



Laws, Rules, & Regulations on Government Expenditures

Atty. WINNIE ROSE H. ENCALLADO, CPA, MPA, MNSA
Resource Person

Session Overview

- Linkage of expenditures to the budget process
- Basic principles, concepts governing public expenditures
- Illegal, irregular unnecessary, excessive, extravagant and unconscionable (IIUEEU) expenditures
- Various Criteria used in the Accountability and Review Process of Expenditures in the Budget process
- Selected specific provisions of law and regulations governing certain expenditures



Learning Objectives

For the participants to be able to :

1. Know the basic principles and limitations on expenditures and disbursements
2. Know or be aware of some of the governing laws, rules and regulations applicable to common government expenditures;
3. Understand when expenditures are considered as IIUUEE



Budget Cycle/ Process

GCs

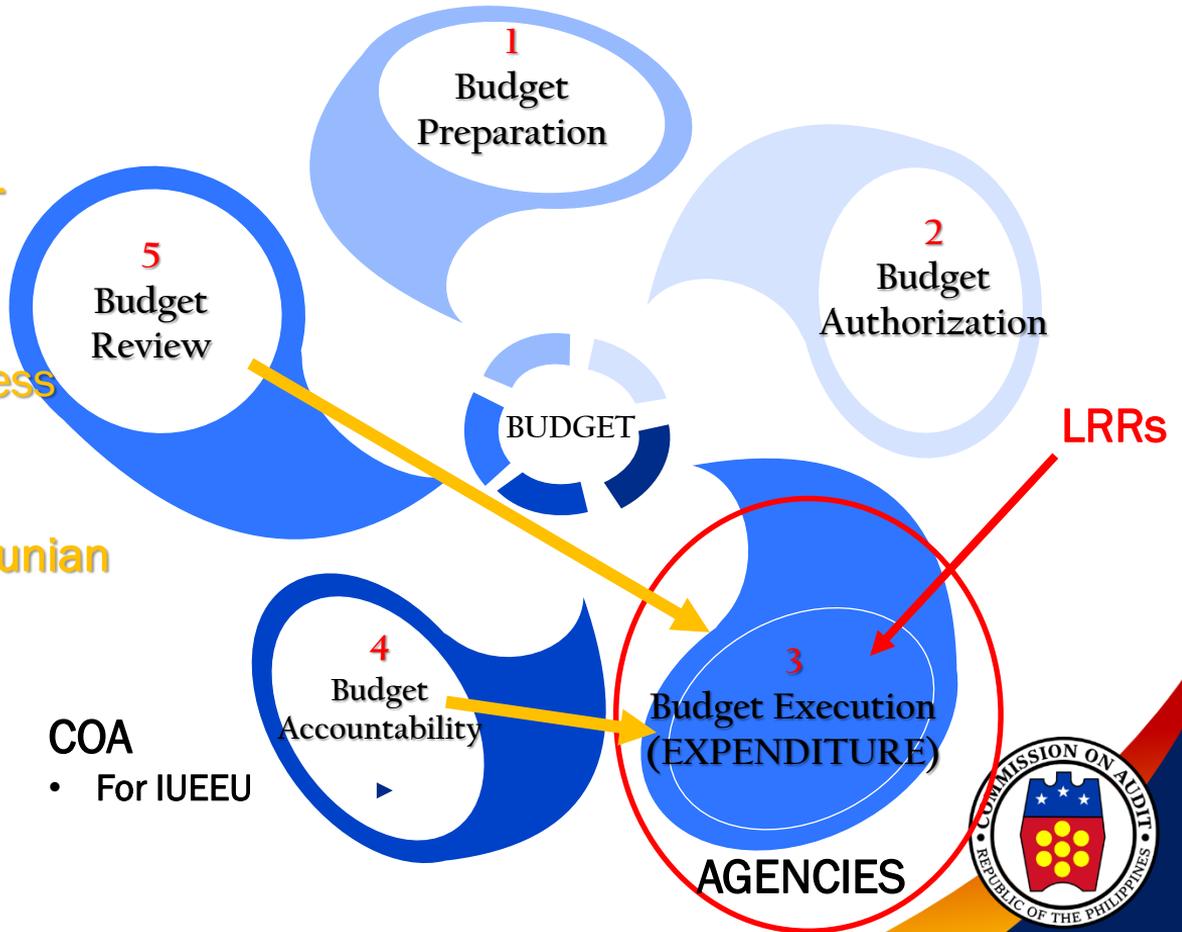
- DBM,
- GCG
- BOD/T

NGAs

- DBM
- Congress

LGUs

- DBM
- Sanggunian



Budget Execution



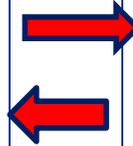
This phase involves the **actual expenditure** of funds for the identified functions – **Work and Financial Plan**

WORK PLAN

Basis for **programming finances** of the financial plan and request for allotment.

