519 and 11520 will be subject to issuance of separate guidelines.

Further, please be reminded that **payment of funded ORS in FY 2020** for Maintenance and Other Operating Expenses (MOOE) as well as other Capital Outlays (CO) **shall be made as follows:**

- RA 11464, FY 2019 GAA, as amended (FY 2019 Continuing Appropriation) – **June 25, 2021**
- RA 11465, FY 2020 GAA – **November 30, 2021**

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

Name	Position	Telephone Number/s
• Ms. Meriel P. Castillo	Chief, Budget Division	Direct line: 951-7118



Name	Position	Telephone Number/s
	for Regular Programs	Trunk line: 931-8101-07 local 224/225 VOIP: 88570
• Ms. Jubie Leah Mae S. Coles	Chief, Accounting Division for Regular Programs	Direct line: 951-7110 Trunk line: 931-8101-07 local 222/223
• Ms. Odessa M. Traje	Chief, Budget Division for Special Programs	Direct line: 931-8149 Trunk line: 931-8101-07 local 216 VOIP: 88571
• Ms. Janine Cosino	Chief, Accounting Division for Regular Programs	Direct line: 931-8336 Trunk line: 931-8101-07 local 413

For your guidance and strict compliance.

JOSE ERNESTO B. GAVIOLA