



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Republic of the Philippines

BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

Ministry of Finance, and Budget and Management

Bangsamoro Government Center, Rosary Height VII, Cotabato City

BANGSAMORO BUDGET CIRCULAR

No. 2023-01

3 January 2023

10 Jumada Al-Thani 1444

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

SUBJECT : GUIDELINES ON THE RELEASE OF FUNDS FOR FY 2023

1.0 POLICY STATEMENT

Anchored to the Bangsamoro Government's thrust on moral governance through efficient, effective, transparent, and accountable delivery of public services, key budget reforms are being adopted to ensure the timely execution of programs, projects and activities, to wit:

- 1.1 Implementation of the one-year validity of appropriations for FY 2023;
- 1.2 Comprehensive release of budget through the General Appropriations Act of the Bangsamoro as Allotment Order (GAABO), and
- 1.3 Supplemental release of budget through the Special Allotment Release Order (SARO).

2.0 PURPOSES

- 2.1 To provide policies, procedures, rules and regulations on the release, utilization of funds, and monitoring thereof for FY 2023.
- 2.2 To synchronize fund release with the implementation of the overall physical and financial plans, targets and schedules submitted by the Ministries and Offices
- 2.3 To institutionalize a simplified, streamlined monitoring and evaluation, and reporting of performance information.

3.0 COVERAGE

All Ministries and Offices receiving budgetary support from the Bangsamoro Government stated in the Bangsamoro Autonomy Act No. 32 otherwise known as the "2023 General Appropriations Act of the Bangsamoro" (FY 2023 GAAB).

4.0 GENERAL GUIDELINES

- 4.1 The FY 2023 GAAB takes effect on January 1, 2023 as provided under Section 74, General Provisions (GPs) of said law.
- 4.2 All appropriations authorized in FY 2023 GAAB shall be available for release and disbursement for the purpose specified, and under the same general and special provisions applicable thereto, until December 31, 2023.
- 4.2.1 Appropriations for MOOE and Other Capital Outlay items shall likewise be valid for obligation until December 31, 2023, while the delivery, inspection and payment shall be made not later than March 31, 2024.
- 4.2.2 Appropriations for infrastructure capital outlays, shall be valid for obligation until December 31, 2023, while the completion of construction, inspection and payment may be made not later than June 30, 2024.
- Infrastructure projects shall cover the construction, improvement, rehabilitation, restoration or maintenance of roads and bridges, railways, airports, seaports/fish ports, information and communication technology and facilities, among others, as defined under R.A. No. 9184¹ and R.A. No. 6957² as amended by R.A. No. 7718³.
- 4.3 The Allotment Release Program (ARP) or the allotments to be released to cover government operations in FY 2023, shall be limited to P85,359,315,687.00.
- 4.3.1 The Ministry or Office ARP shall correspond to the sum of the allotments chargeable against Bangsamoro Autonomy Act No. 32, FY 2023 GAAB.
- 4.4 Pursuant to BAA No. 34⁴, the availability of the Bangsamoro Appropriations of FY 2022 is extended to December 31, 2023, except for Personnel Services and Maintenance and Other Operating Expenses under General Administration and Support (MOOE-GAS).
- 4.4.1 Separate Budget Execution Documents (BEDs) pertaining to 2022 extended fund shall be submitted separately to the Ministry of Finance, and Budget and Management.
- 4.4.2 Budget and Financial Accountability Reports (BFARs) related to 2022 extended fund shall be submitted separately, pursuant to Section 69, General Provisions (GPs) of the FY 2023 GAAB.

