



REPUBLIC OF THE PHILIPPINES  
Department of Budget and Management  
Malacañang, Manila



CIRCULAR LETTER

No. 2009 - 2

January 19, 2009

TO : Heads of Departments/Agencies/State Universities and Colleges and Other Offices of the National Government; Budget Officers; Heads of Accounting Units; and All Others Concerned

**SUBJECT: Guidelines Regarding Issuance of Additional Obligational Authority Pending Approval of the General Appropriations Act (GAA) for the Current Year**

- 1.0 Under Section 25(7), Article VI of the 1987 Constitution, if by the end of any fiscal year, Congress failed to pass the General Appropriations Bill (GAB) for the ensuing year, the General Appropriations Law for the preceding year shall be deemed reenacted and shall remain enforce and in effect until the GAB is passed by Congress.
- 2.0 Pending approval of the FY 2009 GAA, DBM Circular Letter No. 2009-1 was issued authorizing all agencies to:
  - 2.1 Obligate for the month of January, the amount corresponding to one twelfth (1/12) of their requirements for Personal Services, Retirement and Life Insurance Premiums, Maintenance and Other Operating Expenses and Capital Outlays chargeable against the regular budget and automatic appropriations; and,
  - 2.2 Submit request(s) for issuance of SARO to cover terminal leave benefits of retirees, retirement gratuity of those not covered by GSIS retirement laws and pension benefits of military/uniformed personnel chargeable against the Pension and Gratuity Fund under the FY 2008 GAA, as reenacted.
- 3.0 Issuance of **additional** obligational authority thru SARO shall likewise be made in cases where departments/agencies are required to accelerate implementation of pump-priming projects approved by the President in line with the economic resiliency plan.
- 4.0 Departments/agencies mandated to implement the aforesaid programs/projects shall submit a Special Budget Request (SBR) to DBM, supported with the following:
  - 4.1 Specific operating units (OUs) identified to implement the project so that the SARO/NCA will be issued directly to them and amount to be allocated to each OU. An OU is defined as an agency receiving NCA direct from DBM.



4.2 Financial Program

4.2.1 Obligational program to determine the actual amount of SAROs needed to be released pending approval of the FY 2009 GAA; and,

4.2.2 Monthly Cash Program.

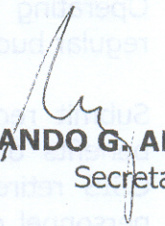
4.3 Physical targets to determine the specific activities to be undertaken during project implementation.

5.0 All SAROs issued chargeable against the FY 2008 GAA, as reenacted shall be valid for obligation while the FY 2009 GAA is not yet in effect. (The effective date of the GAA is fifteen days after the President signs the GAA into law).

6.0 Any unobligated allotments as of the effectivity of the FY 2009 GAA shall be reported to DBM, as basis for withdrawal of said excess obligational authority charged against the FY 2008 GAA, as reenacted. If necessary, the withdrawn allotment may be re-issued chargeable against the FY 2009 GAA.

7.0 Agencies are likewise reminded to regularly submit to DBM the documents/reports prescribed under NBC No. 507 as basis for determining the status of program/project implementation and expenditures incurred for the production/delivery of goods and services to the public. Said report shall be consolidated for submission to the President.

8.0 For compliance.

  
**ROLANDO G. ANDAYA, JR.**  
Secretary