

## **[ DBM NATIONAL BUDGET CIRCULAR NO. 437, January 02, 1995 ]**

### **RULES AND REGULATIONS IN THE RELEASE OF FUNDS AND ISSUANCE OF NOTICE OF CASH ALLOCATION FOR CY 1995**

#### **1.0 Purpose**

This Circular is being issued to:

- 1.1. prescribe guidelines in the incurrence of obligations pending the implementation of a Simplified Fund Release System;
- 1.2 provide guidelines in the issuance of Notice of Cash Allocation (NCA); and
- 1.3 reiterate the applicable provisions of DOF-DBM Joint Circular No. 1-90 dated February 27, 1990 and other issuances relative to the release of NCA.

#### **2.0 Policy Direction**

Pursuant to Section 56, General Provisions of RA 7845, the 1995 General Appropriations Act (GAA). The Department of Budget and Management (DBM) has been authorized to prescribe a new procedure for releasing funds under a Simplified Fund release System (SFRS). The SFRS will be designed to further rationalize and expedite the release of funds to various agencies of the government and thereby accelerate the implementation of critical programs and projects.

#### **3.0 Guidelines on Incurrence of Obligations**

3.1 Pending implementation of the SFRS, all agencies are initially authorized to incur obligations in an amount not exceeding three-twelfths (3/12) of their respective authorized appropriations programmed for the year under.

- a) RA 7845, the 1995 General Appropriations Act for (i) General Administration and Support Services, (ii) Support to Operations, (iii) Operations, and (iv) Projects, both locally-funded and foreign-assisted;
- b) Agrarian Reform Fund; and
- c) Pinatubo Assistance, Resettlement and Development Fund.

3.2 The obligations authorized to be incurred under Section 3.1 above shall consist of the following:

- 3.2.1 Personal services of regular positions created or authorized by the DBM as of December 31, 1994;
- 3.2.2 Authorized salary adjustment of P1,000 per month pursuant to Executive Order No. 218, dated January 1, 1995 and the annual Productivity Incentive Benefit pursuant to Administrative Order No. 161, dated December 6, 1994;
- 3.2.3. Personal services of casuals/contractuals previously authorized by DBM whose positions are hereby authorized up to March 31, 1995 pending submittal of the Work and Financial Plan, provided, that specific appropriation in 1995 exists for the purpose, and provided further, that their services are deemed necessary by the head of agency;
- 3.2.4 Maintenance and other operating expenses that do not require specific approval by the President, the DBM, or other competent authority;
- 3.2.5 Regular equipment requirement previously approved by DBM during the preparation of the budget that do not require specific approval by the President (i.e., motor vehicles), the National Computer Center (i.e., computer facilities), and other competent authority;
- 3.2.6 On-going locally-funded and foreign-assisted projects, the 1994 Special Budget for which have been previously authorized;
- 3.2.7 Subsidy for operating requirements of government-owned or controlled corporations (GOCCs).

#### **4.0 Guidelines on the Release of NCA**

4.1 The DBM shall automatically release the initial NCA to cover the first quarter obligational authority granted to agencies equivalent to three-twelfths (3/12) of agencies authorized programmed appropriations mentioned in Section 3.0 above, net of items to be released to other agencies. Subsequent NCAs shall be issued on a quarterly basis ten (10) days before the start of the quarter subject to Sections 4.3 and 4.4 below.