



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
BONCODIN HALL, GENERAL SOLANO STREET, SAN MIGUEL, MANILA



**CIRCULAR LETTER**

No. 2018- 10  
November 8, 2018

**TO** : All Heads of Departments/Agencies/State Universities and Colleges (SUCs) and including Commissions/Offices under the Constitutional Fiscal Autonomy Group (CFAG), and Government-Owned or -Controlled Corporations (GOCCs) and Local Government Unit (LGU)-Implementing Agency Receiving Budgetary Support from the National Government; Budget Officers; Heads of Finance/Accounting Units, and All Others Concerned

**SUBJECT** : **Additional Guidelines for the Preparation of the Annual Budget Execution Plans Covering the FY 2019 Budget**

**1.0 RATIONALE**

Government entities receiving budgetary support from the national government annually submit their respective Budget Execution Documents (BEDs) for review/evaluation and consolidation by the Department of Budget and Management (DBM). Such BEDs, formulated based on the National Expenditure Program (NEP) for a budget year, contain the agency plans, spending schedules, and physical targets. These BEDs, when updated based on the General Appropriations Act (GAA) for the budget year, serve as one of the bases for the determination of the national government disbursement program. The Development Budget Coordination Committee approves the consolidated disbursement program levels for purposes of scheduling the release of disbursement authorization documents as well as for the assessment of the overall disbursement performance.

The national government is adopting the annual cash-based appropriations (ACBA) starting FY 2019. Under the ACBA, obligation and implementation of programs, activities, and projects is limited to just one year. In order to effectively facilitate the timely delivery of planned results, the configuration of the BEDs should be consistent with and supportive of the budgetary innovations being implemented, to ensure release of funds and enable prompt implementation of programs and projects.

**2.0 PURPOSES**

2.1 To align the BEDs with the information presented and being required for the Budget and Financial Accountability Reports (BFARs);



- 2.2 To require agencies to furnish the DBM copies of the procurement documents being submitted to the Government Procurement Policy Board (GPPB), and the DBM Procurement Service (PS), to ensure consistency of the information reflected in the BEDs with the procurement schedules/specifications; and
- 2.3 To reiterate the submission of the BEDs prescribed under DBM CL No. 2016-9 dated October 27, 2016, as amended under DBM CL No. 2017-12 dated October 19, 2017, including the schedule for departments/agencies' encoding of BEDS at the Unified Reporting System (URS) to minimize network clogging and other system related issues.

### 3.0 COVERAGE

This Circular shall cover all departments, bureaus, agencies, and operating units (OUs) of the national government including commissions/offices under the Constitutional Fiscal Autonomy Group (CFAG), State Universities and Colleges (SUCs) and other recipients (i.e., GOCC and LGUs) of national government budgetary support for the implementation of programs/projects/activities.

### 4.0 GUIDELINES

- 4.1 All entities covered in this Circular shall comply with the general guidelines prescribed under DBM CL No. 2016-9 dated October 27, 2016, as amended under DBM CL No. 2017-12 dated October 19, 2017, with the required BEDs based on the NEP for the FY 2019 Budget Year, without waiting for the approval of the FY 2019 GAA:

BEDs	Data Elements	Purpose
<b>BED No. 1</b> Financial Plan (FP)	Estimated obligation program for the budget year broken down by quarter, and current year obligations (actual obligation as of September 30 and estimated obligation for October to December)	Serves as the overall financial plan of the department/agency/OU
<b>BED NO. 2</b> Physical Plan (PP)	Physical targets for the budget year broken down by quarter, and current year accomplishments (actual accomplishment as of September 30 and projected accomplishment for October to December)	Serves as the overall physical plan of the department/agency/OU
<b>BED No. 3</b> Monthly Disbursement Program (MDP)	Projected monthly disbursement requirements for the budget year by type of disbursement authority (e.g., NCA, CDC, NCAA and TRA)	Basis of the issuance of disbursement authorities
<b>BED No. 4</b> Annual Procurement Plan for Common Use Supplies and Equipment (APP-CSE)	Projected Monthly procurements in terms of quantity and cash requirements. This shall be categorized into items available at Procurement Service (PS) stores and those items not available at PS	Basis of the PS in projecting inventory requirements, scheduling of procurement activities, and overall management of the central procurement of common-use goods.  Serve as Agency Procurement Request (APR)



4.2 In preparing the BEDs, agencies are strictly reminded:

- 4.2.1 To ensure that their plans contain the projected budget requirements of programs, activities and projects that can be obligated and implemented within the period January to December of FY 2019;
- 4.2.2 To observe the process flow (involving agency central/regional offices and operating units) as prescribed under CL No. 2016-9 relative to the preparation, consolidation and submission of BEDs, including department/agency/OU with no regional offices or with decentralized set-ups in terms of direct budgetary releases from DBM; and
- 4.2.3 To classify budgetary items into a) "For Comprehensive Release (FCR)" or b) "For Later Release (FLR)" consistent with the provisions of CL No. 2016-9. **The agency's complete list of budgetary items classified into FCR and FLR shall be submitted together with the hard copies of the duly signed BEDs.**

