



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



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

**BANGSAMORO BUDGET CIRCULAR**

No. 024009

- FOR** : All Heads of Ministries, BTA Parliament, and Offices of the Bangsamoro Government, Budget Officers, Accountants; and all Others Concerned
- SUBJECT** : **GUIDELINES ON THE REQUEST FOR NEW NOTICE OF CASH ALLOCATION FOR REVERTED FUNDS IN LINE WITH THE IMPLEMENTATION OF THE BANGSAMORO TREASURY SYSTEM ON DISBURSEMENT (BTS-D) BEGINNING FY 2024 AND ONWARDS**
- DATE** : **21 Shawwal 1445 AH | 30 April 2024**

**1.0 BACKGROUND**

The Bangsamoro Treasury System on Disbursement (BTS-D) is officially implemented beginning January 1, 2024. The System requires the reversion of the undisbursed cash allocation of the Ministries, Offices, and Agencies (M/O/As) every six months. Reversion of funds to the Bangsamoro Treasury through the BTS-D on a semi-annual basis is a pivotal strategy in ensuring responsible financial management within the Bangsamoro region. It serves as a mechanism to ensure efficient utilization of released cash allocation and prevents accumulation of undisbursed cash in the bank account of M/O/As.

M/O/As are expected to utilize the monthly cash allocation credited to their bank accounts as reflected in their Budget Execution Document No. 3 or the Monthly Disbursement Program. Under exceptional circumstances, in case the released cash allocation or a portion of it is not disbursed and consequently reverted to the Bangsamoro Treasury account, the M/O/A concerned may formally submit a request for the reissuance of the Notice of Cash Allocation (NCA). The request must include attachment of supporting documents and explanation that will warrant the release of a new disbursement authority to cover the requirements for unpaid obligation and for the unobligated allotment.

## 2.0 PURPOSE

This Circular is issued to prescribe the guidelines on the request for new cash allocation for reverted funds to cover the requirements for payment of unpaid obligations and unobligated allotment.

## 3.0 COVERAGE

All M/O/As receiving funding requirements from the Bangsamoro Government as provided by the General Appropriations Act of the Bangsamoro (GAAB), excluding constituent local government units (LGUs) receiving subsidy from the Bangsamoro Government, unless otherwise provided by laws, rules, and guidelines.

## 4.0 GENERAL GUIDELINES

- 4.1 After the end of validity period, all unreleased appropriations shall lapse, while unexpended or undisbursed funds shall revert to the Bangsamoro Treasury under a Special Fund for re-appropriation in accordance with Section 19, Article XII, of R.A. 11054. M/O/As shall strictly observe the validity of appropriations and the reversion of funds.
- 4.2 All funds transferred between Organizational Units within an M/O/A, between M/O/As, or by M/O/As to LGUs shall not be considered disbursed until the transferred amounts have been actually utilized to pay for completed construction, goods delivered, and services rendered – inspected and accepted within the validity period. It is understood that transfer of funds shall strictly be in accordance with pertinent budgeting, accounting, auditing, and procurement laws, rules, and regulations.

### **Bangsamoro Treasury System on Disbursement (BTS-D)**

- 4.3 Bangsamoro Treasury System on Disbursement (BTS-D) is an infrastructure developed by the Land Bank of the Philippines exclusively for the Bangsamoro Government to facilitate effective and efficient cash management by incorporating its online facilities in processing fund transfers, monitoring, and reporting, including reversion of funds upon the lapse of its validity period.
- 4.4 The Bangsamoro Treasury Circular (BTC) No. 2023-03<sup>1</sup> prescribes the opening of new bank accounts which will be enrolled into the BTS-D. The account shall serve as the official and authorized depository account of the M/O/As beginning FY 2024 and onwards.

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<sup>1</sup> Bangsamoro Treasury Circular No. 2023-03, dated December 11, 2023 (GUIDELINES IN THE OPENING OF BANK ACCOUNTS FOR RECEIPTS AND DISBURSEMENTS OF BANGSAMORO MINISTRIES, OFFICES, AGENCIES, AND ITS FIELD OFFICES)

- 4.5 All remaining cash balances held in the BTS-D bank accounts of M/O/As as of June 30 and December 31, of the fiscal year at 11:59 pm shall be subject to automatic reversion to the Bangsamoro Treasury Account.

#### **Notice of Cash Allocation (NCA)**

- 4.6 Notice of Cash Allocation (NCA) is the disbursement authority issued by the Ministry of Finance, and Budget and Management (MFBM) to M/O/As through the Authorized Government Servicing Banks (AGSB) to cover their cash requirements.
- 4.7 NCAs shall be issued to the AGSB of the BARMM according to the Monthly Disbursement Plan of the M/O/As.
- 4.8 NCAs for crediting to the BTS-D Accounts of M/O/As include all funding requirements of M/O/As sourced from the annual GAAB from FY 2024 and onwards. This shall be valid until June 30 for NCAs issued during the first semester of the year and December 31 for NCAs issued during the last semester of the year.

4.8.1 For comprehensively released NCAs, the specific monthly allocation shall be credited on the first working day of each month.

4.8.2 For additional NCAs not covered by the comprehensive release, the amount indicated shall be credited on the date of issuance of such NCA.

To optimize the use of the available cash allocation, NCAs released to M/O/As 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 fiscal year 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.

- 4.9 Lapsed NCAs must be properly recorded in the Books and reflected in the Monthly Report of Disbursements in accordance with existing accounting and budgeting laws, rules, and guidelines.

#### **Request for the Reverted Funds**

- 4.10 Lapsed NCAs corresponding to available allotment may be reissued upon request by the M/O/As, subject to the evaluation of the MFBM.

4.11 The request for the reverted funds shall only be made on or before November 15 of the current year. Any requests made thereafter shall be acted upon in the next fiscal year, subject to the validity of the appropriations.

4.12 The following are the documents to be submitted to MFBM with the request for issuance of NCA in case of reversion of funds to cover unpaid obligation and/or unobligated allotments which was previously covered by the lapsed NCA:

- Letter requesting for the release of new NCA duly signed by the Minister or Head of Office/Agency;
- Explanation of the circumstances that led to the failure to disburse the reverted amount and the corresponding justification for the request for the release of the same;
- Certification from the AGSB confirming the amount reverted to the Bangsamoro Treasury Account;
- List of unpaid obligations;
- Latest Budget and Financial Accountability Reports (BFARs); and
- Other supporting documents, as necessary.

4.13 The request for release of NCA shall be assessed and reviewed by the Bangsamoro Budget Office to determine the proper action to the request, the same will be communicated through a written response to the respective M/O/A.

## **5.0 RESPONSIBILITIES**

Ministers and Heads of Offices and Agencies shall be responsible for the proper implementation of the provisions of this Circular. They shall ensure that the funds released to the M/O/As are utilized strictly in accordance with applicable budgeting, accounting, and auditing rules and regulations, and pertinent provisions of RA No. 9184<sup>2</sup>.

## **6.0 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.

## **7.0 REPEALING CLAUSE**

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

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<sup>2</sup> 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)

**8.0 SAVING CLAUSE**

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

**9.0 EFFECTIVITY**

This circular shall take effect immediately.

**UBAIDA CIPACASEM**  
Minister

