



OFFICE OF THE DIRECTOR IV  
 14 JAN 2022 12:30  
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Republic of the Philippines  
**Department of Education**  
 OFFICE OF THE UNDERSECRETARY FOR FINANCE

000355

MEMORANDUM  
 OUF-2022-0016

**FOR :** UNDERSECRETARIES  
 ASSISTANT SECRETARIES  
 BUREAU AND SERVICE DIRECTORS  
 REGIONAL DIRECTORS  
 SCHOOLS DIVISION SUPERINTENDENTS  
 PROGRAM MANAGERS  
 REGIONAL AND DIVISION FINANCE OFFICERS  
 ALL OTHERS CONCERNED

RECEIVED  
 JAN 12 2022  
 BY: [Handwritten Signature] TIME: 11:00

**FROM :**   
 ANNALYN M. SEVILLA  
 Undersecretary for Finance

DEPARTMENT OF EDUCATION REGIONAL OFFICE VIII  
 RECEIVED BY  
 1/22/22 8:53

  
 RAMON NIEL G. ABCEDE  
 Assistant Secretary for Finance

**SUBJECT :** EXTENSION OF DELIVERY, INSPECTION, ACCEPTANCE, AND PAYMENT OF AWARDED CONTRACTS CHARGED AGAINST FY 2020 FUNDS

**DATE :** January 12, 2022

This refers to the response of the Department of Budget and Management (DBM) to DepEd's appeal for the extension of the delivery, inspection, acceptance, and payment of valid obligations charged against FY 2020 General Appropriations Act (GAA) until such time that the contracts are completed/delivered/accepted.

The appeal is based on DBM National Budget Circular No. 5831, which stipulates that all projects sourced from the FY 2020 GAA (Continuing Appropriations) shall be valid for release, obligation, and disbursement until December 31, 2021.

As clarified by the DBM through the attached letter dated December 29, 2021 (Annex A), projects sourced from FY 2020 GAA are covered by the following guidelines:

- Since FY 2020 Appropriations are valid for release, obligation, and disbursement until December 31, 2021, projects in the early stage of procurement with **contracts that have not been awarded** to winning bidders shall **no longer be valid for obligation and disbursement**.

<sup>1</sup> Guidelines on the Release of Funds for FY 2021

OKD email  
 1/14/22

- Projects covered with **awarded contracts** and are already being implemented, payments for delivered goods and services not yet processed by December 31, 2021, are already considered accounts payable (A/Ps). Hence, such can **still be paid after the December 31, 2021 cut-off date**, subject to the limitations set by COA-DBM Joint Circular No. 1, s. 2021<sup>2</sup> (Annex B). Further, since the projects are covered by contracts, the government is obliged to pay for such projects once completed/delivered/accepted.

In the Joint Circular, A/Ps or due and demandable obligations refer to *“valid and legal obligations of NGAs/GOCCs for which goods/services/projects have been delivered/rendered/completed and accepted regardless of the year when these obligations were incurred.”* Therefore, all 2020 contracts with delivered/rendered/completed and accepted deliveries are authorized for payment. With this, all offices concerned are reminded to submit the required documents to pay valid claims for payment or record obligated contracts in the List of Accounts Payable (A/Ps), which include but are not limited to the following:

- i. Inspection and Acceptance Report (IAR)
- ii. Photocopy of PO/contracts
- iii. Delivery Receipt (DR)

Given the abovementioned statements, the allotment from FY 2020 appropriations earmarked for projects that **have not been awarded contracts** as of December 31, 2021, have already lapsed. On the other hand, FY 2020 allotment for contracts awarded as of December 31, 2021, are deemed obligated, and as such, DepEd offices and schools are obliged to pay for these projects until the same are completed/delivered/accepted.

For information and guidance.

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<sup>2</sup> Guidelines Implementing Executive Order (E.O) No. 87 Directing That All Accounts Payable (A/P) Which Remain Outstanding For Two Years Or More In The Books Of National Government Agencies Be Reverted To The Accumulated Surplus Or Deficit Of The General Fund Of The National Government



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

Reference No. 2021-BF-0138942

**UNDERSECRETARY ANNALYN M. SEVILLA**

Finance Service  
Department of Education  
DepEd Complex, Meralco Ave., Pasig City

Dear **Undersecretary Sevilla:**

This pertains to your letter<sup>1</sup> appealing to extend the delivery, inspection, acceptance, and payment of valid obligations charged against FY 2020 Continuing Appropriations<sup>2</sup> (CA) until such time that the contracts are completed/delivered/ accepted.

We understand the concern of your Department on the impact of health protocols and mobility restrictions due to the current COVID-19 pandemic, and the recent Super Typhoon Odette which affected the procurement, delivery, and implementation process of the DepEd, not to mention the complexity and magnitude of the agency's programs.

Please be informed that projects sourced from the FY 2020 CA are covered by the following guidelines:

- Pursuant to Section 1 of RA No. 11520 and Item no. 3.6.2 of NBC No. 583<sup>3</sup>, the FY 2020 CA is valid for release, obligation, and disbursement until December 31, 2021. Hence, projects in the early stage of procurement with contracts that have not been awarded to the winning bidders, shall be valid for obligation and payment until December 31, 2021.
- Meanwhile, for projects covered with awarded contracts and are already being implemented, payments for delivered goods and services not yet processed by December 31, 2021 are already considered accounts payable (A/P). Hence, such can still be paid after the December 31, 2021 cut-off date, subject to the limitations set by COA-DBM Joint Circular No. 1, s. 2021<sup>4</sup>.

<sup>1</sup> Received thru email on December 24, 2021

<sup>2</sup> RA 11465, as extended thru RA 11520

<sup>3</sup> Guidelines on the Release of Funds for FY 2021

<sup>4</sup> Guidelines Implementing Executive Order (E.O) No. 87 Directing that all Accounts Payable which remain Outstanding for Two Years or More in the Books of National Government Agencies be Reverted to the Accumulated Surplus or Deficit of the General Fund of the National Government

Per representation of your Department, ~~as of December 15, 2021~~, the DepEd-Central Office has various contracts amounting to P3.3 Billion<sup>5</sup> which remained to be delivered and/or paid. Given that these projects are covered by contracts, the government is obliged to pay for these projects until the same are completed/delivered/accepted.

We hope this provides you with the necessary guidance in the implementation of your ongoing projects. Thank you and God bless!

Very truly yours,

  
**TINA ROSE MARIE L. CANDA**  
OIC- Secretary



<sup>5</sup> This amount does not include ongoing contracts in the regions, divisions, and schools of the DepEd