4.3 To facilitate program/project implementation including the conduct of pre-procurement activities short of award and the prompt completion of procurement timelines, all concerned are reminded to ensure the consistency of the information reflected in the BEDs with the procurement schedules/specifications, being submitted to the GPPB, and the DBM PS. **All covered entities shall also provide the respective DBM operations' bureau, a signed copy of each of the following:**

- 4.3.1 **BED number 4** (Annual Procurement Plan for Common Use Supplies and Equipment [APP-CSE]) shall be submitted to the DBM Procurement Service (PS), on or before November 30 of the present calendar year, in accordance with PS guidelines for the purpose;
- 4.3.2 **Project Procurement Management Plan (PPMP)** ; and
- 4.3.3 **Annual Procurement Plan** (non-CSE) in the format prescribed under GPPB Circular No. 07-2015, as required under Section 7 of R.A. No. 9184 and its revised Implementing Rules and Regulations.

4.4 Relative to the conduct of early procurement based on the NEP provisions, **pending the enactment of the FY 2019 GAA:**

- 4.4.1 The requirement of Multi-Year Obligational Authorities (MYOAs) for purposes of entering into multi-year contracts as prescribed under existing DBM issuances shall continue to be observed;
- 4.4.2 Agency-specific funds for the purchase of motor vehicles for FY 2019 as reflected in the FY 2019 NEP are included in the items classified as FCR. This classification shall be adopted only for agency procurement of vehicles, which remain consistent and



the same as the specifications and costs included in the confirmation letters to the agency during the budget preparation. Considering that DBM evaluation and approval of these vehicles have already been completed during the annual budget preparation process and consequently proposed to be appropriated under the agency budget, issuance of Authority to Purchase Motor Vehicles by the DBM shall not be required in 2019. This shall facilitate the speedy and timely vehicle procurement for government operations.

4.5 In terms of timelines, all concerned are reminded of the following:

4.5.1 Agencies shall submit and confirm the BEDs, consistent with the NEP, to DBM in accordance with the following deadlines, subject to their encoding access schedule prescribed in CL 2017-12:

Particulars	Deadline of Submission	
	Non-regionalized Departments/Agencies	Regionalized Departments/Agencies
Agency Submission of BEDs	November 15 of the current year	November 29 of the current year
DBM Evaluation	Three (3) working days after November 15 of the current year	Five (5) working days after November 29 of the current year
Agency Confirmation	Three (3) working days after DBM Evaluation	Three (3) working days after DBM Evaluation

4.5.2 Upon approval of the GAA of the budget year and in case there are changes made by Congress from the National Expenditure Program (NEP), i.e., decrease, increase or other modifications for existing programs and projects or introduction of new items, departments/agencies/OUTs shall identify affected Program/Activities/Projects (PAPs) and targets to be adjusted. All Departments/agencies/OUTs shall submit their GAA-consistent **BEDs**, highlighting any adjustment made in PAPs/targets/plans, using the same BED forms to DBM **within seven (7) working days after approval of the GAA**.

4.5.3 Only hard copies of the **two sets of BEDs** (for BED Nos. 1, 2, and 3), i.e., based on (a) **the NEP** as well as on (b) **the GAA**, as generated from the URS, duly signed by the Department/Agency/OUT Head or Authorized Representative, shall be recognized as compliant with the submission requirements.

4.6 For purposes of the qualification for the grant of the Performance-Based Bonus for FY 2018, relative to the requirement of "50% value of planned procurement", all are reminded of the following clarification made under item 4.5 of DBM CL No. 2018-8 dated July 30, 2018:



*"...an agency should ensure that at least 50% of the volume or number of the planned procurement for FY 2019 should undergo early procurement, after strategizing those activities and projects it needs to implement in the first semester and those procurement activities it deems difficult or risky... In relation to this, each agency shall submit a Certification of Compliance to the Government Procurement Policy Board..."*

## **5.0 APPLICABILITY**

This Circular shall only apply for the period and purpose specified herein.

## **6.0 SANCTIONS**

Failure of the officials and employees concerned to comply with provisions of this Circular shall subject them to penalties imposed under Section 43, Chapter 5, Book VI of EO No. 292, the revised Administrative Code of the Philippines.

## **7.0 REPEALING CLAUSE**

All provisions of existing circular and other issuances inconsistent with this Circular are hereby modified/repealed only for purposes of implementation of this Circular.

## **8.0 UNAFFECTED PROVISIONS**

Except as expressly repealed, or by necessary implication, modified by this Circular, the existing provisions of DBM CL No. 2016-9 dated October 27, 2016, as amended under DBM CL No. 2017-12 dated October 19, 2017, regarding the BEDs, shall remain in full force and effect.

## **9.0 SEPARABILITY**

If any provision of this Circular as now or later amended or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions that can be given effect without the invalid provision or application.

## **10.0 SAVING CLAUSE**

Cases not covered in this Circular shall be referred to the DBM for resolution.

## **11.0 EFFECTIVITY**

This Circular shall take effect immediately.

  
**BENJAMIN E. DIOKNO**  
Secretary

