

GLOSSARY OF TERMS

Accounts Payable. Obligations/commitments of national government agencies, whether current year and prior years, for which, services have been rendered/goods have been delivered or projects have been completed and accepted.

Activity. A work process which contributes to the implementation of a program, sub-program or project.

Agency Budget Matrix (ABM). Disaggregation of the agency budget showing the needing and not needing clearance to determine the items to be issued special allotment release orders (SAROs) as well as the amount to be released comprehensively.

Agency Performance Review (APR). The process of determining the level of accomplishment of each agency in terms of physical outputs, income generated, and actual expenditures incurred in the production/delivery of goods and services to the public vis-à-vis the targets/budgets for the same period.

Allotment. Authorization issued by DBM to an agency, through Agency Budget Matrix (ABM) or Special Allotment Release Order (SARO), which allows the latter to incur obligation for specified amounts contained in a legislative appropriation.

Allotment Class. Classification of expenditures under the following categories:

1. Personal Services (100)
2. Maintenance and other Operating Expenses (200)
3. Capital Outlays (300)

Allotment Release Program (ARP). Overall ceiling of the total obligational authority which may be issued to the agencies for the year, from all fund sources.

Allocation to Local Government Units (ALGU). The share of Local Government Units (LGUs) from the internal revenue collections of the National Government (NG) based on a sharing scheme computed for each LGU provided for under the Local Government Code and other special laws.

Amortization. Principal repayments on loans, either domestic or foreign and whether on direct or assumed liabilities, made by the national government.

Appropriation. An authorization made by law or other legislative enactment, directing payment out of government funds under specified conditions or for specific purposes.

Appropriations, Automatic. An authorization made annually or for some other period prescribed by law, by virtue of standing legislation which does not require periodic action by the Congress of the Philippines.

Appropriations, Continuing. An authorization to support obligations for a specified purpose or project, even when these obligations are incurred beyond the budget year.

Appropriations, General. An authorization for incurring obligations during a specified budget year. This pertains to the annual appropriations under the General Appropriations Act.

Appropriations, Reserves. Amount set aside to provide for contingencies and emergencies which may arise later in the calendar year and which would otherwise require deficiency appropriations.

Appropriation, Supplemental. Additional appropriation authorized by law to augment the original appropriations which proved to be inadequate or insufficient for the particular purpose intended due to current economic, political or social conditions.

Assumed Liabilities. Domestic or foreign loans originally contracted or liabilities on securities issued by Government Financial Institutions (GFIs) or Government Owned or Controlled Corporations (GOCCs) which are transferred to and form part of the liabilities of NG.

Balanced Budget. Occurs when revenues collected equal cash disbursements (excluding debt repayments and payments on non-budgetary accounts) of the NG during a given year.

Balance of Payments (BOP). A system of accounts covering a particular period and is intended to record systematically: a) flows of real resources, including the services of the original factors of production, between the domestic economy of a country and the rest of the world; b) changes in the country's foreign assets and liabilities that arise from economic transactions; and, c) unrequited transfers, which are the counterpart of real resources or financial claims provided to, or received from, the rest of the world without requital.

Balance on Current Account. The sum of visible or merchandise trade balance (exports and imports services). This balance measures the net transfer of real resources between the economy of the Philippines and the rest of the world.

Bank Statement. Statement prepared by the government servicing banks showing the daily negotiated Modified Disbursement System (MDS) checks that are charged against the MDS central account and replenishments made by the Bureau of Treasury (BTr).

Borrowings. Funds obtained from repayable sources, including loans secured by the government from financial institutions and other sources internal and external, to finance

development projects and/or budget support.

Budget. An estimated schedule of expenditures, based on either obligations or cash concepts and sources of financing, either from revenues, borrowings or cash balance drawdowns.

Budget Accountability Reports (BARs). Reports on the agencies' actual financial and physical accomplishments/performance for a given period.

Budget Deficit. The shortfall of revenues from disbursements excluding debt repayments and payments on budgetary accounts.

Budget Execution Documents (BEDs). Annual documents required at the onset of the budget execution phase, which contain the agencies' targets and plans for the current year.

Budget of Expenditures and Sources of Financing. A document which reflects the annual program of estimated expenditures presented by the executive branch to the legislature for spending authority, accompanied by an estimate of expected sources of financing.