¹ Republic Act No. 9184 dated January 10, 2003 (An Act Providing for the Modernization, Standardization and Regulation of the Procurement Activities of the Government and for other Purposes)

² Republic Act No. 6957 dated July 9, 1990 (An Act Authorizing the Financing Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector, and for Other Purposes)

³ Republic Act No. 7718 dated May 9, 1994 (An Act amending Certain Sections of Republic Act No. 6957, entitled "An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector, and for the Other Purposes)

⁴ Bangsamoro Autonomy Act No. 34 dated December 22, 2022. (An Act Extending the Availability of the General Appropriations Act of the Bangsamoro until December 31, 2023, except Personnel Services, and General Administration and Support under Maintenance and Other Operating Expenses, Amending for the Purpose Sections 48 And 67 of the General Provisions of the Bangsamoro Act No. 23, The 2022 General Appropriations Act of the Bangsamoro)

- 4.5 The following policies shall be observed in the release of funds for FY 2023:
- 4.5.1 Funds specifically appropriated to Ministry or Office shall be released directly to the Ministry or Office (Section 52, GPs of the FY 2023 GAAB).
 - 4.5.2 Lump-sum appropriations shall be released directly to the implementing Ministry or Office upon submission to MFBM of a Special Budget Request (SBR) (Section 53, GPs of the FY 2023 GAAB).
 - 4.5.3 All releases from lump-sum appropriations shall be specifically governed by the applicable Special Provisions (SPs) in the FY 2023 GAAB.
- 4.6 Release of funds, i.e., Obligational Authority and Disbursement Authority shall be in accordance with the targets set forth under the MFBM-evaluated Budget Execution Documents (BEDs) for FY 2023 prepared and submitted by Ministries and Offices.
- 4.6.1 The Financial Plan (FP) or BED No. 1 shall be the basis for determining the obligation program of the Ministry or Office, classifying the budgetary items into: a) "For Comprehensive Release (FCR)"; and b) "For Later Release (FLR)".
 - 4.6.2 The obligational authority for items of appropriations in the budget shall be released through the following:
 - 4.6.2.1 GAAB as Allotment Order (GAABAO) for budgetary items under FCR; and
 - 4.6.2.2 Special Allotment Release Order (SARO) for items of appropriations classified as FLR which shall constitute the negative list and are considered withheld. Such items listed in Schedule II hereof, are subject to specific conditions and require compliance with certain documentary requirements/approvals from other authorities.
 - 4.6.3 The MFBM-evaluated Monthly Disbursement Program (MDP) or BED No. 3 shall serve as basis for the release of disbursement authorities including the comprehensive Notice of Cash Allocation (NCA).
 - 4.6.3.1 Additional NCAs, as may be required, shall be issued for items classified under FLR, as well as Prior Year's obligation.
 - 4.6.4 In accordance with BBC No. 2022-12⁵, initial BEDs (for the 1st quarter) shall be submitted not later than January 12, 2023, while the BEDs for the remainder of the year shall be submitted not later than January 31, 2023.

⁵ Bangsamoro Budget Circular No. 2022-12 dated December 13, 2022 (Instituting the Preparation and Submission of the Budget Execution Plans covering Fiscal Year 2023 Budget)

4.7 Use of PS Appropriations

Appropriations for PS shall be used for the payment of compensation and personnel benefits authorized by law, including deficiencies thereof, to be given to Bangsamoro Government personnel. Accordingly, use of PS appropriations for any PS deficiency will follow the rules provided herein and shall not be considered as a form of modification in allotment.

4.7.1 Any available allotment for PS within a Ministry or Office may be utilized by said Ministry or Office for the payment of deficiencies in authorized personnel benefits (Section 38, GPs of the FY 2023 GAAB).

4.7.2 The following limitations in the use of available PS allotments shall be observed:

4.7.2.1 Retirement and Life Insurance Premium (RLIP) cannot be reallocated to other objects of expenditures under PS; and

4.7.2.2 Released allotments for PS cannot be used to pay Collective Negotiation Agreement Incentives.

4.7.3 In instances where Ministries and Offices have newly-filled positions, the unobligated PS allotments may be utilized, subject to the approval of Minister or Head of Office, based on the following:

4.7.3.1 Advice for Use of PS Appropriations (APSA) (Attachment 4) duly accomplished and signed by the Ministry or Office Head; and

4.7.3.2 Registry of Allotments and Obligations for PS (RAOPS) reflecting the adjustments and reported in the accountability reports to be submitted to MFBM, i.e., SAAODB.

4.8 Modification in Allotments Issued

As a general rule, Ministries and Offices of the Bangsamoro Government shall spend what is programmed in their respective appropriations in GAAB.