FINANCIAL PLAN

Provides **funding support** for the **work plan** and becomes the **basis for allotment**.



Basic Concepts

1. Approved BUDGET

The Authorization issued by the Governing Body having jurisdiction over the entity, which is the basis for the incurrence of expenditures.

NGAs	GAA approved by Congress
GCs	Corporate Operating Budget (COB) approved by the Board of Trustees/ Directors.
LGUs	Appropriation Ordinance issued by the local Sanggunian



Basic Concepts

2. EXPENDITURE

Is a term used for a **financial transaction** or **event** that would result to a **decrease in assets** due to **payment through cash, or an increase liabilities** if procurement or other expense **incurred is on credit**, which eventually will result to a decrease in equity;

It is the **portion** of the **funding authorization used** or **spent** in the operations of a government entity.

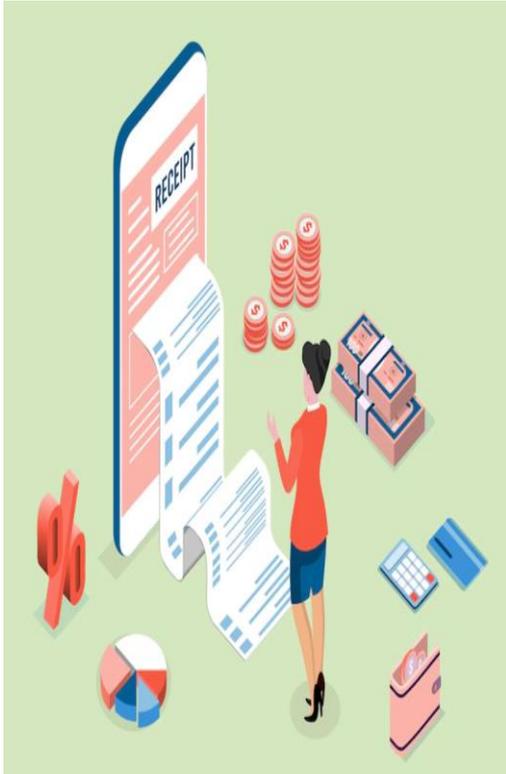
(**Disbursement** in contrast, refers to **money paid out** for an expense)



Basic Concepts

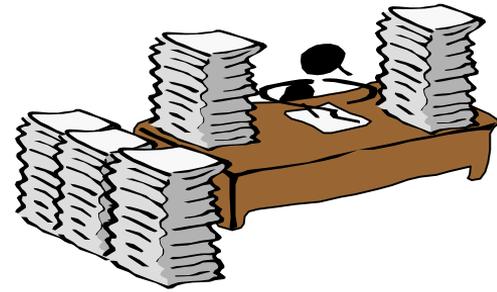
3. OBLIGATION

An act of a duly authorized official which **binds the government to the payment of money**. It refers to the **amounts committed to be paid** by the agency **for any lawful expenditure** made for and in behalf **of the government agency concerned**.



Basic Concepts

4. Government Policy on the Use of Public Resources



“It is a declared policy of the state that **all resources** of the government shall be managed, **expended** or **utilized in accordance with laws and regulations** and **safeguarded against loss or wastage** through **illegal or improper disposition** with the end in view of **ensuring efficiency, economy and effectiveness** in the **operations** of the government.”

Section 2 PD 1445



Basic Concepts

5. Accountability for Unauthorized or Illegal Expenditures



Sec.43,Chap 5 Book VI, Administrative Code of 1987

Provides that the **Liability for Illegal Expenditures** shall fall on every official or employee authorizing or making such payment or taking part therein, and every person receiving such payment, shall be **jointly and severally liable** to the government for the **full amount so paid or received**.

The SC in *Madera vs COA** ruled that regardless of good faith as passive recipients, the Payees shall be required to refund the amounts actually received pursuant to the principle against unjust enrichment laid down in Art. 22 and 2154 of the New Civil Code.

* GR No. 244128, Sept. 8, 2020



Basic Concepts

6. Accountability for Unauthorized or Illegal Expenditures



Sec. 89, RA 11975 (2024 GAA) and Sec 103 PD 1445 provides that expenditures incurred in violation of **existing laws rules and regulations** shall be **VOID** and any and **all public officials/employees who will authorize/ permit**, as well as those **negligent** in the performance of their duties and functions **which resulted** in the incurrence of the unauthorized and **unlawful expenditure** shall **PERSONALLY BE LIABLE** to the government for the **full amount** committed or expended and subject them to disciplinary action



Basic Concepts

6. Accountability for disallowed expenditures



Expenditures which are *illegal/irregular/unecessary/excessive/extravagant/unconscionable* (IIEEU) shall be **disallowed in audit** and become the **civil liability** of the officials & employees found liable/responsible therefor

Strict adherence to applicable laws rules and regulations is a way to avoid disallowances.