Budgetary Support. Proceeds of program loans and grants that are attributed to expenditure items previously authorized in the General Appropriations Act.

Budgetary Support to Government Corporations. The NG assistance to GOCCs in the form of equity, subsidy,

relent loan proceeds or advances for the servicing of debts guaranteed by the national government.

Build-Operate-and-Transfer. A contractual arrangement whereby the project proponent undertakes the construction, including financing of a given infrastructure thereof. It has several variances such as Build Operate and Own, Build Lease and Transfer, Build and Transfer, Build Transfer and Operate, etc.

Capital Expenditures or Capital Outlays. Refer to appropriations for the purchase of goods and services, the benefits of which extend beyond the fiscal year and which add to the assets of the Government, including investments in the capital stock of GOCCs and their subsidiaries.

Capital Inflows. Private and official inward flows of money to the country in the form of investments, grants and loans.

Capital Revenues. Proceeds from the sale of fixed or capital assets such as land, buildings, machinery, stocks and intangibles, including receipts of unrequited transfers for capital purposes from non-governmental sources.

Cash Advances. Advances granted to officers and employees which may be classified into: (a) regular cash advance – those granted to cashiers, disbursing officers, paymasters and/or property/supply officers for salaries and wages, commutable allowances,

honoraria and other similar payments and petty cash operating expenses; (b) special cash advances – those granted on the explicit authority of the agency heads to duly designated disbursing officers or employees for other legally authorized purposes.

Cash Budget. Aggregate of revenues, borrowings and disbursement of the national government showing the cash deficit. It reflects the actual deposits and withdrawals of cash by the national government agencies to the BTr.

Cash Operations Reports. A statement containing cash receipts, cash disbursement, the resulting surplus or deficit, and the corresponding domestic and foreign financing to cover such surplus or deficit.

Cash Release Program (CRP). Overall ceiling of disbursement authorities which may be issued to the agencies for a particular period.

Check Floats/Outstanding Checks. Checks issued by agencies which were not yet encashed by the payee.

Commitment Fee. A levy or charge imposed by creditors on the undrawn amount of the loan.

Commodity Grants. Donations/contributions/gifts in kind received and which are subsequently monetized. The peso proceeds are thereafter deposited with the BTr to be used or expended for projects specified in the grant documents between the donor and the NG.

Commodity Loans. Foreign loans in the form of goods received which are subsequently monetized to finance programs and projects of implementing agencies. Peso proceeds are thereafter deposited with the BTr to be used or expended for projects specified in the loan documents.

Common Fund Concept. A budgetary procedure whereby cash allocation released to agencies may be used to cover payment of obligations made during the year, chargeable against available allotment, regardless of source.

Consolidated Public Sector Deficit or Surplus. The combined deficit of the NG, the Central Bank restructuring accounts, the major non-financial government corporations, the government financial institutions, the local government units, the social security institutions, and the Bangko Sentral.

Constructive Cash. Non-cash availment of foreign loans for utilization by NG agencies and GOCCs, i.e., payment to suppliers directly made by lending institutions.

Conversion of GOCC Debts into Equity/Subsidy. A mechanism by which the government, through the BTr, converts into government equity and/or subsidy all outstanding debts of the GOCCs in the event any GOCC is unable to settle its obligations.

Cost of Qualified Borrowings. The weighted average interest paid by the World Bank or the Asian Development Bank on portions of its borrowings.

Counterpart Fund. The portion of the cost of a foreign-assisted project, which is, shouldered by the borrower as contribution to the completion of the project as stipulated in the foreign loan or grant agreement.

Current Operating Expenses. Amount budgeted for the purchase of goods and services for the conduct of normal government operations within a budget year. Includes goods and services that will be used or consumed during the budget year.

Debt Amortization. The sum of principal repayments for loans payable by regular installments, and the annual contribution to the debt sinking fund for debts payable only upon maturity.

Debt Buy-Back Operation. A debt reduction scheme which involves the repurchase of outstanding debts by the government from the secondary market at a discount using its reserves or resources from official sources.

Debt Service. The sum of loan repayments, interest payments commitment fees and other charges on foreign and domestic borrowings.

Debt-for-Assets Swap. The redemption by NG of its debt paper in exchange for an asset being disposed of by the Asset Privatization Trust (APT) with the BTr.

Deficit. Shortfall/deficiency of revenues over expenditures of the government.

