

Glossary of Terms

GLOSSARY OF TERMS

Accounts Payable (AP) or Due and Demandable Obligations. Valid and legal obligations of National Government Agencies (NGAs)/Government-Owned or -Controlled Corporations (GOCCs) for which goods/services/projects have been delivered/rendered/completed and accepted regardless of the year when these obligations were incurred.

1. **Prior Years' Accounts Payable.** Obligations for which goods/services/projects have been delivered/completed and accepted but remained unpaid as of the end of the preceding year.
2. **Current Year's Accounts Payable.** Obligations for which goods/services/projects have been delivered/completed and accepted during the current year but remain unpaid during the current year.

Action Document Releasing System (ADRS). A web-based application that facilitates the release of approved Department of Budget and Management (DBM) action documents in digital format directly to authorized users of recipient agencies. This will eliminate the unnecessary steps of printing, physically signing, routing and releasing the printed action documents to Agency Liaison Officers.

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

Advice to Debit Account (ADA). Accountable disbursement document issued by the government entity which authorizes the government servicing banks to debit a specified amount from the available balance under the agency's Modified Disbursement System (MDS) sub-account for payment of creditors/payees as indicated in the agency-prepared list of due and demandable accounts payable.

List of Due and Demandable Accounts Payable with Advice to Debit Account (LDDAP-ADA). An accountable form integrating the ADA with the LDDAP which

is a list reflecting the names of creditors/payees to be paid by the NGA/Operating Units (OUs) and the corresponding amounts of their unpaid claims, duly certified and approved by the heads of the accounting unit and the agency, or authorized officials.

Agency Performance Review (APR). The process to determine the level of performance of each agency in terms of physical outcome and outputs, as well as actual expenditures incurred, including actual revenues, as applicable, in the production/delivery of goods and services to the public, vis-à-vis the targets/budgets for the same period.

Allotment. The share of appropriations which serves as a government entity's limit and basis for committing/incurred obligations, in accordance with the purpose, documentation requirements, and within the period of time as specified in any of the budget authorization documents.

Allotment Class. The classification of expenditures under an item of appropriation with the following categories: Personnel Services (PS), Maintenance and Other Operating Expenses (MOOE), Financial Expenses (FinEx), and Capital Outlays (CO).

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.

Allocations to Local Government Units (ALGU). A Special Purpose Fund (SPF) corresponding to legally mandated allocations for Local Government Units (LGUs), whether appropriated in the annual General Appropriations Act (GAA) or automatic appropriations.

1. **Authorized in the GAA:**

- a. Metropolitan Manila Development Authority (MMDA);
- b. Special Shares of LGUs in the Proceeds of National Taxes, which include the following:

- (i) Share in Tobacco Excise Taxes;
 - (ii) Share in the Utilization and Development of National Wealth;
 - (iii) Share in the Gross Income Taxes paid by all Businesses and Enterprises within the ECOZONES pursuant to Republic Act (R.A.) No. 7922;
 - (iv) Share in Incremental Collections from Value-Added Tax (VAT) pursuant to R.A. Nos. 7643 and 8424;
 - (v) Share in VAT in lieu of Franchise Tax; and
 - (vi) Share in the 2% Special Privilege Tax.
- c. National Government Transfers to LGUs, which include the following:
- (i) Barangay Officials Death Benefits (BODB);
 - (ii) Local Government Support Fund (LGSF); and
 - (iii) Share from Fire Code Revenues.
- d. National Government Transfers to Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), which include the following:
- (i) Share in Taxes, Fees and Charges Collected in the BARMM; and
 - (ii) Special Development Fund (SDF).
2. *Automatically appropriated shares for LGUs:*
- a. National Tax Allotment (NTA), including share of MMDA; and
 - b. BARMM – Annual Block Grant.

Appropriation. An authorization pursuant to laws or other legislative enactment, hence, required Congressional action, directing the spending of public funds for a specific purpose, up to a specified amount under specified conditions.

Assumed Liabilities. Domestic or foreign loans originally contracted or liabilities on securities issued by Government Financial Institutions (GFIs) or GOCCs which by law, have been transferred to and form part of the liabilities of the national government.

Authority to Purchase Motor Vehicle (APMV). A document issued by the appropriate approving authority provided under Administrative Order (A.O.) No. 14, s. 2018, Budget Circular (B.C.) No. 2022-1, as amended, and other pertinent issuances, which shall serve as the basis of agencies in acquiring motor vehicles. Said document shall contain the following information, among others:

1. quantity;
2. cost;
3. funding source;
4. motor vehicle classification and specifications.

Authority to Rent Motor Vehicle (ARMV). A document issued by the DBM to agencies allowing the rental of motor vehicles for a continuous period of more than fifteen (15) days, subject to guidelines provided under B.C. No. 2022-1, as amended, and other pertinent issuances.

For LGUs, the ARMV shall be issued by their respective Local Chief Executive, including the punong barangays, regardless of the number of days of the rental if the budgetary source is the LGU's local funds and said mode is deemed more economical, expedient, and convenient than outright purchase.

Authorized Government Depository Bank (AGDB). A bank where government agencies are allowed by law to deposit government funds and maintain depository accounts, or by way of exception, a bank allowed or designated by the Department of Finance (DOF) and the Monetary Board to hold government deposits subject to prescribed rules and regulations.

Authorized Government Servicing Banks (AGSBs). Servicing banks such as the Land Bank of the Philippines, Development Bank of the Philippines, and Philippine Veterans Bank, to which DBM issues the Notices of Cash Allocation (NCAs) for crediting to the MDS sub-accounts of NGAs.

Automatic Appropriations. One-time legislative authorization to provide funds for a specified purpose, for which the amount may or may not be fixed by law and is made automatically available and set aside as needed. Since it is already covered by a separate law, it does not require periodic action by the Congress of the Philippines and need not be included in the legislation of annual appropriations.

Balance of Payments (BOP). A summary of the economic transactions of a country with the rest of the world for a specific period. It serves as an accounting statement on economic dealings between residents of the country and non-residents.