In exceptional circumstances, Ministries and Offices may modify the allotment issued within an activity or project (Section 58, GPs of the FY 2023 GAAB) subject upon **timely submission of reports by all Ministries and Offices concerned**.

4.8.1 Modification refers to any change within an activity or project, allotment class or object of expenditure; or within a Special Purpose Fund (SPF) as reflected in the FY 2023 GAAB.

4.8.2 All modifications in the allotment for MOOE and CO shall not entail any increase in the total amount appropriated for the specific activity or project (Section 58, GPs of the FY 2023 GAAB). In case of programs with several activities, modification may be done only within each activity.

The use of available Personnel Services (PS) allotment to cover a deficiency in personnel benefits, as cited in item 4.7 hereof, which may result to an increase in appropriation for a P/A/P, is not a form of modification of allotment and is authorized under Section 38, GPs of the FY 2023 GAAB.

4.9 Use of Savings to Augment Deficient Items of Appropriation

The following guidelines shall be observed in the use of savings to augment deficient appropriations for program, activity, or project (P/A/P) in the FY 2023 GAAB, in accordance with Sections 54, 55, 56 and 57, of the GPs of the FY 2023 GAAB:

4.9.1 Savings refer to portions or balances of any released appropriations which have not been obligated as a result of any of the following:

4.9.1.1 Completion, final discontinuance, or abandonment of a program, activity or project for which the appropriation is authorized; or

4.9.1.2 Implementation of measures resulting in improved systems and efficiencies and thus enabled a Ministry or Office to meet and deliver the required or planned targets, programs and services approved in the FY 2023 GAAB at a lesser cost.

Allotments that were not obligated due to the fault of the Ministry or Office concerned shall not be considered savings.

Notwithstanding the foregoing, final discontinuance or abandonment of a program, activity or project, whether released or unreleased, allotment for which remain unobligated, may be declared by the Chief Minister as savings in case of a declaration of a state of national or regional calamity as may be necessary to augment deficient programs, activities or projects of the Ministries and Offices or special purpose funds that are necessary to immediately address existing calamity.

In case final discontinuance or abandonment is used as basis in the declaration of savings, such discontinued or abandoned program, activity or project *shall no longer be proposed for funding in the next two (2) fiscal years*, except in cases where savings were declared from final discontinuance or abandonment of a program, activity or project in view of a declaration of a state of national or regional calamity as may be needed to augment deficient programs, activities or projects of the Ministries and Offices or special purpose funds that are necessary to immediately address the existing calamity.

4.9.2 Augmentation is the act of the officers authorized to use savings in

the FY 2023 GAAB (Sec. 54 and 56, FY 2023 GAAB) in their respective appropriations to cover a deficiency in any existing item of appropriation within their respective offices.

4.9.2.1 A deficiency in an item of appropriation may result from:

4.9.2.1.1 Unforeseen modifications or adjustments in the P/A/P; and

4.9.2.1.2 Re-assessment in the use, prioritization or distribution of resources.

4.9.2.2 An item of appropriation shall pertain to the amount appropriated for a P/A/P authorized in the FY 2023 GAAB. Accordingly, the existence of an activity or project regardless of the availability of allotment class is sufficient for the purpose of augmentation.

4.9.2.3 The particulars of the expenditures to be funded from savings should be within the scope of or covered by an existing activity or project. The existence of an activity or project regardless of the availability of allotment class is sufficient for the purpose of augmentation.

In no case shall a non-existent activity or project be funded by augmentation from savings or by the use of an appropriation authorized in the FY 2023 GAAB. (Sec. 56, FY 2023 GAAB)

4.9.3 In the use of savings, priority shall be given to the payment of compensation, year-end bonus and cash gift, retirement gratuity, terminal leave benefits, and other personnel benefits authorized by law and in the FY 2023 GAAB, as well as the implementation of priority project or activity covered in the FY 2023 GAAB.

4.9.4 In case of savings in the appropriations of the Ministries, Offices or Agencies, the Minister or Head of Office/Agency may request the use of such savings subject to the required approval of the Chief Minister or the Speaker of Parliament, as the case may be, as stated in Section 54 of the FY 2023 GAAB.