Direct NG Loans/Liabilities. Loans for obligations, either domestic or foreign, directly contracted by the NG.

Disbursements. Settlement of government obligations and/or accounts payable by cash; movement of cash from the BTr or from an authorized disbursing officer to the final recipient. Disbursement is synonymous with liquidation/settlement/payment of an obligation.

Disbursement Authority. Document issued to an agency authorizing them to liquidate obligations incurred. These documents include the following:

Cash Disbursement Ceiling (CDC). An authority issued by the DBM to departments with overseas operations e.g., DFA and DOLE to utilize their income collected/retained by their foreign service posts (FSPs) to cover its operating requirements but not to exceed the released allotment to the said post.

Notice of Cash Allocation (NCA). Cash authority issued by the DBM to central, regional and provincial offices and operating units through the authorized government servicing banks of the MDS, to cover the cash requirements of the agencies.

Non-Cash Availment Authority (NCAA). Authority granted by DBM to government agencies to account for the cash equivalent of loan proceeds availed of through supplier's credit/constructive cash.

Tax Remittance Advice (TRA). Document which agencies issue/file with the BIR to report and record remittances (constructive payment) of all taxes withheld from transactions. This serves as basis for BIR and BTr to record as income, the tax collection and deposit in their books of accounts.

Dividends. GOCC declaration and remittance of their annual net earnings as cash, stock or property dividends to the NG, at a rate prescribed by law.

E**quity.** National government investment in the authorized capital stock of government-owned or controlled corporations.

Excise Tax. Tax, either specific and/or ad valorem, imposed on selected articles manufactured or produced in the country for domestic sale or consumption or for any other disposition, and on selected imports.

Existing Revenue Measures. Collections from present revenue structure under the National Internal Revenue Code and Tariff Customs Code and non-tax sources (i.e., fees and charges and other receipts).

Expenditure Program. The ceiling on the obligations that could be incurred by the government in a given budget year. The said ceiling is supported by estimated financial resources.

Exports. These are data on export shipments which essentially include all

goods leaving the country that are properly cleared through the BOC.

Export Taxes. Ad valorem levies on goods that are shipped out of the territorial jurisdiction of the Philippines.

Extraordinary Income. Collections derived from the repayment of loans and advances made by the government as well as from other non-recurring sources.

Extraordinary Receipts. Income which does not regularly accrue to the government, the collection for which is indefinite or does not depend entirely on the authority of the government.

F**ees, Charges and Assessment.** Amounts collected by government agencies for administrative and regulatory purposes (such as passport fees, driver's licenses, court fees, building permit fees, assessment fees etc.) as well as payments exacted in exchange for goods and services.

Fiduciary Fund. A government fund where monies which have come into the possession of the government officer as trustee, agency or administrator, or which have been received as a guarantee for the fulfillment of some obligations are recorded and kept. Only the interest earnings of the fund principal, which is deposited in an authorized government depository bank, are utilized.

Financial Restructuring. A mechanism to improve the GOCC's financial

condition through assumption by NG of the former's non-performing assets.

Financing. The means by which a government provides financial resources to cover a budget deficit or allocates financial resources arising from a budget surplus.

Financing Requirement. The portion of current and capital expenditures, plus lending minus repayments in the case of government and distributions of equity income to shareholders in the case of enterprises, that is not covered by the revenues and transfers received and must consequently be met through changes in liabilities and in claims on others, held for liquidity purposes in the case of government. It is equivalent to an overall deficit/surplus but carries the opposite sign.

Fiscal Policy. The part of government policy which is concerned with raising of resources through taxation and borrowing and deciding on the level and pattern of expenditures.

Foreign Assisted Projects. Government projects which are wholly or partly financed by foreign loans and/or foreign grants.

Foreign-Assisted Projects Support Fund. A lump-sum budget provision for the expenditure requirements of foreign-assisted projects.

Forward Estimates (FEs). Projections or estimation of the future costs of existing policies. It also serves as the validation instrument of determining the

reasonableness of agency proposals on existing programs/projects/activities.

Forward Obligational Authority. Certificate of commitment or authority issued by the DBM to a NG agency certifying that funds shall be made available to cover the total project cost. This will serve as an assurance that the loan proceeds and the peso counterpart contribution are included in the long term capital program of the NG.