BARMM – Annual Block Grant. An automatically appropriated share of the Bangsamoro Government in the national internal revenue tax collections of the Bureau of Internal Revenue (BIR) and collections of the Bureau of Customs (BOC), pursuant to Sections 15 to 18, Article XII of R.A. No. 11054.

Bond Exchange/Swap. The conversion of existing public debt securities into new debt instruments with longer maturity period and favorable conditions.

Borrowings. Funds obtained from repayable sources including loans secured by the government from financial institutions and other internal and external sources to finance development projects and/or budget support. These include domestic and foreign borrowings.

Budget. The financial plan of a government for a fiscal year, which shows its resources (income and sources of borrowings) and how they will be generated, as well as expenditures to achieve national objectives, strategies, and programs. The budget is the government's key instrument for promoting its socio-economic objectives.

Budget and Financial Accountability Reports (BFARs). Harmonized reports on the agencies' actual financial and physical accomplishment/performance for a given period prescribed by the oversight agencies, i.e., DBM and Commission on Audit (COA) to effectively report, monitor and/or evaluate agency performance versus plans and

targets which shall serve as basis for sound policy decisions.

Budget and Treasury Management System (BTMS). A common, modern, integrated, accurate, reliable and secure information system for the public financial management (PFM) operations of the Government of the Philippines (GOP). It provides a sustainable government resource planning solution that is extensible, flexible thereby supporting a range of public financial requirements, and adaptable to reform and modernization.

Budget Call. A budget document issued by the DBM through budget memorandum which contains the budget priorities, macroeconomic assumptions, and fiscal parameters for the proposed budget (Budget Priorities Framework) and the guidelines, procedures, and prescribed forms in formulating budget proposals.

Budget Execution Documents (BEDs). Annual documents containing the agencies' targets and plans, for financial, physical, and disbursement for the current year, prescribed to be submitted pursuant to the annual fund release guidelines.

1. **BED No. 1 (Financial Plan)** – contains the estimated quarterly obligation program for the budget year and current year obligations (actual obligations as of September 30 and estimated obligations for October to December). It serves as the overall financial plan of the department/agency/OU, covering the estimated obligations and expenditures consistent with the approved budget level, to guide scheduling release of allotment orders.
2. **BED No. 2 (Physical Plan)** – comprises the physical targets for the budget year broken down by quarter, and current year accomplishment (actual accomplishment as of September 30 and projected accomplishments for October to December). It serves as the overall physical plan of the department/agency/OU, identifying the performance indicators and targets for major programs under operations aligned with the administration's priorities, and for other projects considering milestones per project profile, consistent with the approved budget level.

3. **BED No. 3 (Monthly Disbursement Program (MDP))** – consists of projected monthly disbursement requirements for the budget year by type of disbursement authority, e.g., NCA, Cash Disbursement Ceiling (CDC), Non-Cash Availment Authority (NCAA) and Tax Remittance Advice (TRA).

This shall serve as the basis for the initial and subsequent issuance of disbursement authorities, including the release of the comprehensive NCA for agencies' operating requirements at the beginning of the year, provision for payment for unpaid prior years' accounts, upon evaluation of DBM. It assists Bureau of the Treasury (BTr) in determining the magnitude and timing of resource generation.

Budget of Expenditures and Sources of Financing (BESF). A budget document which reflects the annual program of estimated expenditures and sources of financing, constitutionally mandated to be submitted by the executive branch to the legislature to support the National Budget proposal.

Budget Priorities Framework (BPF). A budget document issued to guide all departments and agencies in focusing and aligning their budget proposals on specific objectives and programs, based on the Philippine Development Plan (PDP) for the fiscal years, to increase the certainty of the attainment of the Administration's goal of achieving rapid and inclusive growth.

Budgetary Support to Government Corporations (BSGC). The national government assistance to GOCCs in the form of equity, subsidy, relent loan proceeds or net lending advances for the servicing of debts guaranteed by the national government.

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

Capital Outlays (CO) or Capital Expenditures. An expenditure category/expense class for the purchase of goods and services, the benefits of which extend beyond the fiscal year, and add to the assets of the government, including investments in the capital stock of GOCCs and their subsidiaries.

Cash Budgeting System (CBS). A budgeting system where the annual appropriations shall only be available for release and obligation for the purpose specified pursuant to the general provision of the GAA for the current fiscal year.

Cash Disbursement Ceiling (CDC). A disbursement authority issued by the DBM to departments with overseas operations e.g., Department of Foreign Affairs (DFA) and Department of Migrant Workers (DMW), to utilize the income collected/retained by their foreign service posts (FSPs) to cover the operating requirements but not to exceed the allotment released to the said post.

Cash Operations Report (COR). A report prepared by the BTr on the actual government receipts, disbursements, the resulting surplus or deficit, as well as the corresponding domestic and foreign financing, and debt servicing.

Certificate of Budget Inclusion (CBI). Equivalent document of a Multi-Year Contractual Authority (MYCA) for GOCCs as approved by all the members of the Board, covering the full contract cost, for the procurement of multi-year projects.

Citizen Participation. A democratic process involving people empowerment, whereby concerned citizens organized as Civil Society Organizations (CSOs), pursue their legitimate and collective interests by monitoring effectiveness of specific government program, activity, projects (P/A/Ps), and in so doing become partners of the government in the formulation, monitoring, evaluation and improvement of the national budget.

Civil Society Organization (CSO). A non-state and non-profit association that works to improve society and the human condition. Basic types of CSO include non-governmental organization (NGO), civic organization, cooperative, social movement, professional group and business group.

Classification of the Functions of Government (COFOG). Detailed classification of the purpose for which funds are used, by function or by socio-economic objective, that the government aims to achieve through various expenditures. Aside from generating aggregates to be used as indicators or measures, it also enables tracking specific

functions/policies over time regardless of organizational revisions.

