



Republic of the Philippines
COMMISSION ON AUDIT
DEPARTMENT OF BUDGET AND MANAGEMENT
DEPARTMENT OF FINANCE

JOINT CIRCULAR NO. 1

AUGUST 11, 2017

FOR: All Heads of Departments, Agencies, Bureaus, Offices, Commissions, State Universities and Colleges, Heads of Government-Owned or Controlled Corporations receiving Budgetary Support from the National Government, including those maintaining Special Accounts in the General Fund, and Other Instrumentalities of the Government, Chiefs of Financial and Management Services, COA Auditors, MDS – Government Servicing Banks and All Others Concerned

SUBJECT: MODIFICATION OF THE UNIFIED ACCOUNTS CODE STRUCTURE (UACS) DUE TO THE ADOPTION OF THE PROGRAM EXPENDITURE CLASSIFICATION-BASED PERFORMANCE-INFORMED BUDGETING (PREXC-PIB) FOR FISCAL YEAR 2018

1.0 BACKGROUND

The Department of Budget and Management (DBM), Commission on Audit (COA), and Department of Finance (DOF) – Bureau of the Treasury (BTr) issued Joint Circulars numbered 2013-1 and 2014-1 dated August 6, 2013 and November 7, 2014, respectively, to prescribe the Unified Accounts Code Structure (UACS), and provide a harmonized budgetary and accounting code classification that took effect on January 1, 2014.

To strengthen the integration of planning, budgeting, and performance management, the government shall continue to use performance information as one of the bases to inform resource allocation and management through the Performance-Informed Budgeting (PIB).

The National Expenditure Program (NEP) and the General Appropriations Act (GAA), starting in fiscal year 2018 onwards, shall adopt a structure based on a Program Expenditure Classification (PREXC). Activities and projects, that contribute to a common particular objective or outcome shall be grouped into a program. The PREXC will replace Major Final Outputs (MFOs) as the means of structuring the Agency Budget.

Accordingly, the 15-digits of the *Major Final Output (MFO)/ Program, Activity, Project (PAP) Code* of the UACS shall be modified into the *Cost Structure/Program, Activity, Project (PAP) Code*.

2.0 COVERAGE

This Circular covers all Agencies, Constitutional Commissions/Offices, State Universities and Colleges, Government-Owned or Controlled Corporations receiving budgetary support from the National Government, including those maintaining Special Accounts in the General Fund, and other instrumentalities of the government.

3.0 OBJECTIVE

To amend the following elements of the MFO/PAP Code of the UACS specified under COA/DBM/DOF Joint Circular No. 2014-1 dated November 7, 2014:

- 3.1 Renaming of the *MFO/PAP Code* into *Cost Structure/Program, Activity, Project (PAP) Code*;
- 3.2 Removal of the Classification of Functions of Government (COFOG) and Sector / Horizontal Outcomes from the UACS and their inclusion in a separate tagging facility and database;
- 3.3 Inclusion of the Organizational Outcome/s under the Operations portion of the Agency budget;
- 3.4 Inclusion of the Programs and Sub-programs of the Agency under the cost structure;
- 3.5 Inclusion of Locally-Funded Projects (LFPs) and Foreign-Assisted Projects (FAPs) under Programs and/or Sub-Programs and the creation of an identifier segment to distinguish activities from LFPs and FAPs; and



- 3.6 Removal of the Project Category and Project Sub-Category from the UACS.

4.0 SPECIFIC CHANGES IN THE UACS CODING STRUCTURE

The UACS Code Framework is retained as a 54-digit code, as shown in **Annex A**.

The changes in the UACS Code Segments of the MFO/PAP Code are as follows:

- 4.1 *Cost Structure / Program, Activity, Project Code* (formerly Major Final Output (MFO)/Program, Activity and Project (PAP) Code) – An assignment of codes for Program and Sub-program is included as well as the 1-digit organizational outcome code, and identifier code (1 for Activities, 2 for LFPs, 3 for FAPs). The reassignment of code segments is shown in **Annex A**. A sample of changes in UACS code for NEDA-Office of the Director General is shown in **Annex A-1**.

- 4.1.1 *Cost Structure/Purpose Code* – This is an existing code for the Program/Project which is now named Cost Structure/Purpose and modified as shown in the table below:

Particular	Old Code (Program/Project)	New Code (Cost Structure/ Purpose)
GAS	1	1
STO	2	2
Operations	3	3
LFPs	4	-
FAPs	5	-
SPFs	9	4

- 4.1.2 *Organizational Outcome Code* – This is a 1-digit code that is included since the Agency Budget under PREXC shows the organizational outcome of the Agency under the Operations. An organizational outcome is the result produced by the Agency that 1) contributes to the achievement of the legislated mandate of that department or agency, and 2) is achieved through the production of goods or services to external clients (MFOs), delivered through its projects, activities and programs.

