



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

**NATIONAL BUDGET MEMORANDUM**

No. 110

March 29 , 2011

**TO : All Heads of Departments, Agencies, Bureaus, Offices, Commissions, State Universities and Colleges, Other Instrumentalities of the National Government and All Others Concerned**

**SUBJECT : Guidelines for FY 2012 Lump-sum Fund Proposals within Agency Built-in Appropriations**

**1.0 PURPOSE**

- 1.1 To specify guidelines in the preparation of the FY 2012 agency budget proposals in line with the government's thrust on transparency and accountability; and,
- 1.2 To clarify the policy on full disaggregation of lump-sum funds within agency built-in appropriations, as enunciated under item 4.4.4.1 of NBM No. 107.

**2.0 COVERAGE**

- 2.1 All Lump-Sum Funds within agency budgets as indicated under the FY 2011 General Appropriations Act (GAA), R.A. 10147 and new proposals of same nature.
- 2.2 For purposes of this issuance, **Lump-sum Funds** refer to funds lodged under the built-in appropriation of the Agency Central Office (ACO), corresponding to activities or projects intended for implementation by the Agency Regional Offices (AROs) and/or Operating Units. This includes centrally managed items (CMI)s/nation-wide lump-sum funds, for which, specific details of activities or projects by implementing unit and geographic location are not yet available during budget preparation thus, implementation is subject to the submission of certain documentary requirements.


**3.0 GUIDELINES**

- 3.1 Starting FY 2012 budget preparation, proposals for lump-sum funds within the agency budget shall not be allowed.



- 3.1.1 The FY 2012 National Budget Call was issued early to give more time for departments and/or agencies to plan and flesh out their budgets.
  - 3.1.2 It is expected that the ACO has provided its AROs, their respective allocations for existing Program/Project/Activities (PAPs) and lump-sum funds.
  - 3.1.3 Subsequently, AROs should have presented them during the conduct of consultations with the Regional Development Councils (RDCs) and Civil Society Organizations (CSOs) for feed back on the impact of their existing PAPs in the different localities/provinces.
  - 3.1.4 Departments/agencies, after considering the feedback/inputs received from the RDCs and CSOs at the regional/national level, within the context of other considerations such as national/regional priorities and budget allocations in the provincial/regional level, shall finalize the budget proposal for submission to DBM.
- 3.2 Said policy shall cover all lump-sum funds/CMLs provided within agency budgets under the FY 2011 GAA, R.A. 10147, among others:
  - 3.2.1 Lump-sum for non-infrastructure programs/projects (e.g. Conditional Cash Transfers, Purchase of Textbooks, National Rice Program);
  - 3.2.2 Lump-sum for infrastructure programs/projects (e.g. Requirements for Basic Education Facilities, Balikatan Sagip Patubig, Farm-to-Market Roads);
  - 3.2.3 Special Purpose Funds of the Regional Governor and Vice Regional Governor as well as the share in internal revenue collections under the budget of the Autonomous Region of Muslim Mindanao; and,
  - 3.2.4 Other lump-sum appropriations.
- 3.3 Lump-sum funds for Personal Service (PS), e.g. creation of new positions currently reflected in the agency built-in appropriation shall be included under the Miscellaneous Personnel Benefits Fund (MPBF), with specific purpose to be provided thereon.
- 3.4 Agencies shall disaggregate their budget proposals and identify the itemization of all lump-sum funds previously reflected as such in their built-in appropriations, by:

- 3.4.1 Sub-programs/activities or sub-projects;
  - 3.4.2 Geographical distribution of the sub-programs/activities or sub-projects by regional and/or provincial level, if applicable; and,
  - 3.4.3 Object of expenditures.
- 3.5 Said required information shall be reflected by the agencies in filling-up Budget Preparation (BP) Forms 201 – Schedules A, B and C (Obligations, by Object of Expenditures) to be submitted to DBM, as prescribed under NBM No. 107.
- 3.6 Departments/agencies which are centralized but with regional presence or with activities which have regional implications (e.g., The Judiciary, DND, DOJ, among others) shall likewise submit the disaggregation of their budget proposals as mentioned under Item 3.4 of this Circular.
- 3.7 In the case of pension requirements of agencies not covered by GSIS law (e.g., retired uniformed and military personnel), the budget proposals of agencies concerned shall be supported by a complete list of pensioners entitled to such benefit.
- 3.8 Failure to comply with the provisions of these guidelines may result in the non-provision of funds for the particular programs/activities/projects not disaggregated as to geographic location and implementing unit.
- 4.0 The Administration intends to submit the FY 2012 National Expenditure Program a day after the opening of the Congress session, thus the **April 8, 2011** deadline for the submission of agency budget proposals to DBM shall be strictly observed.
- 5.0 For information and compliance of all concerned.

  
**FLORENCIO B. ABAD**  
Secretary