Being an international standard, COFOG allows international comparisons and budget allocations of specific programs/projects of government entities whose expenditures are categorized into ten (10) sectors as follows:

1. **General Public Services** – Expenditures for general administration such as lawmaking, fiscal management, foreign affairs, public debt transactions, and other governance or regulatory services, among others.
2. **Defense** – Expenditures for military defense, civil defense, foreign military aid, research and development for defense, and defense against cybercrimes, among others.
3. **Public Order and Safety** – Expenditures for police services, law courts, fire protection services, and maintenance of prisons, among others.
4. **Economic Affairs** – Expenditures for general economic, commercial, and labor affairs; agriculture, forestry, fishing, and hunting; fuel and energy; mining, manufacturing, and construction; transport; and communication, among others.
5. **Environmental Protection** – Expenditures for waste management, pollution abatement, biodiversity and landscape protection, wastewater management, research and development on environmental protection, and other environment protection endeavors.
6. **Housing and Community Amenities** – Expenditures to support the housing needs, especially the poor and those in disaster-prone areas, including the other basic human need, i.e., potable water supply.
7. **Health** – Expenditures for hospital services, public health services and health insurance of indigents, and medical products and equipment, among others.
8. **Recreation, Culture and Religion** – Expenditures to ensure the preservation of Filipino cultural heritage and respect for religious diversity, as well as the promotion of sports.

9. **Education** – Expenditures for pre-primary and primary education, secondary and tertiary education, and school buildings, among others.

10. **Social Protection** – Expenditures for programs and projects that cater to the poor and the marginalized sectors, senior citizens, persons with disabilities, and survivors affected by disasters, and those in conflict-affected areas.

Commitment. An obligation incurred by government agencies for which contracts have been perfected but the goods have not been delivered and/or services not yet rendered. This is also called “*Not Yet Due and Demandable Obligations (NYDDO)*”.

Commitment Fee. Amount to be paid by the borrower to the lender on the undisbursed/unavailed portion of the loan per contractual schedule.

Commodity Grants. Donations/contributions/gifts in kind received by agencies 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 national government.

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 System. Under this system, agencies are given flexibility in the use of cash balances under the Regular MDS sub-accounts to settle payables, after satisfying the implementing agency’s mandatory requirements.

Consolidated Public Sector Financial Position (CPSFP). The combined financial positions (in terms of balances) of the national government, the monitored non-financial government corporations, the GFIs, LGUs, Social Security Institutions (SSIs) and the financial position of the present Bangko Sentral ng Pilipinas (BSP).

Constructive Receipt of Cash (CRC). A financing source corresponding to proceeds from foreign loans/grants in the form of goods and services for which no cash is remitted to the National Treasury. Such goods and services have been paid directly by the lender to the supplier.

Contingent Liabilities. Obligation that may arise from events specified in a Public-Private Partnership (PPP) Contract, the occurrence, timing, and amount of which are uncertain. These events include, but are not limited to, regulatory action, force majeure, breach of government warranties, and Material Adverse Government Action (MAGA), among others.

Conversion of National Government Advances to GOCC into Equity/Subsidy. A mechanism by which the government, through the BTr, and upon the recommendation of the DOF, converts into government equity and/or subsidy those unpaid national government advances for servicing outstanding debts of the GOCCs, in the event that a GOCC is unable to settle its obligations.

Corporate Operating Budget (COB). Operating budget of GOCCs consisting of (i) estimates of revenues, (ii) estimates of expenditure, and (iii) estimates of borrowings. The expenditure estimates shall cover current operating and capital expenditures.

The operating budget of each GOCC is prepared following such procedure and guidelines as may be determined by the President, through the Budget Secretary. It shall be prepared prior to the beginning of the fiscal year and recommended by the Governing Board of the Corporation, for consideration and final approval by the Budget Secretary.

Counterpart Fund. The portion of the cost of a Foreign-Assisted Project (FAP) shouldered by the borrower as contribution to the completion of the project as stipulated in the foreign loan or grant agreement.

Current Account. Trade in goods, services, primary income and secondary income.

Trade in goods – exports and imports – is the first component of the current account. The country’s exports include manufactures (such as electronics), mineral products, and agricultural

products. Meanwhile, imports consist of raw materials and intermediate goods, mineral fuels and lubricant, capital, and consumer goods.

Trade in services is another component of the current account. Technically, trade-related and other business services form part of the country’s exports of services. These comprised largely of Business Process Outsourcing (BPO) services.

Other trade in services transactions with the rest of the world include exports of services on physical inputs owned by others in manufacturing, transport, travel, maintenance and repair, telecommunications, computer and information, construction, insurance, and pension, financial, charges for the use of intellectual property, other business, personal, cultural and recreational, and government services.

Current Account Balance. The current account is in surplus if total exports/receipts exceed total imports/payments. It is in deficit if the reverse is observed. If the current account balance is in surplus, the country is a “net lender” to the rest of the world in the amount of the surplus or the excess in the current account transactions. Net lending occurs when the national saving is more than the country’s investment in real assets. If in deficit, the country is said to be a “user of funds” and thus, is considered as net borrower from abroad in order to fill in the shortage. In this case, the country invested more than what its national saving can finance.

Current Operating Expenditures (COE). Amount budgeted for the purchase of goods and services for the conduct of normal government operations within a budget year, including PS expenses for government employees, non-capital transfers to LGUs, subsidies, interest payments, and tax expenditures. These include goods and services that will be used or consumed during the budget year.

Custodial Funds. Receipts or cash received by any government agency – whether from a private source or another government agency – to fulfill a specific purpose. Custodial receipts include receipts collected as an agent for another entity. These include trust receipts – both from an individual or corporation – that are required to be held by government until the outcome of a court’s case or procurement activity is determined, as well as cases where a department or agency holds

receipts as a trustee for the fulfillment of some obligations.

Debt Amortization. The sum of principal payments for loans payable by regular installments resulting to gradual reduction in outstanding debt.

Debt Service. The sum of principal and interest payments, including commitment fees and other charges on foreign and domestic borrowings of the national government.

Direct National Government Loans. Loans either domestic or foreign, directly contracted by the national government.

Disbursement. Settlement/liquidation/payment of an obligation incurred in the current or prior years, involving cash or non-cash transactions, and covered by disbursement authorities.

Disbursement Authority. A document issued to/by an agency/bank authorizing the payment/liquidation of obligations incurred. This includes the following:

1. CDC;
2. NCA;
3. NCAA; and
4. TRA.

Dividends. Remittance of GOCCs to the national government based on their declared annual net earnings as cash, stock, or property dividends, at a rate prescribed by law.

