



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



CIRCULAR LETTER

No. 2017 - 12

October 19, 2017

TO : All Heads of Departments/Agencies/State Universities and Colleges (SUCs) including Commissions/Offices under the Constitutional Fiscal Autonomy Group (CFAG), and Government Owned or Controlled Corporations (GOCCs) Receiving Budgetary Support; Budgetary Support to Local Government Units; Heads of Finance and Planning Units; and All Others Concerned

SUBJECT : Amended Guidelines for the Preparation of the Annual Budget Execution Plans

1.0 RATIONALE

The Department of Budget and Management (DBM) issued Circular Letter No. 2016-9 (dated October 27, 2016), prescribing the guidelines and formats to be observed starting FY 2017, for the Budget Execution Documents (BEDs) which are formulated based on the National Expenditure Program (NEP). The annual BEDs, which contain the agency plans, spending schedules, and physical targets, are regularly prepared by agencies and reviewed by the DBM, to facilitate the release of funds and enable prompt implementation of programs and projects, including the conduct of early procurement activities.

The adoption of performance-informed budgeting (PIB) structure for the NEP/General Appropriations Act (GAA) since FY 2014 makes both financial and non-financial agency performance information available, thereby informing Congress, the public and other stakeholders about the outputs and outcomes an agency is committing to deliver in exchange for its budget. Starting with the FY 2014 GAA, the PIB as a budgeting approach has been implemented, using performance information in the appropriations documents to link funding to results and to provide a framework for more informed resource allocation and management.

Pursuant to National Budget Circular No. 569 (dated February 8, 2017), the FY 2018 Proposed National Budget has adopted the PIB structure based on Program Expenditure Classification (PREXC), to facilitate the evaluation of the impact of agency strategies or interventions and provide better information for planning, prioritization, and the organizational management of agencies. The PREXC replaced the Major Final Outputs (MFO), which were central to the outcome-based PIB to shift the focus from agency outputs to programs or strategies. Under the PREXC-based PIB, recurring activities and projects that contribute to a common organizational objective or outcome are grouped under a program under that outcome, providing performance information per program, instead of the agency-

wide approach, thereby facilitating assessment of agency performance and trade-offs.

With the implementation of the Program Expenditure Classification (PREXC)-based Performance-Informed Budgeting (PIB), the BEDs formats need to be correspondingly modified.

2.0 PURPOSES

- 2.1 To modify the prescribed formats for BED nos. 1 and 2 consistent with the PREXC structure; and
- 2.2 To prescribe the schedule for departments/agencies' encoding or uploading of completed BED nos. 1, 2 and 3 at the Unified Reporting System (URS) to avoid network congestion and other system-related issues.

3.0 COVERAGE

All departments, bureaus, offices, 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 of budgetary support, i.e., GOCCs and LGUs.

4.0 GENERAL GUIDELINES

- 4.1 In preparing the BEDs, the following, among others, shall be strictly considered for the timely implementation of programs/projects:
 - 4.1.1 Coordination and synchronization of activities among planning, operations, budget and accounting offices in the program/project implementation;
 - 4.1.2 Taking into consideration scheduling of procurement activities, projecting inventory requirements and overall management of central procurement of common used goods and services; and
 - 4.1.3 Historical performance (absorptive capacity), seasonality (e.g., peak/slack periods) of activities and other factors that influence programming.
- 4.2 Agencies shall **only encode their final and complete BEDs** (except for BED no.4 which is submitted to the PS IT Systems) through the URS strictly in accordance with the schedule shown in **Annex A** hereof. Encoding access at the URS by agencies shall be automatically disabled outside their respective scheduled dates. To facilitate accurate and timely compliance with the online submission of the BEDs, all departments/agencies are advised to prepare excel worksheet prior to final encoding at the URS.
- 4.3 It is reiterated that for departments with regionalized offices or lower operating units, the following shall be observed relative to the disaggregation of agency specific lump-sums or centrally-managed items (CMLs):

- 4.3.1 BEDs of Agency Central Office (CO) shall exclude the amount of CMIs which have already been determined to be downloaded to recipient OUs;
- 4.3.2 BEDs of recipient OUs shall include the amount of CMIs received from CO;
- 4.3.3 The sum total of the amount reflected in BEDs of the CO and the ROs including OUs should be consistent with the total approved budget of the department initially based on the NEP and subsequently adjusted consistent with the GAA, as applicable; and
- 4.3.4 Only the consolidated BEDs generated from the URS, duly signed by department/agency heads shall be deemed official compliance with this Circular.