4.10 Use of Fees and Income

All fees, charges, assessments, and other receipts or revenues collected by Ministries and Offices of the Bangsamoro Government, in the exercise of their mandated functions, at such rates as are now or may be approved by the appropriate approving authority shall be remitted and deposited to the Bangsamoro Treasury, in accordance with Section 3, Chapter 1, Book VII of the Bangsamoro Autonomy Act No. 13, and shall form part of the general fund. Such fund can only be used when appropriated unless provided otherwise in the General Appropriations Act of the Bangsamoro.

4.11 Reports Required and Reporting Timelines

4.11.1 **November 15, 2023** - deadline for submission to the MFBM of Ministry or Office request/s for any release requiring issuance of SAROs/additional NCAs

4.11.2 **Within 30 days after the end of each quarter** - submission of separate Budget and Financial Accountability Reports (BFARs) for 2022 extended fund and 2023 budget pursuant to Section 69, GPs of the FY 2023 GAAB.

4.11.3 **On or before the tenth (10th) day of the month immediately following the covered period:**

4.11.3.1 Separate Monthly Report on Appropriations, Allotments, Obligations and Disbursements for FY 2022 extended fund and 2023 budget should be submitted to **MFBM** using the prescribed format (Attachment 2); and

4.11.3.2 Separate Monthly Report of Disbursements (FAR No. 4) for FY 2022 extended fund and 2023 budget.

4.12 To manage the release of funds for critical programs and projects and at the same time improve Ministries and Offices' compliance with the accountability requirements i.e., submitting the BEDs and BFARs, MFBM may rationalize the release of additional funds to the requesting Ministries and Offices effective January FY 2023.

4.13 The MFBM shall conduct Performance Review/s to determine the level of performance of each Ministry and Office in terms of physical outputs, as well as actual expenditures incurred in the productions/delivery of goods/services to the public vis-a-vis targets for the same period. The result of the review will be used as one of the bases for determining the necessity of any of the following:

4.13.1 Release of the balance of the FLR items under the FY 2023 Programmed Appropriations;

4.13.2 Additional release from SPFs;

4.13.3 Approval of requests for modification in allotment; or

4.13.4 Revision of plans/targets as reflected in the MFBM-evaluated BEDs submitted by Ministries and Offices.

4.14 Bangsamoro Accomplishments and Systems Assessment (BASA), mid-year and year-end, shall be conducted by the MFBM using the following documents, among others:

4.14.1 BFARs as of June 30 and as of December 31;

4.14.2 BASA report; and

4.14.3 Summary of findings and overall Ministry/Office recommendation.

4.15 Ministries and Offices are required to implement the transparency provisions in the FY 2023 GAAB.

5.0 SPECIFIC GUIDELINES

OBLIGATIONAL AUTHORITIES UNDER THE FY 2023 GAAB

5.1 Obligational Authorities shall be released pursuant to the following procedures:

5.1.1 The list of GAAB Items under For Comprehensive Release (FCR) which shall be released through GAABAO is summarized under Schedule I. On the other hand, the list of Expenditure Items under For Later Release (Negative List) which shall be released through Special Allotment Release Order (SARO) is summarized under Schedule II.

5.1.2 Release of SARO

5.1.2.1 Pension and Gratuity Fund shall be used to fund the pension requirements, Terminal Leave/Retirement Gratuity benefits of optional retirees, including those retiring under R.A. No. 1616, monetization of leave credits of government employees, separation and incentives for those affected by restructuring, merger, streamlining, abolition, or privatization.

The release of subsequent SAROs to cover pension requirements for the second to fourth quarters of pensioners cited in Schedule II (Negative List) shall be based on the latest list of actual pensioners provided by the Ministries and Offices concerned, as confirmed by MFBM and supported with the required BFARs.

Release of funds shall be made directly to the Ministries and Offices concerned.