Domestic Borrowings. Funds obtained from sources within the country. These include BTr issuance of government securities such as Treasury Bills and Treasury Bonds.

Earmarked Revenues. Identified revenues required by statute to be used for designated activities, benefits, or purposes, and must be accounted for separately from government's general revenues.

Equity. The amount received by GOCCs as payment of capital subscriptions and generally capital investment of the national government in said corporations and which form part of their capitalization.

Excise Tax. Tax, either specific or ad valorem, imposed on goods manufactured or produced in or imported into the Philippines for domestic sale or consumption.

Existing Revenue Measures. Collections from the structure/source under the National Internal Revenue Code and Customs Modernization and Tariff Act as amended, as well as non-tax sources (i.e., fees and charges and other receipts), existing as of the immediately preceding year.

Expenditure Program. The approved 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. Include all goods leaving the country that are properly cleared through the BOC but excludes export of services.

Fees and Charges. 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 AGDB, are utilized.

Financial Expenses (FinEx). Management supervision/trusteeship fees, interest expenses, guarantee fees, bank charges, commitment fees and other financial charges incurred in owning or borrowing an asset property.

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 amount necessary to cover the government's budget deficit, debt amortization, and cash buffers not covered by revenue.

Fiscal Policy. The part of government policy which is concerned with raising of resources through taxation and borrowing and deciding on the level and composition or prioritization of expenditures to attain macroeconomic objectives.

Fiscal Space. The available funding that the government could use for its priority programs. Fiscal Space is computed as the difference of projected obligations ceilings (after considering projected revenues and deficit targets) and forward estimates (FEs) of the cost of ongoing programs.

Foreign Borrowings. Funds obtained from sources outside the country, such as, but not limited to, Asian Development Bank (ADB), International Bank for Reconstruction and Development (IBRD), Japan International Cooperation Agency (JICA), etc.

Forward Estimates (FEs). Projection or estimation of the future costs of ongoing policies, programs, and projects of the government for the next three (3) years. They represent the amount that will need to be spent to maintain existing approved P/A/Ps.

Forward Obligational Authority (FOA). Certificate of commitment or authority issued by the DBM to NGA for FAPs certifying that funds shall be made available to cover the total project cost. This shall be used for loan negotiation purposes and serves as an assurance that the loan proceeds and the peso counterpart contribution are included in the long-term capital program of the national government.

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.

Funding Gap/Corporate Financing Analysis. The method used in determining the government subsidy for the operations of a GOCC considering revenue resources and expenditures, prior years' actual/audited figures and the effects of inflation.

General Administration and Support (GAS). A cost component of the agency budget which consists of the activities and projects dealing with the provision of overall administrative

management and operational support to the entire agency operations.

General Allotment Release Order (GARO). An obligational authority issued to all NGAs, including MMDA, for the full year requirement for the automatically appropriated Retirement and Life Insurance Premium (RLIP) contributions, except RLIP for the departments/agencies chargeable against Special Accounts in the General Funds (SAGFs) and those covered by special arrangements.

General Appropriations Act (GAA). A law appropriating funds for the operating requirements of agencies of the government within a specified budget year. It contains budgetary programs and projects for each agency of the government with the corresponding appropriations for each program and project, including statutory provisions of specific agency or general applicability.

General Appropriations Act as the Allotment Order (GAAAO). Serves as the obligational authority for the budgets of agencies or appropriations, except for those included in the list of P/A/Ps that requires the issuance of Special Allotment Release Order (SARO). These are considered released when the GAA takes into effect.

Government Financial Institutions (GFIs). Financial institutions or corporations in which the government directly or indirectly owns majority of the capital stock, and which are either:

1. registered with or directly supervised by the BSP; or
2. collecting or transacting funds or contributions from the public and places them in financial instruments or assets such as deposits, loans, bonds and equity including, but not limited to, the Government Service Insurance System (GSIS) and the Social Security System (SSS).

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

Government Instrumentalities with Corporate Powers (GICP)/Government Corporate Entities (GCE). Instrumentalities or agencies of the government, which are neither corporations nor agencies integrated within the departmental framework, but vested by law with special functions or jurisdiction, endowed with some if not all corporate powers, administering special funds, and enjoying operational autonomy usually through a charter including, but not limited to, the following:

1. Manila International Airport Authority (MIAA);
2. Philippine Ports Authority (PPA);
3. Philippine Deposit Insurance Corporation (PDIC);
4. Metropolitan Waterworks and Sewerage System (MWSS);
5. Laguna Lake Development Authority (LLDA);
6. Philippine Fisheries Development Authority (PFDA);
7. Bases Conversion and Development Authority (BCDA);
8. Cebu Port Authority (CPA);
9. Cagayan de Oro Port Authority;
10. San Fernando Port Authority;
11. Local Water Utilities Administration (LWUA); and
12. Asian Productivity Organization (APO).

Government-Owned or -Controlled Corporation (GOCC). Any entity organized as a stock or non-stock corporation, vested with functions relating to public needs whether governmental or proprietary in nature, and owned by the Government of the Republic of the Philippines directly or through its instrumentalities, either wholly or where applicable, as in the case of stock corporations, to the extent of at least a majority of its outstanding capital stock.

The term GOCC shall include Government Instrumentalities with Corporate Powers (GICPs)/ Government Corporate Entities (GCEs), Government Financial Institutions (GFIs), and Subsidiaries.

Government Securities. Evidence of indebtedness of the Republic of the Philippines or its instrumentalities, GOCCs, or BSP and must be freely negotiable and regularly serviced.

Grants/Donations. Assistance received either in cash or in kind covered by grant agreements and/or Memorandum of Understanding, Exchange of Notes/Deed of Donations, Records of Discussion with foreign governments, institutions, or individuals for purposes of financing specific projects of NGAs without any obligation on the part of the donee to repay.

Gross Domestic Product (GDP). The sum of gross value added of all resident producer units plus that part (possibly the total) of taxes on products, less subsidies on products, that is not included in the valuation of output. GDP simply refers to the total value of goods and services produced in a country over a specific time frame, such as a quarter or a year.

