



Republic of the Philippines
Department of Education
OFFICE OF THE UNDERSECRETARY FOR FINANCE

MEMORANDUM
OUF-2021-0356

FOR : UNDERSECRETARIES
ASSISTANT SECRETARIES
BUREAU AND SERVICE DIRECTORS
REGIONAL DIRECTORS
REGIONAL FINANCE OFFICERS
SCHOOLS DIVISION FINANCE OFFICERS

ATTENTION : ARMANDO C. RUIZ
Director, Finance Service

FROM : 
ANNALYN M. SEVILLA
Undersecretary



SUBJECT : ADVISORY ON DEPARTMENT OF BUDGET AND MANAGEMENT
(DBM) NATIONAL BUDGET CIRCULAR (NBC) NO. 586

DATE : May 25, 2021

This refers to NBC No. 586 dated May 21, 2021, entitled "Guidelines for the Identification of Agency Savings under the FY 2020 GAA (RA No. 11465) for Purposes of Augmentation of Appropriations Therein due to the Continuing COVID-19 Pandemic."

Among the highlights of the said Circular are as follows:

1. The Circular shall cover released allotments under the FY 2020 GAA which **remain unobligated as of May 15, 2021 (unobligated FY 2020 GAA-covered allotment balances as of May 15, 2021)**, but not expressly earmarked for the implementation of programs/activities/projects addressing the COVID-19 pandemic.
2. Each NGA/SUC/Constitutional Office/GOCC shall identify, certify and report their respective **FY 2020 unobligated allotments as of May 15, 2021** on or before **May 31, 2021**.
3. Agencies shall submit to the DBM the updated FY 2021 Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) (Financial Accountability Report (FAR) No. 1) as of May 15, 2021, **pertaining to the FY 2020 appropriations**.
4. The Certification of Identified Savings attached as Annex A in the Circular duly signed by the agency head, budget and finance officers of the government entity concerned shall



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likewise be submitted to the DBM **not later May 31, 2021**. The certification shall reflect adjustments, i.e. obligations incurred for the period April 1 to May 15, 2021.

5. In case agencies do not submit the required reports and certification mentioned within the cut-off period of May 31, 2021, the DBM shall consider the March 31, 2021 SAAODB reports from its records as confirmed and this shall serve as basis for recommendation to the President of the amount of savings.
6. The DBM shall submit a consolidated report of savings to the President, based on the certification prescribed and the reports/documents submitted by the agencies and/or DBM data.

In line with the abovementioned, **Regional Finance Officers must consolidate the Certification of Identified Savings from Schools Division Offices (SDOs) and encode in the google drive link on or before May 27, 2021 (Thursday)**. The Central Office Budget Division will email to Regions their respective link for encoding.

The DepEd Central Office Budget Division shall submit the consolidated report of DepEd to the DBM on **May 31, 2021 (Monday)**.

For concerns on the encoding, please contact **Gilbert Morong**, Budget Division, via email address: gilbert.morong@deped.gov.ph or via landline at: (02) 8637-4214.

For guidance and compliance.

Thank you.



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

NATIONAL BUDGET CIRCULAR

No. 586
May 21, 2021

- FOR** : All Heads of Departments/Agencies/State Universities and Colleges (SUCs) and Other Offices of the National Government, Government Owned or Controlled Corporations (GOCCs) Receiving Budgetary Support; Budget Officers; Heads of Accounting Units; and All Others Concerned
- SUBJECT** : GUIDELINES FOR THE IDENTIFICATION OF AGENCY SAVINGS UNDER THE FY 2020 GAA (RA NO. 11465) FOR PURPOSES OF AUGMENTATION OF APPROPRIATIONS THEREIN DUE TO THE CONTINUING COVID-19 PANDEMIC

1.0 RATIONALE

- 1.1 The State of Calamity has been extended from the original six-month period from March 16, 2020 to September 16, 2020 (Proclamation 921, s. 2020) up to September 12, 2021, through **Proclamation 1021**, s. 2020. Given the emergent duration and scale of the COVID-19 pandemic, more funds must be made readily available, in a sustainable and responsible manner, to support the required intensified government-wide response and recovery measures including various forms of socio-economic relief and assistance to those affected by the imposition of stricter levels of community quarantine.
- 1.2 Relative thereto, the President issued **Administrative Order No. 41, s. 2021** last May 12, 2021, to tap agency savings in the form of unobligated released allotments under the FY 2020 GAA which may be used to augment deficient items of appropriations authorized by the same GAA, including if necessary, items of appropriations for the provisions of emergency subsidies to low-income households and disadvantaged or displaced workers affected by the pandemic.

