



REPUBLIC OF THE PHILIPPINES  
BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO  
MINISTRY OF FINANCE, AND BUDGET AND MANAGEMENT  
BANGSAMORO GOVERNMENT CENTER, COTABATO CITY

**BANGSAMORO BUDGET CIRCULAR**

No. 2021-03  
MARCH 1, 2021

**TO :** All Heads of Ministries, BTA Parliament, and Offices of the  
Bangsamoro Government, Budget Officers, Accountants; and  
All Others Concerned

**SUBJECT :** GUIDELINES ON THE BUDGET AND FINANCIAL  
ACCOUNTABILITY REPORTS STARTING FY 2021

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1.0 RATIONALE

Ministries/Offices (MOs) are required to regularly submit accountability reports to the Ministry of Finance, and Budget and Management (MFBM) and the Commission on Audit (COA) in compliance with the pertinent Sections of the General Provisions (GP) of the annual General Appropriations Act of the Bangsamoro (GAAB). Relative thereto, COA- DBM Joint Circular (JC) No. 2013-1 dated March 15, 2013 and COA-DBM JC No. 2014-1 dated July 2, 2014 and COA-DBM JC No. 2019-1 dated January 1, 2019 prescribed the BFAR forms and the corresponding submission timelines.

The BFAR forms, contents and submission deadlines are necessarily consistent with and supportive of budget innovations such as the adoption of GAAB as an Allotment Order (GAABAO), the Unified Accounts Code Structure (UACS) and the Philippine Public Sector Accounting Standards (PPSAS), as well as the Program Expenditure Classification (PREXC)-fied budget structure. Hence, constant updating as warranted is undertaken to facilitate consolidation and harmonized integration of the forecited developments into the reports

With the adoption of the annual cash-based appropriations starting FY 2020 and taking into account the one-year availability of funds for the Bangsamoro Government's programs/activities/projects, the BFARs forms and contents must ensure that they generate quality adequate information to enable the MFBM and the COA, as oversight Ministry/Office/Agency, to effectively report, monitor and/or evaluate agency performance as basis for sound policy decisions, in a timely manner.

2.0 COVERAGE

This Circular covers all Ministries and Offices receiving budgetary support from the Bangsamoro Government stated in the 2021 General Appropriations Act of the Bangsamoro (GAAB).

### 3.0 OBJECTIVE

To prescribe formats for BFARs adapting the forms under DBM-COA JC No. 2014-1 dated July 2, 2014 and COA-DBM JC No. 2019-1 dated January 1, 2019, and submission timelines, consistent with the updated policies as of date, to wit;

- 3.1 To prescribe harmonized formats of financial accountability reports (FARs) on appropriations, allotments, obligations, disbursement authorities, disbursement, and balances;
- 3.2 To prescribe Budget Accountability Report (BAR) specifically the Quarterly Physical Reports of Operation;
- 3.3 To reiterate policies and procedure on the preparation and timely submission of BAR and FARs by the Ministry/Office to the MFBM and COA at the prescribed deadline;
- 3.4 To provide more details for clarity and ensure consistency in information reported among the various forms; and
- 3.5 To prescribe new forms to generate information consistent with the total resource budget framework.
- 3.6 To reiterate the submission of the reports through URS or other electronic means, hardcopy to MFBM, and posting to the Ministry/Office's website, pursuant to Sec. 65 and 66 of the General Provisions (GP) of the GAAB.

### 4.0 DEFINITION OF TERMS

- 4.1 Appropriation - an authorization made by law or other legislative enactment, directing the payment of goods and services out of government funds under specified conditions or for specified purposes.
- 4.2 Allotment - a specific authority in the form of General Appropriations Act of the Bangsamoro as Allotment Order (GAABAO) or Special Allotment Release Order (SARO) issued by MFBM to identified Ministries/Offices to incur obligations not exceeding a given amount during a specified period for the purpose indicated therein.
- 4.3 Obligation – a commitment by a Ministry/Office arising from an act of a duly authorized official which binds the government to the immediate or eventual payment of a sum of money. The Ministry/Office is authorized to incur obligations only in the performance of activities which are in pursuit of its functions and programs authorized in appropriation acts/laws within the limit of the allotment released by the MFBM.
- 4.4 Disbursement - a settlement of government obligations either in the currency, check or constructive cash and Non-Cash Availment Authority for direct payments made by international financial institutions to suppliers and consultants of foreign assisted projects.
- 4.5 Accounts Payable - obligations of Ministry/Office, whether current year or prior years, for which services had been rendered, goods have been delivered or projects have been completed and accepted.
- 4.6 Commitment - an obligation incurred by Ministry/Office for which items have not yet been delivered and services not yet rendered. This is also called "Obligations Not Yet Due and Demandable,"

4.7 Unpaid Obligation - this is the balance of an accounts payable or commitment.

## 5.0 GUIDELINES

The following reports/documents are required for submission to the MFBM and COA:

### 5.1 **Quarterly Physical Report of Operation (QPRO) - BAR No. 1**

This report shall reflect the Ministry's/Office's actual physical accomplishments as of a given quarter, in terms of the performance measures indicated in its Physical Plan (BED No. 2).