Basic Concepts

7. Prohibition against Advance Payment



No payment, partial or final, shall be made for services or goods not yet rendered or delivered, under any contract. (Section 88.1. PD 1445)



Exception to Prohibition Against Advance Payment

- ❖ Advance payment for goods procured to **ADDRESS CONTINGENCIES** arising from **natural or man-made CALAMITIES** in areas where a “**State of Calamity** has been **declared** by the authorities, in an amount **not exceeding 15%** of the **contract amount**;
- ❖ For procurement of **HOTEL AND RESTAURANT SERVICES**, lease of **CONFERENCE/ SEMINAR/ EXHIBIT AREAS**; and **LEASE OF OFFICE SPACE**, advance payment of **not more than 50%** of the contract where such **downpayment** is a **standard Industry practice**. (RA 9184)



Exception to Prohibition Against Advance Payment

- ❖ In the procurement of infrastructure, the PE shall upon a **written request** from the **contractor**, make an advance payment **not exceeding 15%** of the total **contract price** to be made in **lump-sum or at the most, two installments**.
- ❖ The advance payment shall be **made only upon submission to and acceptance by the PE** of an **irrevocable standby letter of credit** of equivalent value from a commercial bank, **or bank guarantee** of a **surety bank** callable upon demand, issued by the insurance company duly **licensed by the Insurance Commission** and confirmed by the PE.
- ❖ All **progress payments** shall **first be charged against advance payment** until the latter has been **fully exhausted, unless otherwise approved by the President**. (Annex D, 2016 Revised IRR, RA 9184)



Basic Concepts

7. Prohibition against Additional Cash Advances



NO cash advances shall be **paid/granted** until such time that the **earlier** cash **advances** availed of by the officials or employees concerned shall have been **liquidated** in accordance with accounting and auditing rules and regulations.

(Sec 86, RA11975 and Sec 89, PD 1445)



Basic Concepts

8. Inspection prior to acceptance



All expenditures for procurement shall require **INSPECTION** by the authorized and qualified inspector of the agency PRIOR to ACCEPTANCE, to check on compliance with the standards and the specifications as stated in the procurement contract, except as otherwise permitted by regulations (Sec 88.1, PD1445)



Basic Concepts

9. Fundamental Principles* (Section 4, PD1445)

a) There must be an Appropriation or specific statutory authority;

b) Spent or used solely for public purpose;

c) Adherence to laws, rules and regulations (COA CIRCULAR NO. 2012-003 - October 29, 2012 re: Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Extravagant and Unconscionable Expenditure)

* Governing Govt, Financial Transactions



d) Shared fiscal responsibility by those exercising authority;

e) Bear approval of the proper Officials;

f) Supported with complete Documentation (COA CIRCULAR NO. 2012-001 - June 14, 2012 Prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions)

g) Trust Funds spent for Specific purpose



Basic Concepts

9. Fundamental Principles (Section 4, PD1445)



a) EXISTENCE OF APPROPRIATION

NATIONAL - GAA

LOCAL – Appropriation Ordinance

CORPORATE – COB

Certified as available by the Accountant



Basic Concepts

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Basic Concepts

9. Fundamental Principles(Section 4, PD1445)

c) ADHERENCE TO LAWS, RULES AND REGULATIONS

Presidential Decree No. 1445, Section 33. Prevention of irregular, unnecessary, excessive, or extravagant expenditures of funds or uses of property; power to disallow such expenditures.

The Commission shall promulgate such auditing and accounting rules and regulation as shall prevent irregular, unnecessary, excessive, extravagant or unconscionable (IUEEU) expenditures or uses of government funds or property.



June 11, 1978

Why COA to promulgate rules and regulations?

CONSTITUTIONAL MANDATE OF COA

Section 2(2), Article IX-D of the 1987 Constitution

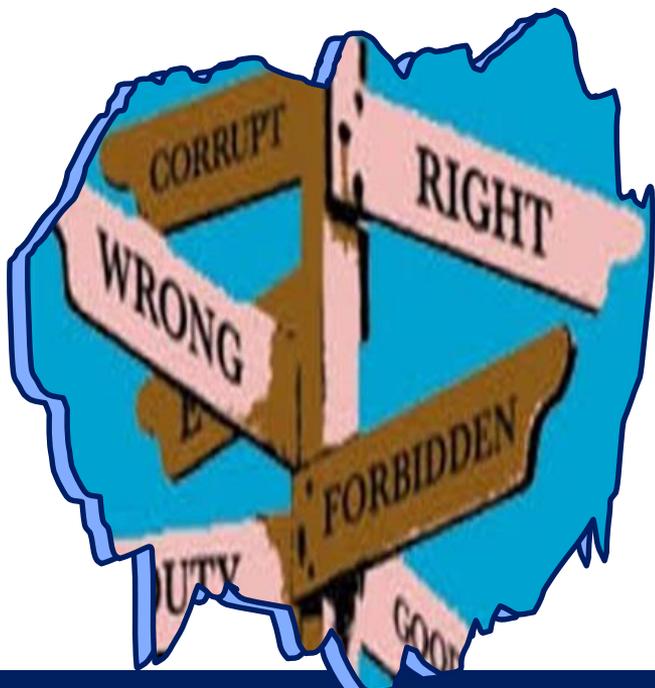
The COMMISSION ON AUDIT shall have the EXCLUSIVE AUTHORITY to “xxx promulgate accounting and auditing rules, including those for the prevention of irregular, unnecessary, excessive, extravagant, or unconscionable (IUEEU) expenditures or uses of government funds and properties.”