Gross National Income (GNI). Consists of the total value of goods and services produced within a country (i.e., GDP) together with its income received from other countries (notably interests and dividends), less similar payments made to other countries (net income from international assets and gross exports less gross imports and indirect business taxes).

GNI is equal to GDP less primary incomes payable to non-resident units plus primary incomes receivable from non-resident units. In other words, GNI is equal to GDP less taxes (less subsidies) on production and imports, compensation of employees and property income payable to the rest of the world plus the corresponding items receivable from the rest of the world.

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.

Head of Agency. Department Secretary, Chairperson or President (in NGAs, Constitutional Commissions, GOCCs, GFIs, and State Universities and Colleges [SUCs]), who has the power to appoint, as well as Governors or Mayors.

Heavily-subsidized GOCCs. GOCCs receiving operating subsidy from the national government, the release of which will enable the GOCC to continue/sustain its regular operations.

Home Development Mutual Fund (HDMF). Popularly known as the Pag-IBIG (Pagtutulungan sa kinabukasan: Ikaw, Bangko, Industriya at Gobyerno) Fund, is a GFI involved in mobilizing provident funds primarily for shelter finance.

Imports. Correspond to essentially 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 Customs Modernization and Tariff Act. These include 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 goods and services, such as excise tax, sales tax, VAT, import duties, export tax, documentary and stamp taxes, forest charges, and others.

Inflation. Rate of increase in the average prices of goods and services typically purchased by consumers.

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

Item of Appropriation. Amount appropriated for a P/A/P, or purpose in the appropriations law.

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

Legislative Agenda. A program of proposed legislations to support policies and programs of government.

Letter of Commitment (LOC). A certificate of commitment or authority which will serve as an assurance that the required budgetary support for solicited PPP Center projects shall be included in the long-term program of the national government, and limited to the following national government obligations based on the PPP contract reviewed by the DOF and PPP Center:

1. **Availability Payments** – Predetermined payments by the implementing agency to the Private Partner in exchange of delivering an asset or service in accordance with the PPP Contract. Availability Payments shall not be construed as Government Undertakings, Subsidy, or government contribution;
2. **Viability Gap Funding** – A type of government subsidy that may be extended to make an economically viable revenue-based PPP project financially viable;
3. **Real Property Tax** – A type of levy imposed by LGUs on real properties in accordance with laws which are assumed by the national government under the PPP contract;
4. **Right-of-Way Acquisition and other related expenses** – Expenses related to the acquisition of real property needed for a PPP project through donation, negotiated sale, expropriation or any other mode of acquisition as provided by law including relocation and resettlement costs;
5. **Funding for the Independent Consultant** – Compensation for a person or entity appointed to render independent technical advice to the government and private sector parties, as well as to perform other services specifically defined in the PPP contract; and
6. **Funding for Project Management Office** – Expenses for a unit in an implementing agency in-charge of the coordination and monitoring of projects.

Loan Availments/Proceeds. Amount drawn, in cash or in kind, against existing or new loan commitments.

Local Development Council (LDC). Assists the Sanggunian in setting the direction of economic and social development and coordinating development efforts within its territorial jurisdiction. It includes the Provincial Development Councils, City Development Councils, Municipal Development Councils and the Barangay Development Councils.

Local Government Units (LGUs). Territorial and political subdivisions consisting of provinces, cities, municipalities, and barangays.

Local Government Support Fund (LGSF). Financial assistance to LGUs for the implementation of priority programs and projects, as provided in the GAA.

Maintenance and Other Operating Expenses (MOOE). For support to the operations of government agencies such as expenses for supplies and materials; transportation and travel; utilities (water, power, etc.) and repairs, and payment of services under contract of service and job order, etc.

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

Medium-Term Information and Communications Technology Harmonization Initiative (MITHI). A mechanism to ensure a systematic process for the planning, budgeting, implementation, monitoring, and evaluation of a harmonized government-wide Information and Communications Technology (ICT)-related resources, programs, and projects.

Modified Disbursement System (MDS). A disbursement system implemented to facilitate effective cash management of the national government's cash resources whereby NGAs and BTr for GOCCs and LGUs, settle their payables either through issuance of checks or direct credit to bank account of the supplier/contractor/consultant, chargeable against the account of the Treasurer of the Philippines (TOP) being maintained with AGSBs.

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.

Multi-Year Contractual Authority (MYCA). A document issued by DBM to authorize the recipient entity to cover the full contract cost for the procurement of multi-year programs/projects.

National Expenditure Program (NEP). A budget document, also referred to as the President's Budget, containing the details of the government's proposed programs submitted to Congress in the review and deliberation of the proposed national budget for the legislation of the annual appropriations measures for the next fiscal year. It serves as the basis of the General Appropriations Bill (GAB), which becomes the GAA upon enactment.

National Government Agencies (NGAs). Units of the national government, as distinguished from GOCCs and LGUs, which include any of the departments, bureaus, offices or instrumentalities of the Executive, Judicial and Legislative branches of government, as well as the Constitutional Commissions, Commission on Human Rights and the Office of the Ombudsman.

National Tax Allotment (NTA). Automatically appropriated share of LGUs, aggregately corresponding to 40% of the national taxes based on the collection of the third fiscal year preceding the current fiscal year. The share of each LGU is determined pursuant to the provisions of the Local Government Code in terms of population/land area/equal sharing.

Negotiated Checks. MDS checks already presented for encashment by the recipient at the 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 (NL). Advances by the national government for the debt servicing of government guaranteed corporate debt, including obligations of GOCCs for which a Performance Undertaking has been issued by the national government; and loans contracted by the national government and relent to the GOCCs.

Non-Budgetary Accounts. These are off-budget accounts representing collections from non-income sources authorized by law for specific purposes. These include trust liabilities, securities unloaded or purchased, sinking fund, and other accounts not included in the national government budget, i.e., the government's estimated income and expenditures for a particular year.

Non-Cash Availment Authority (NCAA). A disbursement authority issued by the DBM to agencies to cover the liquidation of their actual obligations incurred against available allotments for availment of proceeds from loans/grants through supplier's credit/constructive cash.