### 5.2 **Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) - FAR No. 1**

This report shall reflect the authorized appropriations and adjustments, total allotments received including transfers/adjustments, total obligations, total disbursements and the balances of unreleased appropriations, unobligated allotments, and unpaid obligations of a Ministry's/Office's by allotment class. It shall likewise be presented by:

- Program/Activity/Project (PAP) as presented in the Financial Plan (BED No. 1)

### 5.3 **Summary of Appropriations, Allotments, Obligations, Disbursements and Balances by Object of Expenditures (SAAODBOE) - FAR No. I-A**

This report shall reflect the summary of appropriations, allotments, obligations, disbursements and balances detailed by object of expenditures consistent with the COA Revised Chart of Accounts per COA Circular No. 2013-002 dated January 30, 2013 and the Conversion from the Philippine Government Chart of Accounts to the Revised Chart of Accounts, additional accounts/revised description/title of accounts per COA Circular No. 2014-003 dated April 15, 2014. It shall likewise be presented by:

- Program/Activity/Project (PAP) as presented in the Financial Plan (BED No. 1A)

### 5.4 **List of Allotments (LA) - FAR No. I-B**

This report shall reflect the allotments released by the MFBM, their corresponding numbers, date of issuance, and amounts by allotment class and by Fund Cluster. The total allotments per this report should be equal to the total allotments appearing in the SAAODB (FAR No. 1).

### 5.5 **Statement of Approved Budget, Utilizations, Disbursements and Balances (SABUDB)- FAR No. 2 (for Off-Budget Fund)**

This report shall reflect the approved budget, utilizations, disbursements and balances of the Ministry/Office authorized by law to use their income, and approved by the Board of Trustee/Regents.

**5.6 Summary of Approved Budget, Utilizations, Disbursements and Balances by Object of Expenditures (SABUDBOE) - FAR No. 2-A (for Off-Budget Fund)**

This report shall reflect the details of the approved budget, utilizations, disbursements and balances of the Ministry/Office authorized by law to use their income presented by object of expenditures consistent with the COA Revised Chart of Accounts

**5.7 Aging of Due and Demandable Obligations (ADDO) — FAR No. 3**

This report shall be prepared by Fund Cluster and shall reflect the balance of unpaid obligations as indicated in the Obligation Request and the aging of due and demandable obligations as of year-end.

**5.8 Monthly Report of Disbursements (MRD) — FAR No. 4**

The report shall reflect the total disbursements made by Ministry/Office by Fund Cluster from the Notice of Cash Allocation (NCA).

The report shall track the actual disbursement of the Ministry/Office against their Disbursement Program. The reasons for over or under spending shall be indicated.

**5.9 Quarterly Report of Revenue and Other Receipts (QRROR)- FAR No. 5**

This shall reflect the report on actual revenue and other receipts of the Ministry/Office (MOs) for the current year presented by quarter, and by specific sources consistent with the COA Revised Chart of Accounts.

**5.10 Annual Financial Statements**

A set of reports submitted showing the Financial Position, Comprehensive Income, Cash Flows, Changes in Government Equity, and the related Notes to Financial Statement duly received by COA.

**6.0 RESPONSIBILITIES**

**6.1 The BFARs shall be prepared and certified correct by the following officials of Ministry/Office:**

6.1.1 Budget Officer/Head of Budget Unit - for the portion of the report pertaining to appropriations, allotments, obligations, unpaid obligations - not yet due and demandable, unreleased appropriations and unobligated allotments.

6.1.2 Chief Accountant/Head of Accounting Unit - for the portion of the report pertaining to disbursements and unpaid obligations due and demandable.

6.2 The Head of office shall be responsible for the completeness, accuracy, consistency and timely submission of the BFARs prescribed in this Circular to the MFBM and to the COA - Audit Team Leaders and Government Accountancy Sector (GAS).

6.3 Ministries/Offices shall accomplish and submit BFARs to MFBM and to COA

electronic and hardcopy of the reports, in accordance with the timelines prescribed in the pertinent section of the GP of the GAAB for the Budget Year, to wit:

- Within 30 days after the end of every quarter
  - BAR 1 (Annex A)
  - FAR 1 (Annex B)
  - FAR 1A (Annex B-1)
  - FAR 1B (Annex B-2)
  - FAR 2 (Annex C)
  - FAR 2A (Annex C-1)
  - FAR 5 (Annex F)
- Within 30 days following the end of the fiscal year
  - FAR 3 (Annex D)
- On or before the 10<sup>th</sup> day of the month following the last month of the covered reporting period.
  - FAR 4 (Annex E)
- On or before the 15<sup>th</sup> day of February following the year of the covered reporting period
  - Set of Annual Financial Statements

6.4 Ministries/Offices with decentralized set-up shall establish their reasonable cut-off dates to allow sufficient time in the consolidation of quarterly reports. The following procedures shall be observed to ensure submission on the prescribed date:

- The Provincial office shall prepare a consolidated report covering the report of the province and its lower operating units, then submit the same to the Ministry – Regional Office and COA resident auditor within 10 days after the end of each quarter;
- The Ministry – Regional Office shall prepare an overall consolidated report of the Ministry/Office and submit the report to MFBM and COA resident auditor within the prescribed timelines.

6.5 Ministries/Offices shall submit a separate Budget and Financial Accountability Reports (BFARs) for 2020 Extended Appropriations and 2021 Appropriations as stated in Bangsamoro Budget Circular No. 2021-1.

6.6 Ministries/Offices are required to copy furnish the MFBM of the Narrative Accomplishment Report submitted to Bangsamoro Planning and Development Authority (BPDA).

6.7 The COA and MFBM shall regularly monitor Ministries/Offices compliance with the reporting requirements prescribed in this Circular.

7.0 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.

8.0 EFFECTIVITY

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

  
**AHOD B. EBRAHIM**  
Chief Minister  
Concurrent Minister, MFBM-BARMM

MINISTRY OF FINANCE, AND  
BUDGET AND MANAGEMENT - BARMM

**RELEASED**

08 MAR 2021

BY:  DATE: \_\_\_\_\_ TIME: 1:15