Basic Concepts

9. Fundamental Principles (Section 4, PD1445)

c) Adherence to LRR



WHAT IS **IUEEU**?

Irregular/**I**llegal Expenditure

Unnecessary Expenditure **E**xcessive
Expenditure **E**xtravagant Expenditure

Unconscionable Expenditure



Basic Concepts

9. Fundamental Principles

c) Adherence to LR



ILLEGAL Expenditures

Expenditures that are **without legal basis** or which are **in violation of the law**



Basic Concepts

9. Fundamental Principles (Section 4, PD1445)

c) Adherence to LRR

IRREGULAR Expenditure

- Expenditures incurred in violation of established rules, regulations, procedural guidelines, policies, principles or practices that have gained recognition in law;
- Transaction conducted in a manner that deviates/departs from, or which does not comply with standards set



Basic Concepts

9. Fundamental Principles (Section 4, PD1445)

c) Adherence to LRR



UNNECESSARY Expenditures

- Not needed/ Not essential or **can be dispensed** with without loss or damage to property;
- **Irrelevant to the mission** of the agency and is **not supportive** of agency objectives relative to the nature of its operation.
- **not responsive** to the demands of good government.

E.g.: When an air-conditioner is bought for a high altitude municipality in Baguio City where the temperature is no higher than 7 degrees all year round.



Basic Concepts

9. Fundamental Principles (Section 4, PD1445)

c) Adherence to LRR



EXCESSIVE Expenditures

- Unreasonable or incurred at an immoderate quantity or **exorbitant price**.
- Exceeds what is usual or proper.
- Unreasonably high and beyond just measure or amount.
- In excess of reasonable limits.



Basic Concepts

9. Fundamental Principles (Section 4, PD1445)

c) Adherence to LRR



EXTRAVAGANT Expenditures.

- Incurred without restraint, judiciousness, and economy
- Exceeds the bounds of propriety
- Immoderate, prodigal, lavish, luxurious, waste grossly excessive, and injudicious

Factors to be taken into consideration

- Nature of the agencies' operations
- Agency mission
- Profitability
- Financial resources

Variables to consider

- Quality
- Level or Rank
- Purpose



Basic Concepts

9. Fundamental Principles (Section 4, PD1445)

c) Adherence to LRR



UNCONSCIONABLE Expenditures.

- Incurred **in violation of ethical and moral standards**
- **Unreasonable** and **immoderate** and which **no man in his right sense would make**, nor a fair and honest man would accept as reasonable



Basic Concepts

9. Fundamental Principles (Section 4, PD1445)

c) Adherence to LRR



COA REGULATIONS on IUEEU Expenditures

1. COA Circular No. 77-55 dated March 29, 1977.
2. COA Circular No.85-55A dated September 8, 1985
3. **Circular 2012-003 dated October 29, 2012.**
(“Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Excessive, extravagant and Unconscionable Expenditures- provides the definition, examples of IUEE and some SC decisions ruling on certain disallowed expenditures)

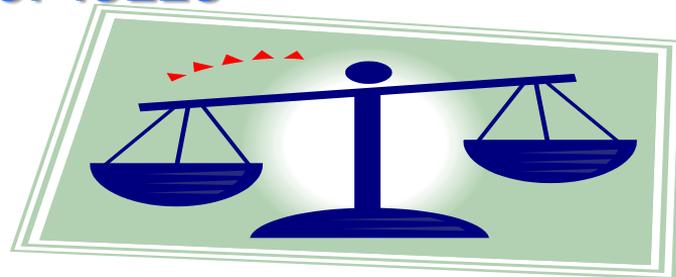


Basic Concepts

OTHER CRITERIA FOR DETERMINATION OF IUUEU



1. P.D. No. 1445;
2. Supreme Court Decisions
3. COA Decisions
4. DBM Budget Circulars (to ensure expedient use of govt. funds);
5. General and special provisions of the General Appropriations Act (GAA) for the pertinent year;
6. Other pertinent laws, rules and regulations;
7. Internal rules issued by government agencies within the bounds of their mandate to ensure judicious and prudent use of public funds



Basic Concepts

WHY IS A SC DECISION DECLARING/RULING AN EXPENDITURE AN IUEEU USED AS AN AUDIT CRITERIA ?

