



Republic of the Philippines
Department of Budget and Management
Malacañang, Manila

CIRCULAR LETTER

No. 2009-4
February 6, 2009

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

SUBJECT : FY 2008 Budget Performance Assessment (BPA)

1.0 RATIONALE/PURPOSE

This Circular Letter is being issued to inform and prepare all those concerned for a Budget Performance Assessment (BPA) to be undertaken by DBM with national government departments and agencies covering the period January-December 2008. The BPA shall include department/agency-level physical and financial performance within the context of the organizational performance indicator framework (OPIF).

- 1.1 The result of the assessment shall be consolidated into an FY 2008 Department/Agency Performance Assessment Report for submission to the President in April, 2009, and shall become one of the bases for setting up department/agency budget levels for FY 2010.

2.0 COVERAGE

This circular shall cover all National Government Departments, Bureaus and Agencies including State Universities and Colleges (SUCs) and Constitutional Fiscal Autonomy Group (CFAG) member-agencies.

3.0 GUIDELINES


- 3.1 In order to facilitate the conduct of the assessment, departments/agencies shall accomplish the attached Annex "A", due on February 22, 2009 (7 days after the COA due date on year-end accounting reports). The prescribed Annex "A" shall be used by the departments in reporting on the following:

- 3.1.1 FY 2008 Physical Performance consisting of:

- 3.1.1.1 FY 2008 "adjusted" physical targets by indicator, as reflected in the FY 2009 OPIF Book,

- 3.1.1.2 FY 2008 actual accomplishments by indicator, and
- 3.1.1.3 Percentage of accomplishment, representing the agency's actual vis-à-vis FY 2008 physical targets;
- 3.1.2 FY 2008 Financial Performance containing:
- 3.1.2.1 The FY 2008 regular/general (GAA) including budgetary adjustments (transfers in and out), continuing and automatic appropriations (any variance with the MFO cost allocation in the 2009 OPIF Book shall be explained in the remarks column or on a separate sheet),
- 3.1.2.2 Total allotment received from all appropriation sources for FY 2008, whether current or reenacted, including allotments from special purpose funds (SPFs), Special Accounts in the General Fund (SAGF), use of excess income and FY 2007 unobligated allotments,
- 3.1.2.3 Amount obligated in FY 2008 from all sources, which should tally with the year-end reports submitted to DBM and COA,
- 3.1.2.4 Percentage of utilization (obligation vs. allotment),
- 3.1.2.5 Total disbursement authorities (NCAs, NCAAs, TRAs, CDCs) received (total amounts of NCAs and NCAAs received for prior years' accounts payable (PY A/P) and trust liabilities shall be disclosed),
- 3.1.2.6 FY 2008 actual disbursements, net of trust liabilities and prior years' accounts payable (PY A/P),
- 3.1.2.7 Disbursement rate, and
- 3.1.2.8 Remarks column which shall state specific reasons for over or under performance under each MFO (e.g. delayed SARO/NCA release from the central office or DBM, resulting to unpaid contractor accounts payable/work stoppage) and other disclosures.
- 3.2 The PAPs and sub-activities constituting each MFO shall be derived from the accomplished Budget Preparation Form A submitted to DBM for the FY 2009 Book of Outputs.
- 3.2.1 Performance Indicators (PIs) are intended to measure MFOs by the indicated targets, while the PAPs are the means and strategies or inputs applied to deliver the outputs or MFOs. Therefore, the indicators may not have a one-is-to-one correlation/correspondence with the PAPs or sub-activities.

- 3.3 Cost allocation by MFO shall emanate from the PAP appropriations appearing in the GAA. Accordingly, MFO cost shall equal the sum of the appropriations of one or more PAPs or parts thereof constituting an MFO. As a general rule, if one PAP addresses several MFOs, the corresponding cost allocation shall be prorated accordingly.
- 3.3.1 For purposes of analysis, the cost allocation by MFO and PAP shall be reflected in the appropriations, allotment, obligation and disbursement columns.
- 3.4 The preparation of the consolidated report from all the operating units of the department/agency (OSEC, regional/provincial offices, staff and bureaus and attached agencies) shall be the responsibility of the department/agency's central office. Attached agencies are however, required to submit their own reports directly to DBM.
- 3.4.1 Using the same format in Annex "A", a report on "Off-budget" accounts such as the Use of Income for SUCs and Hospitals, shall also be submitted to DBM.
- 3.5 The submitted Annex "A" shall be validated for completeness of information and consistency with the FY 2008 GAA, FY 2009 OPIF Book (on MFOs and FY 2008 cost allocation, indicators and targets), and other relevant budget documents/agency accountability reports (e.g. Budget Accountability Reports (BARs) under NBC 507).
- 3.6 The DBM Operations Bureaus (BMBs) shall conduct the series of validation/consultations during the period February 23-28, 2009. Thus, departments/agencies are enjoined to warrant the availability of their resource persons from their respective planning/budget/accounting groups to provide inputs/clarifications to issues that may arise from the data provided in the prescribed Consolidated BPA Report (Annex "A").
- 4.0 A separate report highlighting the FY 2008 department/agency milestones particularly for banner programs including Presidential directives, acceleration and catch-up plans in case of delays in the achievement of targets and similar concerns, shall be submitted to the DBM.
- 5.0 A final report consolidating all the departmental performance reports, after the DBM review and department head confirmation, shall then be submitted to the President on or before the 1st week of April.
- 6.0 The prescribed reports shall be submitted to the DBM not later than February 22, 2009.
- 7.0 For strict compliance.