5.1.2.2 Miscellaneous Personnel Benefit Fund (MPBF) shall be used to fund PS deficiencies of employees who are still in the government service, e.g., salaries, bonuses, etc., except those pertaining to filling-up existing and newly-created positions already provided under the Ministries and Offices' budget, funding requirements for personnel of offices to be created and other Personnel Services as may be mandated by Law or as provided in the FY 2023 GAAB. PS deficiencies shall be initially charged against the available allotment of the Ministry/Office.

Release of funds shall be subject to the determination by the MFBM that the Personnel Services requirement cannot be accommodated within the Ministry/Office's Personnel Services appropriations as authorized under Section 37 of the GPs of the FY 2023 GAAB.

- 5.1.2.3 Contingent Fund shall cover the funding requirement of programs, activities and projects under the special provisions in the FY 2023 GAAB, and of new and/or urgent projects and activities of the Bangsamoro Government that need to be implemented or paid during the year. Release from the Contingent Fund shall be subject to the approval by the Chief Minister, and specific guidelines to be issued by the MFBM.

OTHER BUDGET AUTHORIZATION DOCUMENTS

5.2 Multi-year Contracting Authority (MYCA)

5.2.1 For purposes of entering into multi-year contracts, the issuance of a MYCA or an equivalent authority may be required. A MYCA is the authority issued by the MFBM to Ministries and Offices, covering the full contract cost, for the procurement of multi-year projects. This shall be used as the basis in the certification of availability of funds required prior to contract execution.

5.2.2 The implementing Ministries and Offices shall ensure that the annual funding requirements for the multi-year projects shall be included in its budget proposals for the covered years, consistent with the funding schedule in the **MYCA** and equivalent authorities, and letter of commitment. In the case of Ministries and Offices, the MFBM shall ensure that the funding requirement for the multi-year projects are included in the Bangsamoro Expenditure Program (BEP) to be submitted to Parliament who shall give consideration of the said proposal.

In all instances, the disbursement to be incurred for multi-year contracts shall in no case exceed the cash appropriations for the purpose during the year. Procurement on multi-year projects shall be subject to the provisions of R.A. No. 9184⁶ and its IRR and GPPB guidelines. (Sec. 24, FY 2023 GAAB)

5.2.3 The MFBM shall ensure that the funding requirement for the multi-year projects are included in the Bangsamoro Expenditure Program (BEP) to be submitted to the Parliament (Sec. 24, FY 2023 GAAB).

DISBURSEMENT AUTHORITIES

5.3 The procedures to be observed in the issuance of Disbursement Authorities shall be as follows:

5.3.1 The MFBM shall consolidate and evaluate the MDPs submitted by Ministries and Offices consistent with the FY 2023 GAAB, to include the following:

5.3.1.1 Requirements for January 1, 2023 to December 31, 2023 corresponding to obligations to be incurred shall include FCR items released through the GAABAO.

5.3.2 Disbursement Authorities to be Issued Based on the MDP

5.3.2.1 Notice of Cash Allocation (NCA)

- Consistent with the MFBM-evaluated MDP based on the FY 2023 GAAB, a comprehensive NCA shall be issued directly to the Ministry or Office covering the FY 2023 quarterly (e.g. January 2023 to March 2023) operating cash requirements.
- Additional **NCAs** shall be issued for items classified under FLR (including but not limited to releases from SPFs), as may be required.

5.3.2.2 Crediting and Validity Periods for NCA

- NCAs shall be issued to the Government Servicing Bank of the BARMM.
- NCAs for crediting to Current Account of Ministries and Offices include the requirements for Ministries and Offices' regular operations. Pending the implementation of the BARMM MDS NCAs shall be valid until the last working day of the fiscal year.
 - For comprehensively released NCAs covering quarterly regular cash requirements, the specific monthly allocation shall be credited on the first working day of each month.
 - For additional NCAs issued, the amount indicated shall be credited on the date of issuance of such NCA, and on the first working day of the succeeding months (if any).