Stare decisis (decided cases)

- **doctrine of the courts** that when **once laid down as a principle of law** applicable to a certain state of facts, the court **will adhere to that principle** and **apply it to all future cases** where the **facts are substantially the same**, regardless of whether the parties or the subject property are the same.

Stare decisis et non quieta movere

- To **adhere to the precedent** and not to unsettle things which are **established**



Basic Concepts

WHEN A DA DECISION BECOMES A CRITERIA FOR DETERMINATION OF AN IUEEU EXPENDITURE:



- The COA Commission Proper CP is a Quasi judicial body who sits as a collegial body empowered by the 1987 constitution and PD 1445 to (1) determine policies, promulgate rules and regulations, prescribe standards and (2) adjudicate petitions for review of COA disallowances of IUEE expenditures.
- Their decisions when final and executory **serves as a precedent that guide the audit decisions** of the COA Auditors on transactions with similar or the same facts.



Basic Concepts

WHEN DOES A COA DECISION BECOME FINAL AND EXECUTORY



- **WHEN NOT TIMELY APPEALED TO THE SUPREME COURT WITHIN THE REGULATORY PERIOD PROVIDED BY LAW (30 days from receipt of the COA decision).**
- **WHEN THE COA DECISION IS UPHELD BY THE SUPREME COURT AFTER A PETITION FOR CERTIORARI BY THE THE AGGRIEVED PARTY**



Basic Concepts

PROVISIONS of the GAA as CRITERIA in the DETERMINATION OF IUEEU

General Provisions

Applicable to, or covers the Appropriations of all Agencies covered by the GAA for uniform guidance (pp754- 776 of the 2024 GAA Vol 1-B)

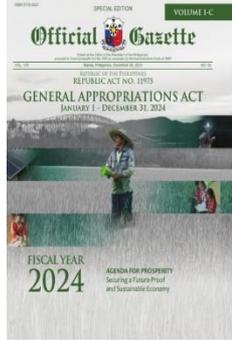
Special Provisions

Provides specific guidance applicable to, or covering only the budget or appropriation of the specific agency



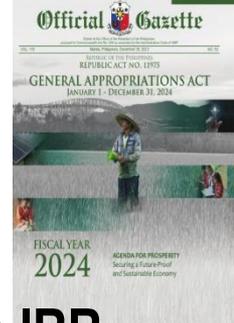
GENERAL Provisions of RA 11975(2024 GAA)

Relevant to Govt. Expenditures:



1. The GAA upon its effectivity, shall be **considered as the allotment authorizing obligation** *except if* : (a) there are conditions for its release in special provisions/law/rules/regulations; (b) in case of a lump sum appropriation without details ; or(c) requires a special budget (Sec. 3);
2. Government Funds shall be **utilized in accordance** with the **appropriation authorized for the purpose** and **comply with applicable laws, rules and regulations (Sec. 18)**;
3. **Purchase of goods, infrastructure projects, consulting services, common-use supplies** shall be made in **accordance with RA 9184, its 2016 IRR and GPPB Guidelines (Sec. 18.a)**;





GENERAL Provisions of RA 11975 (2024 GAA) Relevant to Govt. Expenditures:

4. **Strict adherence by all agencies of government with RA 9184 and its IRR and the GPPB guidelines** in the procurement of goods, infrastructure projects and consulting services and **use of the PhilGEPS as the primary source of information** (Sec 20) .
5. . Agencies are authorized to undertake **early procurement activities (EPA)** as soon as the **proposed expenditure budget is submitted to Congress. (Sec 21, RA 11975).** The agencies **cannot** however issue a Notice of **Award or contract until** after **approval** of their respective **appropriations** and issuance of their budget authorization (Sec 21).



GENERAL Provisions of RA 11975 (2024 GAA)

Relevant to Govt. Expenditures:

6 . **No obligation/expenditure** shall be charged against any authorized allotment by **NGAs** including **Constitutional Offices** enjoying fiscal autonomy, **SUCs, GOCCs and LGUs** without first securing a **Certificate of Availability of Funds (CAF)** sufficient to cover the cost of the **contracted** activities, which certification shall be signed by the Chief Accountant and which shall become an integral part of the contract.
(Sec.31 RA11975)



GENERAL Provisions of RA 11975 (2024 GAA) Relevant to Govt. Expenditures:

7. Appropriations authorized under the GAA shall be available for **expenditure for the purpose specified, until December 31, 2025, except for personnel services** which shall be available for release, obligation and disbursement **until December 31, 2024 only**. Subsidies released to **LGUs and GOCCs** shall be valid **until fully expended**.