ROLANDO G. ANDAYA, JR.
Secretary

Instructions:

Column 1 – Major Final Outputs/PAPs

- Major final outputs (MFOs) as reflected in the FY 2008 column of the FY 2009 Book of Outputs (OPIF Book), PAP statements and sub-activities aligned to each MFO
- Generally, a PAP addresses one MFO. However, if a PAP addresses two or more MFOs, the corresponding budget allocation shall be pro-rated accordingly.

Column 2 – Performance Indicators (PIs)

- Shall reflect the PIs as presented in the FY 2009 OPIF Book to measure a department/agency's performance in the delivery of MFOs

Column 3 – Targets

- Shall reflect the FY 2008 annual physical target as presented in the FY 2009 OPIF Book.

Column 4 – Actual Accomplishment

- Shall reflect the annual physical accomplishment by PI based on the submitted quarterly physical report of operations (BAR No. 1)

Column 5 – Percentage of Accomplishment

- Shall reflect the agency's actual accomplishment vis-à-vis physical targets for the year
- Variances shall be explained in the remarks column or on a separate sheet, if necessary

Column 6 – Appropriation

- Shall reflect the regular appropriation of the agency including budgetary adjustments (transfers in and out) as well as automatic and continuing appropriations (unreleased appropriation of immediately preceding year).

Column 7 – Allotment Received

- Shall include allotment releases during the year chargeable against current year's agency budget plus transfers from special purpose funds, sub-allotments and continuing allotment, allotment releases chargeable against prior year's appropriation, automatic appropriation (RLIP and SAGF) and prior years' unobligated allotment.

Note: Consistent with SAOB (Bar No. 4) and Financial Report of Operations (BAR No. 2)

Column 8 – Obligation

- Shall reflect the actual expenditure/obligations incurred for the year consistent with BAR Nos. 2 and 4.

Column 9 – Percentage of Utilization

- Shall reflect the actual obligations incurred for the year vis-à-vis available allotment
- Variances shall be explained in the remarks column or on a separate sheet, if necessary

Column 10 – NCA, NCAA, TRA, CDC Received

- Shall reflect all cash disbursement authorities (CDAs) received by the agencies, with disclosures on disbursement authorities received for prior years' A/P and trust liabilities

Column 11 – Disbursement

- Shall reflect all types of disbursements for the year (net of trust liabilities and prior years' A/P)

Column 12 – Disbursement Rate

- Shall reflect the actual disbursement incurred for the year vis-à-vis CDAs received
- Variances shall be explained in the remarks column or on a separate sheet, if necessary

Column 13 – Remarks

- Shall state specific reasons for over or under performance under each MFO (e.g. delayed SARO/NCA release from the central office or DBM, resulting to unpaid contractor accounts payable/work stoppage) and other disclosures.

NOTE: Using the same form, a separate report shall be submitted for off-budget accounts such as use of income for SUCs and hospitals, among others

Consolidated Budget Performance Assessment Report

(January - December, 2008)

Major Final Outputs (MFO) / Programs/activities/Projects (PAPs)		Performance Indicators (PIs)	Target	Actual	Percentage of Accomplishments (%)	Appropriation	Amount Received	Obligation	Percentage of Utilization (%)	NCA, NCA TNA, CDC Received	Disbursement	Disbursement Rate (%)	REMARKS
(1)		(2)	(3)	(4)	(5) = (4)/(3)	(6)	(7)	(8)	(9) = (8)/(7)	(10)	(11)	(12) = (11)/(10)	(13)
I. MFO Statement													
A. PROGRAMS: Program/activity/sub-activity Statements													
1													Reasons for over/under performance / variances
2													
3													
4													
5													
B. PROJECTS: (State Project Name)													
1													
2													
3													
4													
5													
Certified Correct:													
Head, Planning Unit						Head, Budget Unit							
Approved by:													
Department/Agency Head													