Non-Governmental Organization (NGO). Private, non-profit voluntary organization, including schools, that is committed to the task of socio-economic development and established primarily for service which may include giving assistance to citizens or people's organizations (POs) in various ways as by educating, training or giving financial assistance to them.

Non-Tax Revenues. Fees and charges collected in relation to direct services of government agencies to the public and those arising from the government's regulatory and investment activities as well as funds raised from privatization or sale of government assets.

1. **Operating and Service Income** – Non-tax revenues generated in the exercise of the administrative and regulatory functions by the national government which includes hospital income, tuition fees of government schools and admission fees to government museums and parks.

It also includes revenues realized by government agencies from their business undertakings called for by the nature of their functions, and those incomes generated by social security agencies in the form of

premiums earned from life and non-life insurance.

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

Notice of Cash Allocation (NCA). A disbursement authority issued by the DBM, for the account of agencies/operating units through the AGSBs, to cover the cash requirements of the agencies/operating units for payment of obligations incurred.

Object of Expenditures. A classification under an allotment class, based on type of goods or services consistent with COA Government Accounting Manual (GAM) and Unified Accounts Code Structure (UACS) Manual.

Obligation. A commitment by a government agency arising from an act of a duly authorized official which binds the government to the immediate or eventual payment of a sum of money. The agency is authorized to incur obligations only in the performance of activities which are in pursuit of its functions and programs authorized in appropriations acts/laws within the limit of the allotment released by the DBM.

Obligation-based Budgeting. A process where implementing agencies make commitment/s and make payments according to these commitment/s, without a predetermined time limit. Such obligations have their own life cycle and are not limited to one year.

Obligational Authority. A document issued by the DBM to a government agency authorizing the agency to incur obligation or enter into contract.

Off-Budgetary Funds. Receipts for expenditure items that are not part of the NEP, and which are authorized for depositing in AGDBs.

These are categorized into:

1. Retained Income/Receipts;
2. Revolving Funds; and

Official Development Assistance (ODA). A loan and/or grant administered to promote sustainable social and economic development and welfare of the Philippines. ODA resources must be contracted with governments of foreign countries with whom the Philippines has diplomatic, trade relations or bilateral agreements, or which are members of the United Nations, their agencies, and international or multilateral lending institutions.

A grant element is computed as the ratio of:

1. the difference between the face value of the loan and/or grant and the debt service payments to; and
2. the face value of the loan and/or grant.

Online Submission of Budget Proposal (OSBP) System. A web-based application system managed by the DBM that allows online or electronic encoding and submission of agency budget proposals adopting the UACS. The OSBP system reduces the number and duplication of reports being submitted by agencies as well as facilitates the timely consolidation/processing of consistent information from such reports.

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 PS, MOOE, FinEx and CO. This is different from operating expenditures defined above.

Operating Revenues. Collections from revenues and receipts from the conduct of regular business operations.

Operating Units (OUs). Organizational units carrying out specific substantive functions and directly implementing the P/A/Ps of a department or agency.

1. **Implementing Units (IUs)** – Operating units directly receiving cash allocations, capable of administering its own funds; and
2. **Non-Implementing Units (Non-IUs)** – Operating units that have yet to meet the

requirements of being classified as an IU, and thus, are not directly receiving cash allocations and whose allocation are being administered by the next higher level of governance in the department or agency.

Operations. Cost structure which consists of programs and corresponding expenditures that relate to the main purpose for which an agency has been created. It involves direct production of goods or delivery of services or direct engagement in regulations.

Organizational Outcome (OO). A short to medium-term result produced by an agency that contributes to the achievement of its legislated mandate and is achieved through the delivery of its programs.

Outcome. Any change, effect, or result brought about by an agency's programs or strategies upon individuals, social structures, or the physical environment.

Output. Any good or service that an agency delivers to a target population or client group external to the agency.

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. Accumulated borrowings which remain unpaid as of a particular period.

Performance Indicator (PI). A characteristic or evidence that measures and illustrates the standard of performance by which an agency delivers its programs or outputs. Performance Indicators can measure the quantity, quality, or timeliness of outputs and outcomes of an agency or a program and provide evidence that describes results such as economy, efficiency, and effectiveness. Output indicators are mostly within the control of an agency and are strongly linked to the budget. An outcome indicator measures how well a program has achieved its stated objective.

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

Performance-Based Bonus (PBB). A top-up incentive given to government employees in accordance with their agency's performance in the accomplishment of its targets and commitments, highlighting the public's satisfaction with the quality of public service delivery, utilization of resources, and strengthened agency stewardship, subject to the criteria set by the A.O. No. 25 Inter-Agency Task Force and/or oversight agencies for the given year, and compliance thereof.

Performance-Informed Budgeting (PIB). A form of budgeting that relates fund allocation to measurable results in the form of outputs and outcomes. Resources are related to results in an indirect non-formulaic manner since the results, together with other information are used, actively and systematically to inform budget decisions.

Personnel Services (PS). Provisions for salaries, wages and other compensation (e.g., Step Increment, Personnel Economic Relief Allowance (PERA), Bonus, Honoraria, etc.) of permanent, temporary, contractual, and casual employees of the government.

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

Philippine Development Plan (PDP). Serves as the government's overall guide in development planning for six years. It reflects the government's socioeconomic policies, strategies, and programs in support of and consistent with the development agenda of the President and is geared towards the attainment of development goals and objectives in the long-term development plan.

Philippine Government Electronic Procurement System (PhilGEPS). The single, centralized electronic portal that serves as the primary and definitive source of information on government procurement. All government agencies, as well as suppliers, contractors, manufacturers, distributors and consultants are mandated to register and use the system in the conduct of procurement of goods, civil works and consulting services.

Through the use of the PhilGEPS, transparency in the government procurement is enhanced since opportunities to trade with the government and the

ensuing transactions are provided online. The facility can be accessed via PhilGEPS.gov.ph.

Principal Payment. Total cash outlays from BTr for the redemption of maturing debt securities and obligations.

Private Sector. Any person, entity, or organization who or that is not part of government. It includes, among others, NGOs, POs, members of the business community or business groups, cooperatives, schools, professional organizations, civic clubs and plain citizens or individuals who are not members of any organization.