Thus the construction of infrastructure projects, delivery of goods and services, inspection, and **payment of infrastructure capital outlays and MOOE**, shall be made **not later than December 31, 2025**.

(Sec 70).



Basic Concepts

9. Fundamental Principles(Section 4, PD1445)

- a) There must be an Appropriation or specific statutory authority;
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- c) Adherence to laws, rules And regulations (COA CIRCULAR NO. 2012-003 - October 29, 2012 re:Updated Guidelines for the Prevention and Disallowance of Irregular, Unnecessary, Extravagant and Unconscionable Expenditure)



- d) Shared fiscal responsibility by those exercising authority;
- e) Bear approval of the proper Officials;
- f) Supported with complete Documentation (COA CIRCULAR NO. 2012-001 - June 14, 2012 Prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions)
- g) Trust Funds spent for Specific purpose



Basic Concepts

9. Fundamental Principles(Section 4, PD1445)

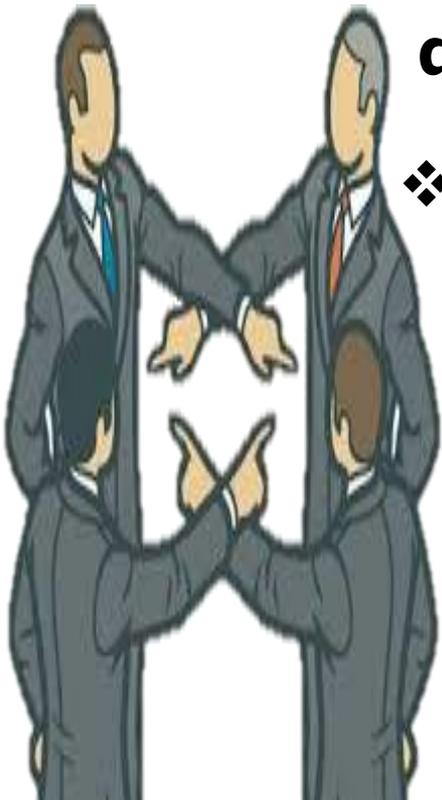
d) SHARED FISCAL RESPONSIBILITY - Fiscal responsibility shall to the greatest extent **be shared by all those exercising authority** over the financial affairs, transactions, and operations of the government agency.



BUDGET OFFICER	Executes the approved budget, monitors and reports on the budget utilization
ACCOUNTANT	Certifies as to the existence of appropriation
HEAD OF DEPT. WITH ADMINISTRATIVE CONTROL THE FUND	Certifies and approves as to validity, propriety, and legality of the expenditure
HEAD OF AGENCY	Has fiscal responsibility over all the funds and resources of his Agency and should exercise the diligence of a good father of a family

Basic Concepts

9. Fundamental Principles(Section 4, PD1445)



d) SHARED FISCAL RESPONSIBILITY

- ❖ Other public officers, although not accountable for government funds by the nature of their duties, may likewise be similarly held accountable and responsible thru their participation in the use or application of government funds. (Sec. 4.2, COA Cir. 2009-006, Sept. 15, 2009 - RRSA)



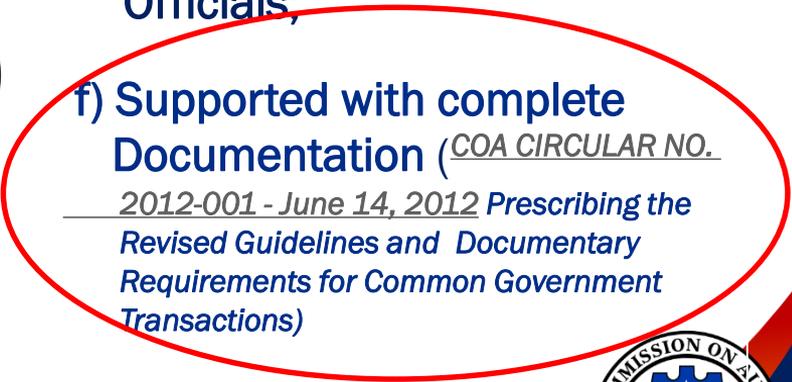
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- d) Shared fiscal responsibility by those exercising authority;
- e) Bear approval of the proper Officials;



- g) Trust Funds spent for Specific purpose



Basic Concepts

9. Fundamental Principles(Section 4, PD1445)

f) SUPPORTING DOCUMENTS

2)COA Circular 2023-004 dated 14 June 2023

“Prescribing the Updated Documentary Requirements for Common Government Transactions, amending COA Circular No. 2012-001 dated June 14, 2012”



!!!SUSPENDED!!!



