



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. **2024-014**

19 Rabi Al-Thani 1446 AH
22 October 2024

- 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 IN ACCORDANCE WITH BANGSAMORO AUTONOMY ACT (BAA) NO. 63, OTHERWISE KNOWN AS "AN ACT APPROPRIATING SUPPLEMENTAL FUNDS FOR THE OPERATION OF THE BANGSAMORO GOVERNMENT AND FOR OTHER PURPOSES"

1.0 PURPOSES

- 1.1 To provide policies, procedures, rules and regulations on the release, utilization of funds, and monitoring of the supplemental appropriations.
- 1.2 To synchronize fund release with the implementation of the overall physical and financial plans, targets and schedules submitted by the Ministries, Offices, and Agencies.
- 1.3 To institutionalize a simplified, streamlined monitoring and evaluation, and reporting of performance information.

2.0 COVERAGE

All Ministries, Offices, and Agencies (M/O/As) receiving budgetary support from the Bangsamoro Government stated in BAA No. 63.

3.0 GENERAL GUIDELINES

- 3.1 The funds appropriated in accordance with BAA No. 63 takes effect on October 30, 2024.
- 3.2 All appropriations authorized in BAA No. 63 shall be available for obligation for the purpose specified until December 31, 2025. Its delivery, inspection, and payment shall be valid until funds are fully expended.
 - 3.2.1 After the end of validity period, all unreleased appropriations shall lapse, while unobligated funds shall revert to the Bangsamoro Treasury under a Special Fund for reappropriation in accordance with Section 19, Article XII, of R.A. No. 11054. M/O/As shall strictly observe the validity of appropriations and the reversion of funds.

- 3.3 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.
- 3.4 Funds specifically appropriated to a M/O/A shall be released directly to the M/O/A.
- 3.5 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) prepared and submitted by M/O/As.
- 3.5.1 For guidance, M/O/As shall submit BEDs constituting the following documents:

BEDs	Data Elements
BED No. 1 Financial Plan	Estimated obligation program for the budget year broken down by quarter
BED No. 2 Physical Plan	Physical targets for the budget year broken down by quarter
BED No. 3 Monthly Disbursement Program	Projected monthly disbursement requirements for the budget year by disbursement authority (NCA)

- 3.6 The obligational authority for items of appropriations in the budget shall be released through a Special Allotment Release Order (SARO).
- 3.7 The MFBM-evaluated Monthly Disbursement Program (MDP) or BED No. 3 shall serve as basis for the release of disbursement authorities, i.e. Notice of Cash Allocation (NCA).
- 3.8 Reports Required and Reporting Timelines
- 3.8.1 Separate Budget and Financial Accountability Reports (BFARs) for the said fund pursuant to Section 12, GPs of said law should be submitted within thirty (30) days after the end of each quarter.
- 3.8.2 Separate Monthly Report on Appropriations, Allotments, Obligations and Disbursements and Monthly Report of Disbursements for the said fund should be submitted to **MFBM** on or before the tenth (10th) day of the month immediately following the covered period.
- 3.8.3 M/O/As request/s for any release requiring issuance of SAROs/NCAs should be submitted to the MFBM on or before the 15th of November, FY 2025.

4.0 OTHER PROVISIONS

- 4.1 To facilitate program/project implementation including the conduct of pre-procurement activities short of award and the prompt completion of procurement timelines, all concerned M/O/As are reminded to ensure the consistency of the information reflected in the BEDs with the procurement schedules/specifications, being submitted to the Government Procurement Policy Board (GPPB), and the Procurement Service-Department of Budget and Management (PS-DBM).
- 4.2 M/O/As are authorized to deduct engineering and administrative overhead (EAO) expenses not exceeding one percent (1%) of the project funds for infrastructure projects costing more than One Million Pesos (P1,000,000.00).
- 4.3 M/O/As are authorized to deduct Administrative Costs not exceeding Three percent (3%) of the project costs for non-infrastructure projects costing more than One Million Pesos (P1,000,000.00).
- 4.4 Purchase or Rent/Lease of Motor Vehicles

The purchase or rent/lease of motor vehicles is subject to the following guidelines in conformity with the terms and conditions laid out in Department of Budget and Management Budget Circular No. 2022-01 dated February 11, 2022:

Authority to Purchase Motor Vehicles (APMV)

- 4.4.1 For the purposes of issuance of APMV, the M/O/As 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.
- 4.4.2 Issuance of the Authority to Purchase Motor Vehicle is subject to the approval of the Chief Minister upon the recommendation of the MFBM.
- 4.4.3 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
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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.

4.4.4 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.

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

Authority to Rent Motor Vehicles (ARMV)

4.4.6 For the purposes of issuance of ARMV, the M/O/As renting a vehicle for a continuous period exceeding 15 days shall, prior to leasing 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.

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

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. 12009¹.

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.

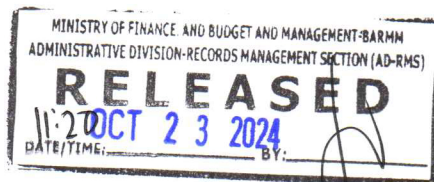
7.0 RESOLUTION OF ISSUES

Requests for clarifications or proper interpretation, and other relevant substantial issues and concerns, which may arise or which may be encountered in the course of the implementation of this Circular, shall be referred to the MFBM for resolution.

8.0 EFFECTIVITY

This circular shall take effect immediately.


UBAIDA C. PACASEM
Minister



¹ An Act Revising R.A. 9184, Otherwise known as the "Government Procurement Reform Act", and for Other Purposes, Republic Act No. 12009, (July 20, 2024)