Franchise Taxes. Taxes imposed on the special privilege or right conferred by the state on an individual or corporation, through legislation, to exercise certain powers and privileges such as the operation of public utilities.

General Administration and Support. Consist of activities and expenditure dealing with the provision of overall administrative management and operational support to the entire agency operations.

General Fund. Fund which is available for any purpose to which the legislative body may choose to apply, and is composed of all receipts or revenues which are not otherwise accruing to other funds.

Government-Owned or Controlled Corporation. A stock or a non-stock corporation, whether performing government or proprietary functions, which is directly chartered by special law or, if organized under the general corporation law, is owned or controlled by the government directly or indirectly,

through a parent corporation, to the extent of at least a majority of its outstanding capital stock of the outstanding voting capital stock.

Government Securities. Evidences of indebtedness of the Republic of the Philippines or its instrumentalities, government-owned and/or controlled corporations, or the Central Bank and must be freely negotiable and regularly serviced.

Government Servicing Banks. Financial institutions authorized, upon accreditation by the Monetary Board, to accept government deposits and perform banking services on behalf of government agencies. Presently, only three government financial institutions have been designated to be servicing banks of the MDS, namely: Land Bank of the Philippines, Development Bank of the Philippines, and Philippine Veterans Bank.

Grace Period. Period commencing from the time a loan agreement becomes effective to the time when the initial principal repayment becomes due.

Grants. All non-repayable transfer received from other levels of government, or from private individuals, or institutions including reparations and gifts given for particular projects or programs, or for general budget support.

Gross Domestic Product. Measures total output within the geographic boundaries of the country, regardless of the nationality of the entities producing the output.

Gross National Product. A measure of the market value of the output of final goods and services produced by a national economy during a specific period of time, usually a year.

Guaranteed Obligations. Debt obligations for which a juridical entity assumes secondary liability as guarantor. If the primary obligor fails to pay, the guarantor becomes liable for the amount due.

Imports. These are data on import arrivals which essentially include all goods entering any of the seaports or airports of entry of the Philippines properly cleared through customs or remaining under customs control.

Import Duties and Taxes. Taxes and levies, generally in ad valorem form, imposed on goods that enter the country, for the purpose of protecting locally manufactured goods of similar nature, or for the purpose of generating revenues under the Tariff and Custom Code. Includes specific taxes on imported goods, advance sales tax and compensating tax on imported goods.

Income from Public Enterprises and Investments. Receipts paid to the government from all properties and investments income such as dividends, interest, rent and royalties.

Indirect Tax. Tax levied on the sale of, use of or expenditure on goods and services, such as excise tax, sales tax, VAT, import duties, export tax,

documentary and stamp taxes, forest charges, and others.

Internal Revenue Allotment. The account created under PD 144, as amended, representing the portion of total national government revenues which accrue to the local governments. Includes the local government share in the specific tax on oil products authorized by PD 436, as amended. This share has been revised under the Local Government Code of 1991 and is now termed as internal revenue allotment.

Interest. Charges imposed as a consequence in the use of money. It is deemed synonymous with discount when applied to government securities.

Itemized Positions. Approved positions in the regular personnel plantilla of all agencies of the national government.

Loan Availments/Proceeds.

Amount drawn, in cash or in kind, against existing or new loan commitments.

Locally-Funded Projects. Projects financed out of revenue collections and domestic borrowings.

London Interbank Offered Rate (LIBOR). This is the rate offered to prime borrowers in the internal capital market based in London, which serves as the basis for most foreign interest rate quotations.

Maintenance and Other Operating Expenses (MOOE). Refer to expenditures to support the operations of government agencies such as expenses for supplies and materials; transportation and travel; utilities (water, power, etc.) and the repairs, etc.

Major Final Outputs (MFOs). Goods and services that a department or agency are mandated to deliver to external clients through the implementation of programs, activities and projects.

Medium Term Expenditure Framework (MTEF). A planning-budgeting framework of the government which provides a medium term three-year perspective to decision making process during budget preparation.

Miscellaneous Income. Non-tax revenues not elsewhere classified such as proceeds from the sale of goods or confiscated merchandise, inventory adjustments, and waste materials.

Modified Disbursement Scheme (MDS). A procedure whereby disbursements by NG agencies chargeable against the account of the Treasurer of the Philippines are effected through GSBs.