Basic Concepts

9. Fundamental Principles(Section 4, PD1445)

f) SUPPORTING DOCUMENTS

3)COA Circular 2024-004 dated March 14, 2024

SUSPENDS the application of COA Circular No. 2023-004 dated **June 14, 2023**, Prescribing the Updated Documentary Requirements for Common Government Transactions which amends COA Circular No. 2012-001 dated June 14, 2012, and it **REINSTATES** COA Circular 2012-001

Suspension was **retroactive to the effectivity of Circular 2023 -004 on July 1, 2023** . This was due to the numerous issues and concerns raised relative to the updated documentary requirements, and pending the issuance of the revised guidelines addressing the **issues** and concerns.

FullSuite
www.fullsuite.com.ph
No. 2016

OFFICIAL RECEIPT
Date

RESOLUTION NO. 001-2024
DATE APPROVED: June 20, 2024



Basic Concepts

9. Fundamental Principles(Section 4, PD1445)

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- g) Trust Funds spent for Specific purpose



9. Fundamental Principles(Section 4, PD1445)

g) **TRUST FUNDS**

- ❖ Are **receipts** collected or **received by agencies or instrumentalities** of the National government (a) **ACTING AS TRUSTEE, AGENT OR ADMINISTRATOR** from (a) non-tax sources, such as insurance proceeds; (b) as a **guaranty for the fulfillment of an obligation**; or (c) from **donations authorized by law or contract**; and (d) **those classified by law or regulations as trust receipts** (Sec 6RA 11975);
- ❖ They shall be **disbursed in accordance with the purpose** for which they were **given/created** and subject to applicable accounting and auditing rules and regulations ;
- ❖ Expenditures and disbursements **IN VIOLATION** of the foregoing requirements shall be **VOID** and subject the **erring officials and employees to disciplinary action** and to **appropriate criminal action** under existing laws.



Basic Concepts

Summary of the **Basic Requirements of Expenditures**

Existence of a lawful and sufficient APPROPRIATION certified as available by the proper officer

LEGALITY of transaction and CONFORMITY with applicable laws, rules and regulations

APPROVAL of the expense by the head of the agency, or government corporation or authorized representative

Submission of proper EVIDENCE to support the claim



Basic Concepts

10. DIGITAL Payment of Expenditures

Sec 97, RA 11975 :

All NGAs, SUCs, GOCCs, and LGUs shall utilize safe **DIGITAL PAYMENTS** for government financial transactions such as the payment of goods, services and other disbursements, subject to the guidelines to be issued by the DOF, in coordination with the BSP, COA, DBM, BTr, BIR, and other relevant government agencies.



10. DIGITAL Payment of Expenditures



Sec 97, RA 11975:

The agencies may use facilities of government servicing banks and engage the services of established Financial Service Providers registered with the BSP: *Provided*, That only interoperable digital payment solutions which are compliant with the National Retail Payment System Framework shall be availed, subject to the procurement laws, rules and regulations



10. DIGITAL Payment of Expenditures



COA CIRCULAR 2021-014 dtd, Dec. 22, 2021 :

Provides GUIDELINES ON E-PAYMENTS using **Direct Electronic Payment (DEP)** or **Transfer-Distribute-Liquidate (TDL)** schemes.

1. DEP SCHEME = the government Agency makes directly the payment using the technology of the intermediary (e.g. ADA, mobile online banking facility, credit cards),

2. TDL SCHEME = the government entity funds are first transferred to the intermediary's possession who thereafter distributes the same to the intended payees of the Agency.



Basic Concepts

10. DIGITAL Payment of Expenditures



COA Circular 2021-014 dtd, Dec. 22, 2021 :

DEP SCHEME using **CREDIT CARDS** may be resorted to only when there are no other more expeditious and inexpensive modes of payment in which case a certification shall be executed by the HOA or his authorized representative attesting to the circumstance.

The HOA shall designated primary and alternate users of credit cards from the Cash or Treasury office of the Agency or other bonded officials.

The guidelines under **Sec 5.3.5 (c)** of subject circular shall be observed in the use of the credit card.



Classification of Expenditures



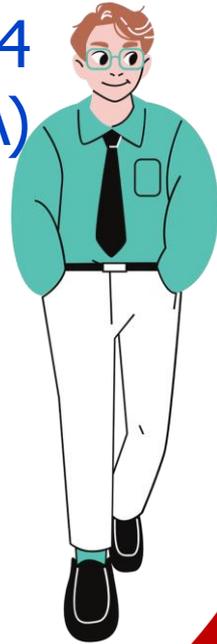
- A. By **Entity** incurring the obligation (Grantee, Trustee, etc)
- B. By Program, Activity and Project (**PAP**)
- C. By **Allotment Class** (PS, MOOE, CO)
- D. By **Region or locality** of use
- E. By **Object** (S & M, Communication, POL, etc.)
- F. **Other** classification necessary for the budget process (Chapter 2 Sec 4 of GAM Vol. 1)



PERSONAL SERVICES expenditure

FUNDING OF PERSONAL BENEFITS – Sec 54, RA 11975 (2024 GAA)

1. All **personnel benefits costs** of government officials and employees shall be **chargeable** against **the funds from which their salaries are paid.**
2. If benefits in whatever form are partly sourced from other sources, only the portion chargeable to the Gen. Fund shall be sourced therefrom in the payment of retirement benefits and pension
3. Personnel **benefits** cost drawn from Special Accounts, Fiduciary or Trust Funds, or **other sources of funds**, **CANNOT** be chargeable **against the General Fund** of the National Government.