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2.0 COVERAGE

All departments, agencies and operating units of the National Government, including SUCs, GOCCs receiving allotments covered by budgetary appropriations authorized under the FY 2020 GAA. This Circular shall cover released allotments under the FY 2020 GAA which **remain unobligated as of May 15, 2021**, but not expressly earmarked for the implementation of programs/activities/projects addressing the COVID 19 pandemic.

3.0 PURPOSE

To prescribe the guidelines for the agency submission of certification of savings and documents/reports to the DBM to be used as bases for the identification of savings corresponding to **unobligated FY 2020 GAA-covered allotment balances as of May 15, 2021**.

4.0 GUIDELINES

- 4.1 Each NGA/SUC/Constitutional Office/GOCC shall identify, certify and report their respective **FY 2020 unobligated allotments as of May 15, 2021** on or before **May 31, 2021**. These unobligated allotments correspond to savings as a result of completed, discontinued or abandoned projects, or amounts generated due to improved systems and efficiencies which resulted to the achievement of targets at a lesser cost pursuant to Section 67 of the General Provisions of the FY 2020 GAA.
 - 4.1.1 For this purpose, agencies shall submit to the DBM the updated FY 2021 Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) (Financial Accountability Report (FAR) No. 1) as of May 15, 2021, **pertaining to the FY 2020 appropriations**.
 - 4.1.2 The Certification of Identified Savings hereto attached as Annex A duly signed by the agency head, budget and finance officers of the government entity concerned shall likewise be submitted to the DBM **not later May 31, 2021**. The certification shall reflect adjustments, i.e. obligations incurred for the period April 1 to May 15, 2021.
- 4.2 Pending receipt of agency submission of updated SAAODB as of May 15, 2021, the DBM shall generate data from the FY 2021 SAAODB as of March 31, 2021 which shall be used as basis to determine the FY 2020 unobligated allotment balances.



- 4.3 In case agencies do not submit the required reports and certification mentioned in item 4.1 hereof within the cut-off period of May 31, 2021, the DBM shall consider the March 31, 2021 SAAODB reports from its records as confirmed and this shall serve as basis for recommendation to the President of the amount of savings.
- 4.4 The DBM shall submit a consolidated report of savings to the President, based on the certification prescribed and the reports/documents submitted by the agencies and/or DBM data.
- 4.5 Within the Executive Branch, the President is authorized to declare and use savings to augment any deficient item related to measures intended to alleviate the effects of the COVID-19 pandemic, including provision for emergency subsidies to low-income households and disadvantaged or displaced workers affected by the pandemic in accordance with Section 2 of A.O 41, s. 2021
- 4.6 While vested with fiscal autonomy, the Legislative and Judicial Branches of Government, as well as similar agencies so authorized, are strongly urged to adopt and implement the herein prescribed guidelines for the Executive Branch.

5.0 **SEPARABILITY**

If any part or provision of this Circular is held invalid or unconstitutional, other provisions not affected thereby shall remain in force and effect.

6.0 **REPEALING CLAUSE**


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

7.0 **SAVING CLAUSE**

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

8.0 **EFFECTIVITY**

This Circular shall take effect immediately.


WENDEL E. AVISADO
Secretary



Department: _____
 Agency: _____

CERTIFICATION OF IDENTIFIED SAVINGS

This is to certify that the amount of PHP _____ is available and offered as savings pursuant to Administrative Order No. 41 series of 2021. Details are as follows:

Particulars	Updated Unobligated Allotment Balances as of May 15, 2021				TOTAL	Amount to be Offered as Savings				Remarks/Justification (pur. to Sec. 67 of the FY 2020 GP)	
	PS	MOOE	FinEx	CO		PS	MOOE	FinEx	CO		TOTAL
Agency Specific Budget											
<i>by Program/Activity/Project</i>											
<i>e.g., General Management and Supervision</i>											
Special Purpose Funds (Please specify the SPFs)											
<i>by Purpose</i>											
<i>e.g., Miscellaneous Personnel Benefits Fund</i>											
Grand Total											

Prepared by: _____ Certified by: _____ Approved by: _____

Budget Officer: _____ Date: _____ Finance Head: _____ Date: _____ Agency Head: _____ Date: _____