Monetary Policy. The part of economic policy which regulates the level of money or liquidity in the economy to achieve desired policy objectives, such as inflation control, improvement of the BOP or growth of the economy.

Monthly Cash Program (MCP). The estimated monthly disbursement requirements of the operating units (OUs) of departments/agencies.

Multi-Year Obligational Authority - (MYOA). An authority issued by the DBM to enable an agency to enter into a multi-year contract whether for locally funded projects (LFPs) or foreign assisted projects. (FAPs).

Negotiated Checks. MDS checks already paid/encashed by government servicing banks.

Net Income (Loss). The difference between revenues and expenses, reflecting the results of operations of corporations for a given period. A positive balance indicates a net income while a negative balance, a net loss.

Net Lending. Advances by the national government for the servicing of government guaranteed corporate debt during the year, net of repayments on such advances. Includes loans outlays or proceeds from program loans relented to government corporations.

Non-Budgetary Accounts. Trust liabilities, securities unloaded or purchased, sinking fund, and other accounts not included in the NG budget.

Non-Cash Availment Authority. Authority granted by DBM to government agency to account for the cash equivalent of loan proceeds availed

of through supplier's credit/constructive cash.

Non-Fiscal Transaction. Items that represent expenditures that are non-fiscal in character but have been carried in the expenditure program of the national government over the last four years. These include debt payments on assumed liabilities, interest payment on CB open market support transactions, the debt reduction program, and the subsidy for the Oil Price Stabilization Fund.

Non-NCA Expenditures. Budgetary accounts which are paid without requiring the issuance of notices of cash allocation during the budget year in consideration.

Non-Tax Revenues. Revenues collected from sources other than compulsory tax levies. Includes those collected in exchange for direct services rendered by government agencies to the public, or those arising from the government's regulatory and investment activities.

Notice of Cash Allocation. Cash authority issued quarterly by the DBM to central, regional and provincial offices and operating units to cover the cash requirements of the agencies.

Obligations. Liabilities legally incurred and committed to be paid for by the government either immediately or in the future.

Obligation Budget. Programmed amount out of total appropriations to

enable the national government to contract delivery of goods and services in a given fiscal period.

Off-Budget Items. Any expenditure item which is not part of the National Expenditure Program. Principal repayments are considered off-budget items.

Open Market Operations. The most important instrument of a central bank or monetary authority for controlling the supply of money and credit in the economy through the purchase or sale of government securities in the open market.

Open Market Support. The assistance provided by the national government to the Central Bank through the flotation of national government debt instruments, the proceeds of which are deposited with the Central Bank. The timing and magnitude of the flotation's are used to control the liquidity of the financial system.

Operating and Service Income. Non-tax revenues generated in the exercise of the administrative and regulatory functions by the national government. Includes hospital income, tuition fees of government schools and admission fees to government museums and parks. Also includes revenues realized by government agencies from their business undertakings called for by the nature of their functions, and those income generated by social security agencies in the form of premiums earned from life and non-life insurance.

Operating Expenditures. Costs incurred by Government in the exercise of its administrative, regulatory, or service functions.

Operating Program. The portion of the expenditure program for a given fiscal year used for the delivery of goods and services. This includes Personal Services (PS), Maintenance and Other Operating Expenses (MOOE), and Capital Outlays (CO).

Operating Revenues. Receipts from the conduct of regular business operations.

Operations. Consist of programs and corresponding expenditures which relate to the main purpose for which an agency has been created. Involves direct production of goods or delivery of services or direct engagement in regulations.

Organizational Performance Indicator Framework (OPIF). An approach to expenditure management that directs resources towards results or major final outputs and measures agency performance by key quality and quantity indicators.

OPIF Logical Framework. A planning tool which provides a graphical presentation of the linkage among societal and sectoral goals, organizational outcomes, major final outputs, and the programs, activities, and projects undertaken to produce or deliver goods and services.

Outstanding Checks / Check Floats. Checks issued by agencies (in the current or previous year) which are not yet presented by the payee to the bank for payment.

Outstanding Debt. Unpaid Obligations

Paid-in Capital. The amount paid for the subscription of capital stock.

Paris Club. The major forum within which debtor countries negotiate the restructuring of debts owed to foreign government or their export agencies including the U.S., Great Britain, Japan, and European countries.

Performance Indicator. A predetermined measure of the results of an activity against a standard of performance required to achieve a set of policy objectives within a given period.