5.0 SPECIFIC GUIDELINES

- 5.1 BED numbers 1 and 2 shall be prepared using the forms attached hereto as Annexes A and B, as modified, to facilitate monitoring/ assessment/ reporting of agency performance, specifically:
 - 5.1.1 **BED no. 1 – Financial Plan**
 - ◆ Replacement of “Major Final Output (MFO)” with “Program”
 - ◆ Retention of “Part B – Major Programs/Projects”
 - 5.1.2 **BED no. 2 – Physical Plan**
 - ◆ Incorporation of “Part B – Major Programs/Projects”
- 5.2 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.
- 5.3 In addition, to facilitate program/project implementation by 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 required for submission by the Government Procurement Policy Board (GPPB), to wit:
 - 5.3.1 Project Procurement Management Plan (PPMP)
 - 5.3.2 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.

6.0 REPEALING CLAUSE

All provisions of existing circulars and other issuances inconsistent with this Circular are hereby rescinded/repealed and/or modified accordingly.

7.0 UNAFFECTED PROVISIONS

Except as expressly repealed, or by necessary implication, modified by this Circular, the existing provisions of DBM Circular Letter No. 2016-9 dated October 27, 2016, shall remain in full force and effect.

8.0 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.

9.0 PENALTY CLAUSE

Failure to submit reports required under this Circular shall be subject to the provisions of Section 57, Chapter 6, Book VI of Executive Order No. 292 (Administrative Code of 1987).

10.0 EFFECTIVITY

This Circular shall be effective immediately and remain to be in force unless otherwise repealed/amended.


BENJAMIN E. DIOKNO
Secretary 



SCHEDULE OF ENCODING OF BUDGET EXECUTION DOCUMENTS (BEDs)

Department/Agency	OCTOBER	NOVEMBER			
	23 - 30	2 - 8	9 - 15	16 - 22	23 - 30
DOJ					
DND					
LEDAC					
OEOs					
AMLC					
CCC					
CFO					
CFL					
DDB					
ERC					
FDPC					
GAB					
GCGOCC					
MDA					
MTRCB					
NCCA					
PROPER					
NHCP					
NL					
NAP					
PCUP					
PCC					
PLLO					
PMS					
CDA					
FPA					
HLURB					
HUDCC					
NAPC					
NCIP					
NCMF					
NICA					
NSC					
NYC					
OPAPP					
OMB (VRB)					
PRRC					
PCW					
PDEA					
PHILRACOM					
PSC					
DILG					
Judiciary					
COP					
OP					
OVP					
DOE					
DOF					
DFA					
NEDA					
DICT					
BSGC with Budgetary support					
DOT					
DTI					
PCOO					
ALGU - MMDA					
DBM					
DSWD					
CSC					
COA					
COMELEC					
Ombudsman					
CHR					
DOLE					
DOTr					
DOST					
DOH					
CHED					
TESDA					
DPWH					
DepEd					
SUCS					
DENR					
DAR					
DA					
ARMM					
Total Number of Department/Agency	43	13	9	8	7

FY _____ FINANCIAL PLAN
(In Thousand Pesos)

Department : _____
 Agency : _____
 Operating Unit : _____
 Organization Code (UACS) : _____

Particulars	UACS CODE	Current Year's Obligations			Budget Year Obligation Program										
		Actual Jan. 1-Sept. 30	Estimate Oct.1-Dec.31	Total	TOTAL	COMPREHENSIVE RELEASE					FOR LATER RELEASE (Negative List)				
						Q1	Q2	Q3	Q4	Sub-Total	Q1	Q2	Q3	Q4	Sub-Total
1	2	3	4	5=3+4	6=11+16	7	8	9	10	11=7+8+9+10	12	13	14	15	16=12+13+14+15
Part A															
I. Budget Year / Appropriations															
<i>General Administration and Support</i>															
General Management and Supervision															
Activity															
PS															
MOOE															
Fin Exp.(if applicable)															
CO															
<i>Support to Operations</i>															
Activity															
PS															
MOOE															
Fin Exp.(if applicable)															
CO															
<i>Locally-Funded Project(s)</i>															
PS															
MOOE															
Fin Exp.(if applicable)															
CO															
<i>Foreign-Assisted Project(s)</i>															
PS															
MOOE															
Fin Exp.(if applicable)															
CO															
<i>Operations</i>															
Organizational Outcome															
Program															
Activity															
PS															
MOOE															
Fin Exp.(if applicable)															
CO															
...continue down to the last Activity															
<i>Locally-Funded Project(s)</i>															
PS															
MOOE															
Fin Exp.(if applicable)															
CO															
...continue down to the last Project															
<i>Foreign-Assisted Project(s)</i>															
Activity															
PS															
MOOE															
Fin Exp.(if applicable)															
CO															
...continue down to the last Project															
...continue down to the last Program															