Program. A group of activities and projects that contribute to a particular outcome. A program should have the following:

1. unique expected results or outcomes;
2. a clear target population or client group external to the agency;
3. a defined method of intervention to achieve the desired result; and
4. a clear management structure that defines accountabilities.

Program Convergence Budgeting (PCB). A budgeting approach that aims to focus government resources on key programs and projects which shall be coordinated in a holistic approach across NGAs working towards the same goals.

Program Loan. A type of foreign loan intended for general budget support to finance cash requirements of the national government. The disbursement of which is based on compliance to programs, parameters, milestones, or conditions, as may be applicable, to be agreed upon between the borrower and the development partner/lender.

Program Expenditure Classification (PREXC). A form of structuring the budget into programs and outcomes. Classifying the expenditures by program has two benefits:

1. Clarifying the objectives of government spending and the programs and strategies used by the agencies to accomplish them; and
2. Allowing the monitoring of operational performance through performance indicators, which may relate to the inputs, outputs, or outcomes of a particular program providing a

way to assess the success of the program and make adjustments during implementation, if necessary.

An expenditure classification by program will contribute to improved transparency and accountability and help better link inputs to objectives or outcomes.

PREXC Structure. A presentation of an agency's budget structured/arranged in a hierarchical manner to depict the logical relationship among P/A/Ps, and between programs and the agency's Organizational Outcomes.

Program/Activity/Project (P/A/P). Any work process or group of work processes undertaken to realize the outputs and outcomes of an agency. This is represented by an item of appropriation in the national budget.

Project. A special undertaking carried out within a definite timeframe and intended to result in some predetermined measure of goods and services.

1. **Foreign-Assisted Projects (FAPs).** Government projects which are wholly or partly financed by foreign loans and/or foreign grants.
2. **Locally-Funded Projects (LFPs).** Government projects financed out of revenue collections and domestic borrowings.

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

Project Loan. A type of foreign loan intended to finance specific development projects, programs, or activities of the national government or its instrumentalities.

Proceeds from the loan require budgetary appropriations cover and are released for eligible project expenditures following a schedule of disbursement. The mechanism for release or disbursement of loan varies depending on the method of disbursement applied and negotiated between the borrower and the development partner/lender.

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

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

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

Public Expenditure Management (PEM). A budgeting approach oriented towards achieving socially desired outcomes. It focuses on outcomes and sees expenditures as a means to produce outputs which are needed to achieve desired outcomes, highlights the importance of having the right processes, i.e., those that lead to desired outcomes; and balances autonomy/flexibility that must necessarily be given to line agencies, for them to produce the outputs needed to achieve the desired outcomes, and the corresponding accountability of the agencies for producing those outputs. Its three (3) objectives are:

1. aggregate fiscal discipline (spending within sustainable limits);
2. allocative efficiency (spending on the right things); and
3. operational efficiency (value for money).

Public Financial Management (PFM). Deals with all aspects of resource mobilization and expenditure management in government. It is about the way government raises its income (in the form of taxes, customs duties and other revenues) and manages its expenditures to deliver essential services to its citizens, i.e., education, health care and other social programs, roads and infrastructure, the rule of law, peace and order, and security, and those areas which generally make the lives of citizens better off.

Public Investment Program (PIP). This contains the rolling list of priority P/A/Ps to be implemented by the national government, GOCCs, GFIs, and other national government offices and instrumentalities within the medium term, that contributes to the achievement of the societal goal and targets in the PDP.

Public-Private Partnership (PPP). A contractual arrangement between an implementing agency and a private partner to finance, design, construct, operate, and maintain, or any combination or variation thereof, infrastructure or development projects and services which are typically provided by the public sector, where each party shares in the associated risks, and where the investment recovery of the Private Partner is linked to performance.

Public Sector. Composed of NGAs, GOCCs, SSIs (GSIS/SSS/Philippine Health Insurance Corporation [PHIC]), LGUs, and BSP. All the financial transactions of these entities are summed up to generate consolidated public sector resources, for consideration in the preparation of the fiscal program.

Public Sector Borrowing Requirement (PSBR). The deficit of the national government and the eighteen (18) monitored government corporations less the budgetary assistance to the monitored corporations in the form of equity contributions and net lending.

Receipts. 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.

Regional Development Council (RDC). Primary institution which coordinates and sets the direction of all development efforts in the region. It also serves as a forum where local efforts can be related and integrated with national development activities.

Regional Development Plans. The Medium-Term Regional Development Plan covering a six-year period, the formulation of which was coordinated by the National Economic and Development Authority (NEDA) Regional Offices and approved by the RDCs.

Regular Program. A homogenous 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 line functions.

Relent Loans. Loans directly contracted by the national government, 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.

Retained Income/Funds. Collections that are authorized by law or by the Permanent Committee to be constituted as such and deposited in an AGDB and are utilized by the agencies for their operation or specific purposes.

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

Revenue. Projected cash inflows like collections from taxes by the BIR, BOC, and other tax agencies and fees and charges imposed by the government agencies, as well as proceeds from grants.

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

Revolving Funds. Receipts derived from business-type activities of departments/agencies to be constituted as such and deposited in an AGDB. These funds shall be self-liquidating, and all obligations and expenditures incurred by virtue of said business-type activity shall be charged against said fund.

Secured Overnight Financing Rate (SOFR). A benchmark interest rate for dollar-denominated derivatives and loans that replaced the London Interbank Offered Rate (LIBOR). The SOFR (i) provides a broad measure of the general cost of financing Treasury securities overnight; (ii) is based on actual transactions which represents market price and other money market rates; (iii) uses actual done-deal transactions which minimizes room for manipulation; (iv) is considered a secured rate since the transactions

involve collateral in the form of United States (US) Treasury bonds, instead of requiring credit risk premium that is priced into the rates; and (v) is calculated from more data sources which makes the benchmark rate more representative and resilient to manipulation attempts.

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.

It also includes taxes imposed on gross receipts by all banks and financial institutions; taxes imposed on premiums received by insurance companies; and amusement taxes.

Sinking Fund. A special fund wherein the BTr sets aside money on a regular basis in order to repay bonds that will come due in the future. This is only used to service domestic debt issuances. Contribution to sinking fund are generally invested in safe securities to earn interest until the debt reached maturity.