Performance Target. A predetermined level of quantity, quality, timeliness and cost of outputs.

Personal Services. Provisions for the payment of salaries, wages and other compensation (e.g., merit, salary increase, cost-of-living-allowances, honoraria and commutable allowances) of permanent, temporary, contractual, and casual employees of the government.

Peso-Denominated Transactions. Involves cash obligations and receipts expressed in the local currency.

Philippine Inter Bank Offered Rate (PHIBOR). An interest rate reference that is expected to replace the Treasury Bill yield as the basis for the lending and pricing commercial papers.

Principal Payment. The sum of the first component of debt amortization, i.e., principal repayments for loans payable in regular installments and actual releases out of the sinking fund for the eventual payment of debt. These are the cash outlays from the BTr in payment of principal amounts of foreign and domestic borrowings.

Program. A homogeneous group of activities necessary for the performance of a major purpose for which a government agency is established, for the basic maintenance of the agency's administrative operations or for the provisions of staff support to the agency's administrative operations or for the provisions of staff support to the agency's line functions.

Programmed Appropriation. Total appropriations available for release during the year.

Program Loan. A multi-purpose foreign loan not used to finance a specific project but is conditioned on basic changes in economic, monetary or fiscal policies, among others.

Program/Project Assessment. A review of accomplishments against target objectives.

Project Cost. The total amount necessary to implement and complete a project over a given period of time.

Project Loan. A foreign loan obtained to finance a specific project.

Projection. Data which approximates future event, derived from statistics/econometric tool.

Projects. Special agency undertakings which are to be carried out within a definite time frame and which are intended to result some pre-determined measure of goods and services.

Property Taxes or Taxes on Property. Taxes on the ownership of wealth or immovable properties levied at a regular intervals and on transfer of real or personal properties.

Public Debt. Includes the total indebtedness of the National Government, local government and government corporations or financial institutions from industries, corporations or financial institutions, whether private or government, foreign or domestic, which are fully supported and guaranteed by NG.

Public Sector Borrowing Requirement (PSBR). The deficit of the national government and the 14 monitored government corporations less the budgetary assistance to the monitored corporations in the form of equity contributions and net lending. This is one of the performance criteria being monitored by the International Monetary Fund.

R**ceipts.** The sum of revenues and gross borrowings for a given period.

Receipts Automatically Appropriated. Receipts from grants, donations, insurance proceeds, and other sources which by law may be immediately used by the agency without undergoing the usual legislative process.

Relent Loans. Loans directly contracted by the NG, the proceeds of which are relent to GOCCs, GFIs, LGUs, or the private sector.

Resources. In budgeting, a term frequently used to refer to revenues, gross borrowings, and free or unencumbered cash balances.

Retirement and Life Insurance Premiums. The share of the national government in the premium payments to Government Service Insurance System (GSIS), for the life insurance and retirement benefit fund of government employees.

Revenue. A cash inflow which does not increase the liability of the government.

Revenue Program. Target collection by tax and non-tax accounts of collecting agencies.

S**alary Standardization Scheme.** Application of the principle of “equal pay for substantially equal work” which effectively abolished existing pay

differentials among government agencies and standardize compensation of all comparable positions.

Selective Taxes on Services. Taxes imposed on persons and entities engage in providing services to the customers such as miller's tax imposed on proprietors or operators of rope factories, coconut oil mills and desiccated coconut factories; the contractor's tax imposed on contractors, proprietors of dockyards, general construction and the like; the percentage tax on hotels, motels, restaurants, caterer's and others; percentage tax on common carriers whether by air, land or water services and keepers of garages; taxes on stock, real state commercial, customs and immigration brokers or cinematographic film owners, lessors or distributors; and taxes on dealers of securities and lending investors. Also includes taxes imposed on gross receipts by all banks and financial institutions; taxes imposed on premiums received by insurance companies; and amusement taxes.

Simplified Fund Release System (SFRS). A standardized system of releasing allotments based on a predetermined categorization or disaggregation of agency budgets. Under this system, the category of the expenditure item determines the timing and the magnitude of the release of agency allotments. Releases, in turn, are made in accordance with a prioritization scheme consistent with government's overall development policy.

Sinking Fund. A fund that is established for the purpose of repaying a debt with a lumpy maturity schedule. Payment to a sinking fund are generally vested in safe securities until the debt

reaches maturity. By this time, the cumulative payments to the sinking fund and its interest earnings should match the amount of principal to be paid.