FY _____ FINANCIAL PLAN
(In Thousand Pesos)

Department : _____
 Agency : _____
 Operating Unit : _____
 Organization Code (UACS) : _____

Particulars	UACS CODE	Current Year's Obligations			Budget Year Obligation Program											
		Actual Jan. 1-Sept. 30	Estimate Oct.1-Dec.31	Total 5=3+4	TOTAL 6=11+16	COMPREHENSIVE RELEASE					FOR LATER RELEASE (Negative List)					
						Q1	Q2	Q3	Q4	Sub-Total 11=7+8+9+10	Q1	Q2	Q3	Q4	Sub-Total 16=12+13+14+15	
1	2	3	4	5=3+4	6=11+16	7	8	9	10	11=7+8+9+10	12	13	14	15	16=12+13+14+15	
II. Automatic Appropriations																
Retirement and Life Insurance Premiums																
<i>General Administration and Support</i>																
General Management and Supervision																
Activity																
PS																
MOOE																
Fin Exp.(if applicable)																
CO																
<i>Support to Operations</i>																
Activity																
PS																
MOOE																
Fin Exp.(if applicable)																
CO																
<i>Operations</i>																
Organizational Outcome																
Program																
Activity																
PS																
MOOE																
Fin Exp.(if applicable)																
CO																
...continue down to the last Activity																
...continue down to the last Program																
Special Account in the General Fund (Please specify)																
Motor Vehicle Users Charge Fund																
<i>General Administration and Support</i>																
General Management and Supervision																
Activity																
PS																
MOOE																
Fin Exp.(if applicable)																
CO																
<i>Support to Operations</i>																
Activity																
PS																
MOOE																
Fin Exp.(if applicable)																
CO																
<i>Operations</i>																
Organizational Outcome																
Program																
Activity																
PS																
MOOE																
Fin Exp.(if applicable)																
CO																
...continue down to the last Activity																
...continue down to the last Program																

FY _____ FINANCIAL PLAN
(In Thousand Pesos)

Department : _____
 Agency : _____
 Operating Unit : _____
 Organization Code (UACS) : _____

Particulars	UACS CODE	Current Year's Obligations			Budget Year Obligation Program											
		Actual Jan. 1-Sept. 30	Estimate Oct.1-Dec.31	Total	TOTAL	COMPREHENSIVE RELEASE					FOR LATER RELEASE (Negative List)					
						Q1	Q2	Q3	Q4	Sub-Total	Q1	Q2	Q3	Q4	Sub-Total	
1	2	3	4	5=3+4	6=11+16	7	8	9	10	11=7+8+9+10	12	13	14	15	16=12+13+14+15	
III. Special Purpose Fund (Please specify) Pension and Gratuity Fund (Pension Benefits) Organizational Outcome Program Activity																
TOTAL, Current Year Budget / Appropriations PS MOOE Fin Exp.(if applicable) CO																
Recapitulation by Program: Program 1 Program 2 <i>...continue down to the last Program</i>																
Part B Major Programs/Projects PAP <i>...continue down to the last major PAP</i>																
Prepared By: _____ <i>Financial Services Head/Budget Officer</i> Date:		In coordination with: _____ <i>Planning Head/Planning Officer</i> Date:					Approved By: _____ <i>Agency Head/Department Secretary</i> Date:									

FINANCIAL PLAN (BED No. 1)

Instructions

The **Financial Plan** (FP) shall contain the OU/agency's performance in the current year and plans during the budget year, in terms of obligation program, consistent with its budget level per National Expenditure Program (NEP) inclusive of automatic appropriations for the budget year.

Column 1 Part A includes all to be implemented, categorized by cost structure, by allotment class and by fund source, including automatic appropriations and special purpose funds. This shall also disclose the Program where the specific activities and projects under Operations shall be attributed. A program is a group of activities and projects that contribute to a common particular outcome. A program should have a unique expected results or outcomes, a clear target population or client group external to the agency, a defined method of intervention to achieve the desired result, and a clear management structure that defines accountabilities.

Part B shall highlight the identified priority or major programs and projects which shall correspond to the work targets identified in the Physical Plan, and consistent with the priorities of the current administration.

Column 2 Adopt the UACS Code per COA-DBM-DOF Joint Circular Nos. 2017-1 dated August 11, 2017.

Columns 3 to 5 Total current year's obligations, composed of actual obligations for the period Jan. 1 to Sept. 30 and estimated obligations for October 1 to December 31.