To optimize the use of the available NCAs, NCAs released to Ministries/ Offices under said Account can be used to cover payment of current year accounts payables (A/P) to all creditors (external and internal) incidentally incurred in the implementation of 2023 programs, activities, and projects as authorized in the GAAB. It is understood that payment of mandatories, i.e., PS, MOOE, and CO requirements, shall take precedence over A/Ps in the utilization of the NCAs received. Only when the mandatory requirements are satisfied can the payment of A/Ps be charged against the available NCAs.

- Lapsed NCAs may be reissued, subject to the

results of Performance Review/s conducted by the MFBM.

- For FY 2022 extended funds, MFBM shall issue certification of Authority to Disburse the Funds subject to the submission of the BEDs.

6.0 OTHER PROCEDURAL GUIDELINES

6.1 Use of PS Appropriations

6.1.1 Ministry or Office-Specific Appropriations for PS

6.1.1.1 Consistent with Section 37, GPs of the FY 2023 GAAB, the appropriations for PS shall be used for the payment of authorized personnel benefits to be given to Bangsamoro Government employees, to wit:

- Basic Salaries, including Step Increments;
- Standard Allowances and Benefits, which shall be limited to the following:
 - Personnel Economic Relief Allowance;
 - Uniform or Clothing Allowance; and
 - Mid-year Bonus, Year-End Bonus and Cash Gift.
- Specific-Purpose Allowances and Benefits, limited to the following:
 - Representation Allowances;
 - Per Diem;
 - Honoraria;
 - Night-Shift Differential;
 - Overtime Pay;
 - Subsistence Allowance;
 - Laundry Allowance;
 - Hazard Pay;
 - Special Counsel Allowance; and
 - Other allowances and benefits as may be authorized by law or the Chief Minister of the Bangsamoro Government.

- Incentives, which refer to the following:
 - Loyalty Incentive;
 - Anniversary Bonus;
 - Productivity Enhancement Incentive; and
 - Other existing benefits as may be categorized by the MFBM as incentives.
- Magna Carta Benefits as authorized by law and its Implementing Rules and Regulations.

6.1.1.2 Available PS allotments released to the Ministries and Offices shall be used for the (i) original purpose of appropriations; and (ii) to cover PS deficiencies in authorized personnel benefits, such as:

- Award of Back Pay for the current year for cases with final and executory decision of a competent authority, such as courts, CSC, and COA, and be limited to the proportionate amount of back pay computed for the year 2023 only; and
- Deficiency in specific-purpose allowances and benefits, such as Overtime Pay, Honoraria, and Representation and Transportation Allowance, among others, subject to existing conditions in the grant of such benefits.

6.1.1.3 Available PS allotments referred to under Item 6.1.1.2 may be realized from unspent compensation of employees under the following instances:

- Incurrence of leaves of absence With-out pay;
- Vacant positions on account of termination, resignation, transfer, retirement or separation;
- Delay in the actual assumption of duty from the date of appointment;
- Suspension and other disciplinary sanctions;
- Erroneous computations of PS benefits; and
- Other similar instances.

6.2 Modification in the Allotments Issued

6.2.1 The modification in allotments shall be made subject to the following:

6.2.1.1 Accomplishment of Modification Advice Form (MAF) (Attachment 1-A and 1-B) duly signed by the approving authority cited in item 6.2.2 hereof.

6.2.1.2 Recording in the appropriate Registry of Allotments and Obligations.

6.2.1.3 Reporting in the accountability reports to be submitted to MFBM, i.e. Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) as adjustments to allotments, with the corresponding adjustments in targets and accomplishments as a result of modification to be reflected in the Physical Report of Operation.

6.2.2 In accordance with Section 58 of the FY 2023 GAAB, the approving authority for the modification(s) shall be as follows:

6.2.2.1 The Heads of Ministries and Offices for the following: (1) change in the details of an activity or project without changing its nature and within the same operating unit; and (2) change in the object of expenditure (Salaries and Wages, Travelling Expenses, or Investment Outlays) within an allotment class of the same PAP (**PS, MOOE, or CO**).

6.2.2.2 The **MFBM** in the following modifications:

- from one allotment class to another; and
- within a special purpose fund.

