REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACAÑANG, MANILA

NATIONAL BUDGET MEMORANDUM

No. 104
May 21, 2009

F O R	:	All Heads of Departments, Agencies, Bureaus, Offices, Commissions, State Universities and Colleges, other Instrumentalities of the National Government and all Others Concerned
SUBJECT	:	**ISSUANCE OF DEPARTMENT INDICATIVE BUDGET CEILING FOR FY 2010**

1.0 PURPOSE

To issue indicative department ceilings for FY 2010 which shall be used as basis in the preparation of budget proposals.

2.0 DEPARTMENT BUDGET CEILINGS

The updated Forward Estimates for FY 2010 (gross of Retirement and Life Insurance Premium and other automatic appropriation) as shown in Annex "A" shall correspond to the indicative budget ceiling of each Department/Agency.

3.0 GUIDELINES

3.1 The indicative budget ceiling for each department/agency may be adjusted on the basis of their demonstrated absorptive capacity in relation to the department/agency MFO in line with the performance-based budgeting approach.

3.2 In the preparation of the department/agency budget proposal, agencies are reminded to relate their proposed financial allocation with the targeted output/indicator. If agencies fail to compare the budgetary allocation with the targeted output/indicator, the budget level shall thus be limited to the FY 2008 actual expenditure level, net of recurring expenditure items. This budget levels may

likewise be adjusted on the basis of sectoral priorities as finally determined by the President and the Cabinet.

3.3 Department Secretaries and Agency Heads shall have the flexibility to reallocate the indicative budget ceiling among its bureaus, regional offices and attached agencies including component programs and projects. In the case of State Universities and Colleges (SUCs), the Chairman of the Commission on Higher Education shall be given the flexibility to reallocate the department ceiling among SUCs.

4.0 SUBMISSION OF BUDGET PROPOSALS

The FY 2010 budget proposals pursuant to NBM No. 103 shall be submitted on or before May 29, 2009.

5.0 For guidance.

ROLANDO G. ANDAYA, JR.
Secretary