Column 6 The total approved budget level of the agency under its specific budget including agency specific allocations under special purpose fund (e.g., pension requirements under Pension and Gratuity Fund). It is understood that funding requirements which shall be covered by the Special Budget Requests (SBRs) for the release of items categorized "For Later Release" (Negative List) are already included in this FP.

FLR consist of budgetary items in the agency specific budgets that shall be released upon compliance of certain documentary requirements

Columns 7 to 16 Obligation program for the Budget Year under the Agency Specific Budget i.e., the estimated quarterly commitments/obligations that could be made/incurred, broken down into:

- a) Comprehensive Release, by quarter (Columns 7-11). This shall be the basis of the agencies to enter into commitments / obligations as reflected under DBM National Budget Circular to be issued for the purpose.
- b) For Later Release (Columns 12-16). This pertains to the negative list enumerated under the aforementioned DBM Circular. Release of which shall be made through a SARO subject to compliance of certain documentary requirements or specific authorizations.

The FP shall be submitted to DBM on or before **November 15 (for non-regionalized departments/agencies) or November 29 (for regionalized departments/agencies) of the current year.**

This form shall likewise be filled up **separately** and submitted to DBM to support SBRs covering multi-user Special Purpose Funds e.g., Miscellaneous Personnel Benefits Fund, Pension and Gratuity Fund and National Disaster Risk Reduction Management Fund.

Upon effectivity of the GAA, in case there were any changes made by Congress i.e., decrease or increase on the NEP level, the OU/agency concerned shall submit a **revised** Financial Plan **within seven (7) working days after approval of the GAA.**

FY _____ PHYSICAL PLAN

Department : _____
 Agency : _____
 Operating Unit : _____
 Organization Code (UACS) : _____

Particulars	UACS CODE	Current Year's Accomplishments			Physical Targets (Budget Year)					Variance	Remarks
		Actual Jan. 1- Sept. 30	Estimate Oct. 1- Dec. 31	TOTAL	TOTAL	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter		
1	2	3	4	5=3+4	6=7+8+9+10	7	8	9	10	11=6-5	12
Part A I. OPERATIONS Organizational Outcome Program Performance Indicators Outcome Indicators Indicator 1 Indicator 2 Indicator 3 Output Indicators Indicator 1 Indicator 2 Indicator 3 ...continue down to the last Program											
Part B Major Programs/Projects PAP ...continue down to the last major PAP											

Prepared by: _____ Planning Services Head / Planning Officer Date: _____	In coordination with: _____ Financial Services Head/ Budget Officer Date: _____	Approved by: _____ Agency Head/ Department Secretary Date: _____
--------------------------------------------------------------------------------	---------------------------------------------------------------------------------------	------------------------------------------------------------------------

PHYSICAL PLAN (BED No. 2)

Instructions

The **Physical Plan** shall contain the performance indicators and targets of the department/agency consistent with the performance information embodied in the National Expenditure Program (NEP).

Column 1 Part A shall reflect the Cost Structure, Organizational Outcomes, Programs and the corresponding Performance Indicators (PIs).

A program is a group of activities and projects that contribute to a common particular outcome. A program should have a unique expected results or outcomes, a clear target population or client group external to the agency, a defined method of intervention to achieve the desired result, and a clear management structure that defines accountabilities.

PI is a characteristic of performance (quantity, quality, and timeliness) which will be measured to illustrate the standard of performance by which a department/agency has delivered its programs.

Part B shall highlight the identified priority or major programs and projects which shall correspond to the work targets identified in the Physical Plan, and consistent with the priorities of the current administration.

Column 2 Adopt the UACS Code per COA-DBM-DOF Joint Circular No. 2017-1 dated 11 August 2017.

Columns 3-5 Current year's accomplishments, composed of actual performance for the period Jan. 1 to Sept. 30 and estimated accomplishments for October 1 to December 31.

Columns 6-10 Refers to the Physical Targets of a department/agency for the entire year with quarterly targets.

Column 11 The difference between columns 6 and 5.

Column 12 As a rule, the target for the budget year should indicate an improving trend over the accomplishments in current year. Any variance that may arise from current year's accomplishment versus the budget year's targets shall be disclosed/justified under the remarks column.

Upon effectivity of the GAA, in case there were any changes made by Congress i.e., decrease or increase on the NEP level, the OU/agency concerned shall submit a revised Physical Plan **within seven (7) working days after approval of the GAA.**

This shall be submitted to DBM **on or before November 15 (for non-regionalized departments/agencies) or November 29 (for regionalized departments/agencies) of the current year.**