

DRN: FMS-RIPAD-A-COMM-21-02-14978-0

MEMORANDUM

FOR : ALL HEADS OF OFFICES BUREAUS SERVICES
Central and Field Offices

FROM : THE UNDERSECRETARY

SUBJECT : FINANCIAL MANAGEMENT GUIDELINES (FMG) NO. 6, SERIES OF 2021: DEADLINE OF PAYMENT FOR ALL OBLIGATIONS CHARGED AGAINST THE GENERAL APPROPRIATIONS ACT FOR FISCAL YEAR 2020 (RA 11465) AS AMENDED BY RA 11520

DATE : 1 FEBRUARY 2021

This pertains to the **deadline of payment** for all obligations charged against the **Fiscal Year 2020 General Appropriations Act (GAA)** as amended by Republic Act (RA) No. 11520 (attached).

On this, please be reminded that FY 2020 GAA Appropriations are valid only until December 31, 2021. All obligations charged thereof for both Capital Outlay (CO) and Maintenance and Other Operating Expenses (MOOE) must be **completed/delivered, inspected and paid** not later than **31 December 2021**.

In addition, it is understood that all **Obligation Request and Status dated in 2021 charged against the FY 2020 GAA**, must also be paid not later than 31 December 2021.

The same EPP also applies to:

1. All DSWD (Source Agency) fund transfers to implementing agencies (such as other government agencies and local government units) and cash advances to Special Disbursing Officers involving FY 2020 appropriations under RA 11465. Thus, all unspent balances as of the end of FY 2021 must be immediately refunded by the implementing agencies to DSWD.
2. All DSWD (Implementing Agency) trust receipts charged against the source agency's appropriations under RA No. 11465. Thus, all unspent balances as of the end of FY 2021 must be immediately refunded by the DSWD to the source agencies.

On this, all related **Disbursement Vouchers must be submitted to the FMS/D for processing of payments not later than November 30, 2021**.

For your guidance and reference.


JOSE ERNESTO B. GAVIOLA

WCB/JSC/222

H. No. 6656

Republic of the Philippines
Congress of the Philippines
Metro Manila,
Eighteenth Congress
Second Regular Session

Begun and held in Metro Manila, on Monday, the twenty-seventh
day of July, two thousand twenty.

[REPUBLIC ACT NO. **11520**]

AN ACT EXTENDING THE AVAILABILITY OF THE
2020 APPROPRIATIONS TO DECEMBER 31, 2021,
AMENDING FOR THE PURPOSE SECTION 60 OF
THE GENERAL PROVISIONS OF REPUBLIC ACT
NO. 11465 OR THE GENERAL APPROPRIATIONS ACT
OF FISCAL YEAR 2020

*Be it enacted by the Senate and House of Representatives of the
Philippines in Congress assembled:*

SECTION 1. Section 60 of the 2020 General Appropriations
Act or Republic Act No. 11465 is hereby amended to read as
follows:

"SEC. 60. Cash Budgeting System. All appropriations authorized in this Act, including budgetary support to GOCCs, shall be available for release and disbursement for the purpose specified, and under the same general and special provisions applicable thereto, until December 31, 2021. While the amount appropriated herein as financial assistance to LGUs released during the fiscal year shall be available for disbursement for the purpose specified until December 31, 2021. On the other hand, appropriations for the statutory shares of LGUs shall be available for obligations and disbursement until fully expended.

After the end of validity period, all unreleased appropriations shall lapse, while unexpended or undistributed 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 thereafter be available for expenditure except by subsequent legislative enactment. Departments, bureaus, and offices of the National Government, including constitutional offices enjoying fiscal autonomy, SUCs and GOCCs, shall strictly observe the validity of appropriations and the reversion of funds.

The balances of fund transfers between agencies, instrumentalities and government-owned or -controlled corporations which, while obligated, remain unused, unutilized, unexpended, and undistributed as of December 31, 2021 shall revert to the unappropriated surplus of the General Fund.

Agency outsourcing requests or agreements by agencies, instrumentalities and/or government-owned or -controlled corporations with the Philippine

International Trading Corporation shall not be allowed. Any balances of fund transfers in the books of the Philippine International Trading Corporation shall revert to the unappropriated surplus of the General Fund upon the effectivity of this Act.

For FY 2020, the appropriations for infrastructure capital outlays, including those subsidy releases to GOCCs for infrastructure projects, shall be valid for obligation until December 31, 2021, while the completion of construction, inspection, and payment shall be made not later than December 31, 2021. On the other hand, appropriations for MOOE and other capital outlays item shall likewise be valid for obligation until December 31, 2021, while the delivery, inspection and payment shall be made not later than December 31, 2021.

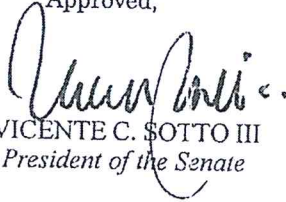
The DBM is authorized to issue the necessary guidelines for the effective implementation of the cash budgeting system.

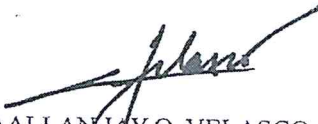
A report on these releases, obligations and disbursements shall be submitted to the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document."

SEC. 2. *Repealing Clause.* — All laws, presidential decrees, executive orders, rules and regulations contrary to or inconsistent with provisions of this Act are hereby repealed or modified accordingly.

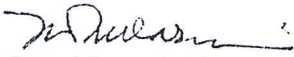
SEC. 3. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

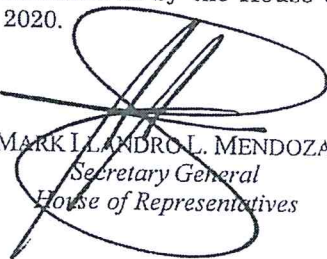
Approved,


VICENTE C. SOTTO III
President of the Senate

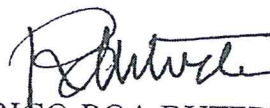

LORD ALLAN JAY Q. VELASCO
Speaker of the House of Representatives

This Act which originated in the House of Representatives was passed by the House of Representatives on December 14, 2020, amended by the Senate of the Philippines on December 15, 2020, and which amendments were concurred in by the House of Representatives on December 16, 2020.


MYRA MARIE D. VILLARICA
Secretary of the Senate

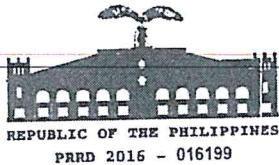

MARK L. ANDRO L. MENDOZA
Secretary General House of Representatives


Approved: DEC 29 2020


RODRIGO ROA DUTERTE
President of the Philippines



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ATTY. CONCEPCION ZENY E. PERROLINO-ENAD
DIRECTOR IV
Feb 15/2021