- 4.1.3 *Program Code* – This is a 2-digit code that was previously assigned to MFOs/Category but will now refer to Programs. A

program is a cohesive grouping of activities and projects that contributes to a particular outcome of an agency.

4.1.4 *Sub-Program Code* – This is 2-digit code previously assigned to Activity Level 1/Sub-Category but will now refer to Sub-Programs.

4.1.5 *Identifier Code* – This is a 1-digit code that will be used to distinguish the Activity from LFPs and FAPs. The UACS codes are 1 for Activity, 2 for LFPs and 3 for FAPs.

4.1.6 *Activity/Project Title Code* – This 5-digit code was previously assigned to Activity Level 2/Project Title. This shall now refer to either the activity or project title.

4.1.7 *Reserved Codes* – This 3-digit code is reserved for future element/s that could be included in the 15-digit Cost Structure/Program, Activity, Project Code.

4.2 With the alignment of activities and projects under the different programs (or sub-programs) of an agency, codes for the Project Category and Project Sub-Category are deleted from the 15-digit Cost Structure/Program, Activity, Project Code. Like the Sector/Horizontal Outcomes codes, these are included in another tagging facility or database which can be accessed by interested oversight agencies.

4.3 The DBM shall create and maintain a database of PAPs and their corresponding COFOG/project category classification separate from UACS. This will be made accessible to other oversight agencies as well.

5.0 **AMENDMENTS TO COFOG AND THE BUSINESS RULES FOR THE LOCATION CODES**

5.1 Every PAP in the national budget shall be tagged with a COFOG code consistent with the latest version contained in the 2014 Government Finance Statistics (GFS) Manual issued by the International Monetary Fund (IMF). The COFOG codes are shown in **Annex B**.

5.2 The following are the revised business rules for the Location Codes of the UACS:

5.2.1 The location of an Operating Unit shall refer to the Operating Unit's area of mandate, not the geographical location of its physical office.

5.2.2 The Location codes of the budget of an agency shall correspond to the location of the Operating Unit for which the budget will be allocated. This rule will be applied regardless of the Expense Class of the budget item.

6.0 ADOPTION / IMPLEMENTATION OF THE MODIFIED UACS CODING STRUCTURE

- 6.1 Heads of departments/agencies shall ensure that the UACS, including the adoption of the changes prescribed in this Joint Circular, is properly implemented for all financial transactions and reporting.
- 6.2 Consistent with item 6.2 of the COA-DBM-DOF Joint Circular 2013-1, any issues related to the herein prescribed changes to the UACS shall be raised with the DBM for resolution. A UACS helpdesk will be established for related concerns.
- 6.3 All aspects of the original UACS Manual and Codes issued through the COA-DBM-DOF Joint Circulars numbered 2013-1 and 2014-1 dated August 6, 2013 and November 7, 2014, respectively, which are not inconsistent with the provisions of this circular shall remain in effect.

7.0 EFFECTIVITY

This Joint Circular shall be applied to all financial transactions under the 2018 National Budget when it becomes effective. Transactions/reports done under Budgets prior to the 2018 Budget shall use the existing UACS codes, as authorized under JC 2014-1.


BENJAMIN E. DIOKNO
Secretary

Department of Budget and Management




CARLOS G. DOMINGUEZ III
Secretary

Department of Finance




MICHAEL G. AGUINALDO
Chairperson
Commission on Audit



ANNEX A

Updated Overall UACS Code Structure due to PREXC:

Fund Cluster	Financing Source	Authorization Code	Fund Category	Department Code	Agency Code	Operating Unit Classification	Lower Level Operating Unit	Region	Province	City/Municipality	Barangay	Cost Structure/Purpose	Organizational Outcome	Program	Sub-Program	Identifier	Lowest Level Activity/Project Title	Reserved Code	Revised Chart of Accounts	Sub-Object Code
Existing Funding Source				Existing Organization Code				Existing Location Code				New Cost Structure / Activity, Project						Existing Object Code		
(8)				(12)				(9)				(15)						(10)		
00	0	00	000	00	000	00	00000	00	00	00	000	0	0	00	00	0	00000	000	00000000	00