Special Accounts in the General Fund (SAGF). A fund whereby proceeds of specific revenue measures and grants earmarked by law for specific priority projects are recorded.

Special Allotment Release Order (SARO). A specific authority issued to identified agencies to incur obligations not exceeding a given amount during a specified period for the purpose indicated. It shall cover expenditures the release of which is subject to compliance with specific laws or regulations, or is subject to separate approval or clearance by competent authority.

Special Drawing Rights (SDR). Unconditional reserve assets that are created by the International Monetary Fund to supplement existing reserve assets SDRs represent asset that have no corresponding liability.

Subsidy. A grant or financial aid, usually by a government body, to some other persons or institution for general purposes. When applied to GOCCs, it may also refer to amounts used to cover operational expenses not supported by corporate revenues or to cover corporate deficits and losses.

Support to Operations. Consists of programs and corresponding expenditures which provide staff, technical and/or substantial support to operations, but do not produce goods or

deliver services or directly engage in regulation.

Surplus. Excess of revenues over expenditures.

Target. Goal or specific objective of a program.

Taxes on Income and Profits. Taxes imposed on all taxable income earned or received by a taxpayer, whether individual, partnership, or corporation, during a particular period of time, usually lasting one year.

Tax on Property. Tax imposed on the ownership of wealth or immovable properties and on the transfer of real or personal properties, both tangible and intangible.

Taxes on the Use of Goods or Property or Permission to Perform Activities. Taxes paid for the privilege of engaging in business or pursuing an occupation, calling, or profession. Includes franchise taxes, fixed annual business taxes, fixed taxes payable by manufacturers, producers or importers engaged in business subject to percentage taxes, and miscellaneous fixed taxes payable by brewers, distillers of spirits, manufacturers, importers, and exporters of cigars and cigarettes.

Tax Expenditure Subsidy. Subsidy given to national government agencies, government corporations and local government units in lieu of payment of taxes and custom duties.

Tax Revenues. Compulsory charges or levies imposed by government on goods, services, transactions, individuals, entities, and others, arising from the sovereign power of state.

Tax on Domestic Goods and Services. Tax levied on the domestic production, sale or transfer, leasing, use or delivery of goods, and rendering of services.

Tax on Income and Profits. Tax imposed on all taxable income earned/received by a taxpayer whether an individual, partnership, or corporation during a particular period of time, usually one year.

T.O.P. Special Accounts. Deposit of the Treasurer of the Philippines (T.O.P.) with Authorized Government Depository Banks (AGDBs) accruing from proceeds of foreign loans or grants earmarked for special projects.

Trade Balance. The difference between the values of export shipments and import arrivals. There is a trade surplus if export shipments exceeded import arrivals and a trade deficit if the latter exceeded the former.

Transfer Taxes. Taxes imposed on property transfers through sale, donation or inheritance.

Treasury Bills. Short-term debt instruments issued by the NG.

Treasury Bonds/Notes. Certificates of indebtedness issued by the National Government, the maturity of which extends beyond one year.

Trust Fund. Fund which accounts for the receipts by any agency of government or by a public officer acting as trustee, agent, or administrator for the fulfillment of some obligations.

Trust Liabilities. An accounts used to record collections, income, or receipts of agencies held in trust or guarantee for another agency and for a specific purpose.

Unprogrammed Appropriations.

Appropriations which provide standby authority to incur additional agency obligations for priority programs or projects when revenue collections exceed targets, and when additional foreign funds are generated.

Withdrawal Authorization. A written application to withdraw from a loan/grant, accomplished by a

borrower/grantee and duly authorized by a lender/donor.

Working Fund. An advanced fund or seed money from loan/grant proceeds established to accelerate disbursements of funds and ensure efficient projects implementation.

Zero-Based Budgeting (ZBB).

A budgeting approach which involves a review/evaluation of major on-going programs and projects implemented by different departments/agencies, in order to : (a) establish the continued relevance of program objectives given the current developments/directions; (b) assess whether the program objectives/outcomes are being achieved; (c) ascertain alternative or more effective and efficient ways of achieving the objectives, and ultimately; (d) guide decision makers on whether the resources for the program/project should continue at its present level, or be increased, reduced or discontinued.