6.2.3 Ministries and Offices' requests for modification shall be submitted to **MFBM** and supported with the following documents:

6.2.3.1 Justification for the proposed modification;

6.2.3.2 Certification of actual Deficiency and Sources of Funds signed by the Budget Officer, identifying the affected P/A/Ps and objects of Expenditure ("From" and "To") - (Attachment 3);

6.2.3.3 Statement of Appropriation, Allotments, Obligations, Disbursements, and Balances (SAAODB); and

6.2.3.4 Financial Plan (BED No. 1) and Physical Plan (BED no. 2).

6.3 Use of Savings for Augmentation of Deficient P/A/Ps

6.3.1 The use of savings to augment deficient P/A/Ps shall be subject to approval by the authorized officers cited in Section 54, GPs of the FY 2023 GAAB, as follows:

- Chief Minister; and
- Speaker of the Parliament, as may be applicable.

6.4 Purchase or Rent of Motor Vehicles

The purchase or rent of Motor Vehicles is subject to the following guidelines in conformity with the terms and conditions laid out under Budget Circular No. 2022-01 dated February 11, 2022:

Authority to Purchase Motor Vehicles (APMV)

6.4.1 For the purposes of issuance of APMV, the Ministry or Office with specific appropriation for Transportation Equipment Outlay shall, prior to procurement, submit to the MFBM the following:

- Written request to purchase Motor Vehicle;
- Number of vehicles, specifications, and unit costs; and
- Intended use/user of the vehicles.

6.4.2 Issuance of the Authority to Purchase Motor Vehicle is subject to the approval of the Chief Minister upon the recommendation of the MFBM.

6.4.3 Prohibition on Acquisition and Use of Luxury Vehicles. All government agencies are prohibited from acquiring and/ or using luxury vehicles for their operations.

For purposes of this order, a "luxury vehicle" shall refer to any of the following:

- Car (sedan or hatchback) with an engine displacement exceeding 2500cc, if gasoline-fed, or 3500cc, if diesel-fed, and/or with an engine exceeding four (4) cylinders;
- Passenger van or pick-up type vehicle with an engine displacement exceeding 2500cc, if gasoline-fed; or 3000cc, if diesel-fed; and/or with an engine exceeding four (4) cylinders;
- AUV/CUV/MPV with an engine displacement exceeding 2500cc, if gasoline-fed; or 2800cc, if diesel-fed; and/or with an engine exceeding four (4) cylinders; or
- SUV with an engine displacement exceeding 2700cc, if gasoline-fed; or 3000cc, if diesel-fed, and/or with an engine exceeding four (4) cylinders.

6.4.4 Vehicles not covered. The acquisition of the following motor vehicles is not covered by this guideline:

- Vehicles donated in kind by foreign governments, and bilateral and multilateral institutions; and
- Vehicles acquired using funds from existing official development assistance programs according to the terms thereof.

6.4.5 Compliance to Procurement Standards. All purchases of motor vehicles shall be strictly made in compliance with existing accounting and auditing standards, and adhering to procurement law and administrative orders.

Authority to Rent Motor Vehicles (ARMV)

6.4.6 For the purposes of issuance of ARMV, the Ministry or Office renting a vehicle for a continuous period exceeding 15 days shall, prior to renting motor vehicle, submit to the MFBM the following:

- Written request to rent Motor Vehicle for a continuous period exceeding 15 days;
- Detailed justification for the rental, including the duration of the specific program, project or activity for which the motor vehicle(s) will be rented;
- The number, type and specifications of vehicle(s) to be rented, and the proposed rate(s);
- Period of rental; and
- Certification of availability of funds.

6.4.7 Issuance of the Authority to Rent Motor Vehicle is subject to the approval of the Chief Minister upon the recommendation of the MFBM.

7.0 SEPARABILITY CLAUSE

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

8.0 REPEALING CLAUSE

All provisions of existing circulars and other issuances inconsistent with this Circular are modified accordingly.

9.0 EFFECTIVITY

This Circular shall take effect immediately.

UBAIDA Q. PACASEM
Minister



MINISTRY OF FINANCE, AND
BUDGET AND MANAGEMENT-BARMM

RELEASED

BY: 

DATE: 01/04/2023

TIME: 1:14