FROM		TO	
MFO/PAP		Cost Structure/ Activity, Project	
Segment	Number of Digits	Segment	Number of Digits
Sector/Horizontal Outcomes	5		
Program/Project	1	Cost Structure/Purpose	1
		Organizational Outcome	1
MFO/Project Category	2	Program	2
Activity Level 1/Project Sub-Category	2	Sub-Program	2
		Identifier	1
Activity Level 2/Project Title	5	Lowest Level Activity/Project Title	5
		Reserved Codes	3
Total	15	Total	15

ANNEX A-1

Changes in the UACS Code for NEDA-ODG from 2016 NEP to 2018 NEP

FROM (2016 NEP)		TO (2018 NEP)	
General Administration and Support	00000 1 00 00 00000	General Administration and Support	1 0 00 00 0 00000 000
General Management and Supervision	10300 1 00 01 00000	General Management and Supervision	1 0 00 00 1 00001 000
Support to Operations	00000 2 00 00 00000	Support to Operations	2 0 00 00 0 00000 000
Internal planning and management services	10300 2 00 01 00000	Internal planning and management services	2 0 00 00 1 00001 000
Operations	00000 3 00 00 00000	Operations	3 0 00 00 0 00000 000
		Sound Economic and Development Management Effected	3 1 00 00 0 00000 000
MFO 1: Socio-economic and Physical Planning and Policy Services	00000 3 01 00 00000	Socio-economic Development Planning Program	3 1 01 00 0 00000 000
		Policy and Planning Sub-program	3 1 01 01 0 00000 000
Formulation and Updating of National, Inter-regional, Regional and Sectoral Socio-economic, Physical and Development Policies and Plans	16100 3 01 01 00000	Formulation and Updating of National, Inter-regional, Regional and Sectoral Socio-economic, Physical and Development Policies and Plans	3 1 01 01 1 00001 000
MFO 2: Technical Support and Advisory Services	00000 3 02 00 00000		
Provision of Technical and Secretariat Support to the NEDA Board and its Committees and other Inter-Agency Committees	16100 3 02 01 00000	Provision of Technical and Secretariat Support to the NEDA Board and its Committees and other Inter-Agency Committees	3 1 01 01 1 00002 000
Provision of Support Services to Regional Development Councils	16100 3 02 02 00000	Provision of Support Services to Regional Development Councils	3 1 01 01 1 00003 000
Provision of Advisory Services and Assistance to the President, Cabinet, Congress, Inter-Agency Bodies, and other Government Entities and Instrumentalities on Socio-Economic and Development Matters	16100 3 02 03 00000	Provision of Advisory Services and Assistance to the President, Cabinet, Congress, Inter-Agency Bodies, and other Government Entities and Instrumentalities on Socio-Economic and Development Matters	3 1 01 01 1 00004 000
Locally-Funded Projects	00000 4 00 00 00000		
Economic Development	00000 4 07 00 00000		
Economic Affairs	00000 4 07 01 00000		
Communication Advocacy Program (CAP) Project Support	10100 4 07 01 00001	Communication Advocacy Program (CAP) Project Support	3 1 01 01 2 00005 000

ANNEX B

CLASSIFICATION OF FUNCTIONS OF GOVERNMENT (COFOG) CODES	
Description	Code
General public services	0100
Executive and legislative organs, financial and fiscal affairs, external affairs	0110
Executive and legislative organs	0111
Financial and fiscal affairs	0112
External affairs	0113
Foreign economic aid	0120
Economic aid to developing countries and countries in transition	0121
Economic aid routed through international organizations	0122
General services	0130
General personnel services	0131
Overall planning and statistical services	0132
Other general services	0133
Basic research	0140
Basic research	0141
R&D General public services	0150
R&D General public services	0151
General public services n.e.c.	0160
General public services n.e.c.	0161
Public debt transactions	0170
Public debt transactions	0171
Transfers of a general character between different levels of government	0180
Transfers of a general character between different levels of government	0181
Defence	0200
Military defence	0210
Military defence	0211
Civil defence	0220
Civil defence	0221
Foreign military aid	0230
Foreign military aid	0231
R&D Defence	0240
R&D Defence	0241
Defence n.e.c.	0250
Defence n.e.c.	0251
Public order and safety	0300
Police services	0310
Police services	0311
Fire-protection services	0320
Fire-protection services	0321
Law courts	0330
Law courts	0331
Prisons	0340
Prisons	0341
R&D Public order and safety	0350
R&D Public order and safety	0351
Public order and safety n.e.c.	0360
Public order and safety n.e.c.	0361
Economic affairs	0400
General economic, commercial and labour affairs	0410
General economic and commercial affairs	0411
General labour affairs	0412
Agriculture, forestry, fishing and hunting	0420