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

Special Allotment Release Order (SARO). An obligational 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 and required documents/clearances.

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.

Special Health Fund (SHF). A pool of financial resources at the Province/City-Wide Health System intended to finance population-based and individual-based health services, health system operating costs, capital investments, and remuneration of additional health workers and incentives for all health workers.

Special Purpose Fund (SPF). Fund appropriated in the GAA to cover expenditures for specific purposes for which recipient departments/agencies have not yet been identified during budget preparation. These shall be available for allocation to departments/agencies in addition to their built-in appropriations, during budget execution, pursuant to special conditions per SPF.

Among such SPFs are National Disaster Risk Reduction and Management Fund (NDRRMF), Contingent Fund (CF), Pension and Gratuity Fund (PGF), and Miscellaneous Personnel Benefits Fund (MPBF).

Subsidy. A direct or indirect payment, economic concession, or privilege granted by a government to private firms, households, or other governmental units in order to promote a public objective.

Sub-program. A program with more specific method of intervention or more defined target clients that is contained within a bigger program of an agency.

Supplemental Appropriations. 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. Supplemental or deficiency appropriations involving the creation of new offices, programs or activities may be enacted if accompanied and supported by new revenue sources.

Support to Operations (STO). A cost component of an agency budget which consists of activities and projects which provide staff, technical, and/or substantial support to operations, but do not produce goods or deliver services directed at a target population or client group external to the agency. This also includes expenditures that are indivisible across programs.

Target. Goal or specific objective of a program.

Tax Expenditure Subsidy. Subsidy given to NGAs and GOCCs in lieu of payment of taxes and custom duties. This shall be deemed automatically appropriated and shall be subject to the relevant guidelines and general provisions in the annual GAA, which provided for the required approval of the Fiscal Incentives Review Board.

Tax on Domestic Goods and Services. Tax levied on the domestic production, extraction, 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.

Tax Remittance Advice (TRA). A 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.

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

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.

Three (3)-Year Rolling Infrastructure Program (TRIP). A subset of the PIP, used to synchronize and tighten the link between planning and budgeting of all infrastructure P/A/Ps of the government; used to build the pipeline of strategic and other infrastructure projects needed to sustain inclusive economic growth.

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.

Transparency Seal. A certification which represents compliance of government agencies with the legal requirement for all government agencies including Constitutional Offices enjoying fiscal autonomy, SUCs, GOCCs and LGUs to disclose relevant budget information, such as approved budgets and targets, accomplishment reports, procurement plans and contracts awards, programs and projects categories, including their beneficiaries and status of implementation, among others, through their respective websites, as a means to enhance transparency and enforce accountability.

Treasury Bills. Short-term debt instruments issued by the national government.

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

Treasury Single Account (TSA). The banking arrangement managed by the BTr wherein the government transacts all monies collected, received or paid by NGAs in one bank account or a set of linked bank accounts and gets a consolidated view of its cash position on at least, a daily basis.

The TSA shall cover remittances, releases or disbursements from the General Fund, SAGFs, Special Funds, Escrow Funds, Letters of Credit and any other fund managed by the BTr, except in any of the following instances:

1. When monies under the General Fund are placed under investments;
2. When the BTr is required to hold foreign currency accounts; or
3. When authorized by the Secretary of Finance.

Trust Fund. Fund maintained to account 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.

1. ***Inter-Agency Transferred Funds (IATF).*** Receipts or fund transfers from any government-agency or GOCC to another agency, and which are deposited in the National Treasury to facilitate project implementation;
2. ***Receipts deposited with the National Treasury other than IATF.*** Receipts from other sources—including private persons or foreign institutions—which are deposited with the National Treasury, pursuant to Executive Order No. 338, s. 1996, for the fulfillment of some obligations; or
3. ***Receipts deposited with AGDB.*** Receipts from other sources authorized to be deposited in the AGDB for the fulfillment of some obligations.

Trust Liabilities. An account used to record collections or receipts of agencies held in trust from another agency and for a specific purpose, e.g. Trust Liabilities – Disaster Risk Reduction and Management Fund (DRRMF).

Two-Tier Budgeting Approach (2TBA). An approach to strengthen the strategic decision-making process by separating the evaluation of agency proposals, i.e., the first tier covering review of FEs for ongoing/existing programs/projects and the second tier covering review of new spending proposals and the expansion of ongoing/existing programs/projects.

Unified Accounts Code Structure (UACS). A harmonized coding structure jointly developed by the DBM, COA, DOF and BTr which aims to facilitate financial reporting and consolidation of actual revenue collection and expenditures, enable the assessment of outturns against transparency/accountability and improve efficiency in terms of utilization of government funds.

Unified Reporting System (URS). This automated system allows online or electronic encoding and submission of the plans/targets, i.e., physical, financial and disbursement program, and

actual accomplishments, i.e., BFARs, of departments/agencies/operating units adopting the UACS.

Unobligated Allotments. Portions or balances of any allotment free from any obligation or encumbrance which are still available after the completion or final discontinuance or abandonment of the work, activity or purpose for which the appropriation is authorized.

Unprogrammed Appropriations (UA). Appropriations under the annual GAA which provide standby authority to incur additional agency obligations for priority programs or projects when any of the following exist:

1. Excess revenue collections in any of the identified non-tax revenue sources from its corresponding revenue collection target, as reflected in the BESF;
2. New revenue collections or those arising from new tax or non-tax sources which are not part of, nor included, in the original revenue sources reflected in the BESF; or
3. Approved loans for FAPs.

Working Fund. An advance funding or seed money from loan/grant proceeds established to accelerate disbursements of funds and ensure efficient projects implementation, subject to replenishment when necessary.

Zero-Based Budgeting (ZBB). A budgeting approach through which major agency programs and projects are evaluated to:

1. determine the continued relevance of program objectives vis-à-vis current developments/directions;
2. assess whether program objectives/outcomes are being achieved;
3. ascertain alternative or more viable ways of achieving the objectives, and ultimately;
4. guide decision makers on whether the program/project should continue to be funded at its present level, or if funding should be increased, reduced or discontinued.

