



DEPARTMENT OF BUDGET AND MANAGEMENT
DEPARTMENT OF NATIONAL DEFENSE



JOINT CIRCULAR NO. 2021- 1
December 31, 2021

TO : OFFICIALS OF THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) AND THE DEPARTMENT OF NATIONAL DEFENSE (DND), AND ALL OTHERS CONCERNED

SUBJECT : **POLICIES AND GUIDELINES ON THE USE OF REVENUES FROM GOLF COURSE OPERATIONS OF THE ARMED FORCES OF THE PHILIPPINES (AFP)**

1.0 BACKGROUND

- 1.1 Special Provision (SP) No. 1 on Hospital Income and Other Revenues from Golf Course Operations under the FY 2021 General Appropriations Act (GAA), Republic Act (RA) No. 11518 of DND – General Headquarters, AFP and AFP-Wide Service Support Units (AFPWSSUs), Philippine Air Force (PAF), Philippine Army (PA), Philippine Navy (PN), provides, among others, that all revenues derived from the golf club membership dues, green fees, concession fees, and such other income from business-related operations of the golf course shall be deposited in an authorized government depository bank and shall be used to cover the expenses incurred in its operations. Any excess from the operations of the golf courses may be used to augment the Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) requirements of AFP Hospitals and other AFP treatment facilities.¹
- 1.2 Veto Message under the FY 2021 GAA, RA No. 11518 provides that DBM, in coordination with the DND, shall issue relevant guidelines for the aforementioned provisions in order to ensure the optimum use of revenues from the operations of golf courses.

2.0 PURPOSE

To prescribe policies and guidelines on the use of revenues from golf course operations of the AFP Units authorized under their respective SPs in the FY 2021 GAA.

¹ As part of the Congress-introduced insertions

3.0 COVERAGE

This Joint Circular (JC) shall cover all the revenues derived from the different AFP golf clubs membership dues, green fees, concession fees, and such other income from business-related operations of the following AFP golf courses:

Agency/DND Unit	Golf Course	Hospital
General Headquarters, AFP and AFP-Wide Service Support Units	Camp Aguinaldo Golf Course	AFP Medical Center Other GHQ treatment facilities
Philippine Army	Philippine Army Golf Course	Army General Hospital Other PA treatment facilities
Philippine Navy	Philippine Navy Golf Course	Manila Naval Hospital Cavite Naval Hospital Other PN treatment facilities
Philippine Air Force	Villamor Air Base Golf Course and Mactan Island Golf Course	Philippine Air Force General Hospital Other PAF and treatment facilities

4.0 POLICY GUIDELINES

4.1 Consistent with the respective SPs of the concerned AFP Units, collections from the specified AFP golf courses shall be separately recorded and deposited in an authorized government depository bank, and considered self-perpetuating and self-liquidating. All obligations or expenditures incurred for the operations of said facilities or the business-type activities concerned shall be charged against the said collections.

4.2 No amount of the revenues collected for the purpose shall be used for the payment of discretionary and representation expenses, as well as payment of salaries, allowances, and other benefits.

Further, in no case shall such collections be used for creation of positions under the AFP golf courses.

4.3 In accordance with and subject to the applicable limitations prescribed in the Commission on Audit (COA) Circular No. 2012-003 dated October

29, 2012,² the following disbursements and expenditures in relation to revenues collected from the golf courses shall be allowed, in order of priority:

4.3.1 Operating requirements of the AFP golf courses;

4.3.2 Any excess from the operations of the golf courses may be used to augment the Maintenance and Other Operating Expenses (MOOE) and Capital Outlays (CO) requirements of the respective AFP Hospitals and other treatment facilities of each of the AFP Units.

4.4 The AFP Units shall submit a report of the utilization of this fund under its Budget and Financial Accountability Reports pursuant to COA-DBM JC No. 2019-1 dated January 1, 2019 (Updated Guidelines Relative to Budget and Financial Accountability Reports Starting FY 2019).

4.5 All existing budgeting, accounting, and auditing laws, rules, and regulations shall be strictly observed in the collections and utilization of AFP golf course revenues.

5.0 RESPONSIBILITY AND ACCOUNTABILITY

The responsibility and accountability in the utilization of AFP golf course revenues shall rest upon the officials and employees, who have caused or authorized the actual payment, utilization, or disbursement. It is also the responsibility of the Officials of DND and AFP Units to ensure that the collections/revenues from AFP golf courses shall be utilized, in accordance with applicable budgeting, accounting, and auditing rules and regulations, and other pertinent laws.

6.0 RESOLUTION OF ISSUE

Issues and concerns that may arise in the implementation of this JC, including cases not covered herein, shall be resolved jointly by the DBM and the DND.

7.0 SEPARABILITY CLAUSE

If any provision of this JC is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

8.0 REPEALING CLAUSE

All circulars, memoranda, rules and regulations, and other issuances inconsistent with this JC are hereby repealed or modified accordingly.


² Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Excessive, Extravagant and Unconscionable Expenditures

9.0 EFFECTIVITY

This JC shall take effect immediately upon issuance.


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Secretary, DND