ANNEX B

CLASSIFICATION OF FUNCTIONS OF GOVERNMENT (COFOG) CODES	
Description	Code
Agriculture	0421
Forestry	0422
Fishing and hunting	0423
Fuel and energy	0430
Coal and other solid mineral fuels	0431
Petroleum and natural gas	0432
Nuclear fuel	0433
Other fuels	0434
Electricity	0435
Non-electric energy	0436
Mining, manufacturing and construction	0440
Mining of mineral resources other than mineral fuels	0441
Manufacturing	0442
Construction	0443
Transport	0450
Road transport	0451
Water transport	0452
Railway transport	0453
Air transport	0454
Pipeline and other transport	0455
Communication	0460
Communication	0461
Other industries	0470
Distributive trades, storage and warehousing	0471
Hotels and restaurants	0472
Tourism	0473
Multi-purpose development projects	0474
R&D Economic affairs	0480
R&D General economic, commercial and labor affairs	0481
R&D Agriculture, forestry, fishing and hunting	0482
R&D Fuel and energy	0483
R&D Mining, manufacturing and construction	0484
R&D Transport	0485
R&D Communication	0486
R&D Other industries	0487
Economic affairs n.e.c.	0490
Economic affairs n.e.c.	0491
Environmental protection	0500
Waste management	0510
Waste management	0511
Waste water management	0520
Waste water management	0521
Pollution abatement	0530
Pollution abatement	0531
Protection of biodiversity and landscape	0540
Protection of biodiversity and landscape	0541
R&D Environmental protection	0550
R&D Environmental protection	0551
Environmental protection n.e.c.	0560
Environmental protection n.e.c.	0561
Housing and community amenities	0600

ANNEX B

CLASSIFICATION OF FUNCTIONS OF GOVERNMENT (COFOG) CODES	
Description	Code
Housing development	0610
Housing development	0611
Community development	0620
Community development	0621
Water supply	0630
Water supply	0631
Street lighting	0640
Street lighting	0641
R&D Housing and community amenities	0650
R&D Housing and community amenities	0651
Housing and community amenities n.e.c.	0660
Housing and community amenities n.e.c.	0661
Health	0700
Medical products, appliances and equipment	0710
Pharmaceutical products	0711
Other medical products	0712
Therapeutic appliances and equipment	0713
Outpatient services	0720
General medical services	0721
Specialized medical services	0722
Dental services	0723
Paramedical services	0724
Hospital services	0730
General hospital services	0731
Specialized hospital services	0732
Medical and maternity centre services	0733
Nursing and convalescent home services	0734
Public health services	0740
Public health services	0741
R&D Health	0750
R&D Health	0751
Health n.e.c.	0760
Health n.e.c.	0761
Recreation, culture and religion	0800
Recreational and sporting services	0810
Recreational and sporting services	0811
Cultural services	0820
Cultural services	0821
Broadcasting and publishing services	0830
Broadcasting and publishing services	0831
Religious and other community services	0840
Religious and other community services	0841
R&D Recreation, culture and religion	0850
R&D Recreation, culture and religion	0851
Recreation, culture and religion n.e.c.	0860
Recreation, culture and religion n.e.c.	0861
Education	0900
Pre-primary and primary education	0910
Pre-primary education	0911
Primary education	0912
Secondary education	0920

ANNEX B

CLASSIFICATION OF FUNCTIONS OF GOVERNMENT (COFOG) CODES	
Description	Code
Lower-secondary education	0921
Upper-secondary education	0922
Post-secondary non-tertiary education	0930
Post-secondary non-tertiary education	0931
Tertiary education	0940
First stage of tertiary education	0941
Second stage of tertiary education	0942
Education not definable by level	0950
Education not definable by level	0951
Subsidiary services to education	0960
Subsidiary services to education	0961
R&D Education	0970
R&D Education	0971
Education n.e.c.	0980
Education n.e.c.	0981
Social protection	1000
Sickness and disability	1010
Sickness	1011
Disability	1012
Old age	1020
Old age	1021
Survivors	1030
Survivors	1031
Family and children	1040
Family and children	1041
Unemployment	1050
Unemployment	1051
Housing	1060
Housing	1061
Social exclusion n.e.c.	1070
Social exclusion n.e.c.	1071
R&D Social protection	1080
R&D Social protection	1081
Social protection n.e.c.	1090
Social protection n.e.c.	1091

n.e.c. - Not elsewhere classified