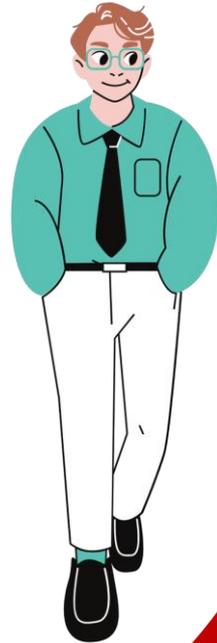
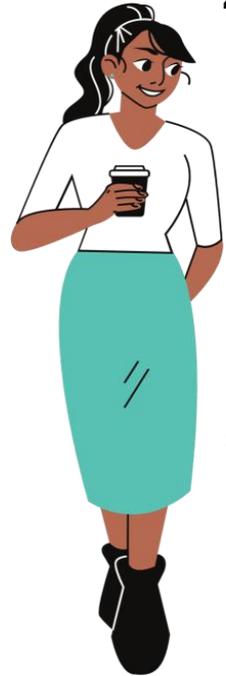


PERSONAL SERVICES expenditure

FUNDING OF PERSONAL BENEFITS - GAA

4. Personnel benefits* costs of officials and employees **ON DETAIL TO OTHER OFFICES**, including the representatives and support personnel of auditing units assigned to serve other offices or agencies, shall be **chargeable against the appropriations of their parent agencies, except as otherwise authorized by the DBM.**

* include salary increases, step increments, all kinds of authorized allowances, benefits and incentives, monetized vacation and sick leave credits, government share in retirement and life insurance premiums, employees compensation insurance premiums, health insurance premiums and Pag-Ibig contributions, and other authorized benefits.



PERSONAL SERVICES

CAP ON AUTHORIZED DEDUCTIONS

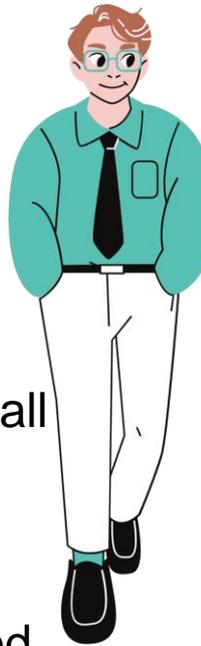
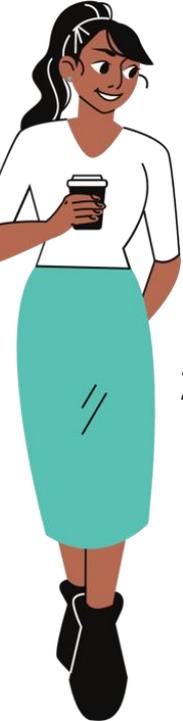
In **no case** shall authorized deductions from the employee's monthly compensation reduce his/her **net take home pay** to an amount **lower** than Five Thousand Pesos (**P5,000**).



Sec 56 CY 2024 GAA

PERSONAL SERVICES

LIMITATIONS on the GRANT OF ALLOWANCES



1. Sec 5 & 6 PD 1597; and Sec 3 AO 103 dtd. August 31, 2004 = Essentially provide that **ANY INCREASE, ADDITIONAL or NEW ALLOWANCES, HONORARIA AND OTHER FRINGE BENEFITS** shall be **SUBJECT TO THE APPROVAL** of the **PRESIDENT** upon prior recommendation of the **DBM**
2. **Supreme Court Decision** in the case of *Initia Jr. et. al. vs COA*² ruled that the Governing **Board's discretion on matters of compensation is NOT ABSOLUTE** and **MUST CONFORM WITH THE LAW.**

¹Authorizing the Pres. Of the Phil. to Modify Compensation and Position Classification of Civilian Personnel and the Base Pay of Military Personnel

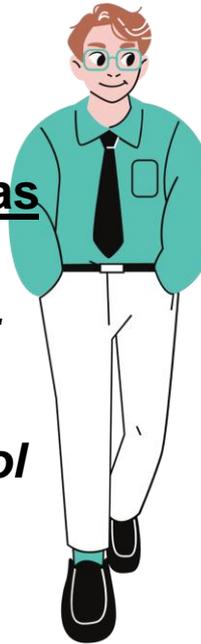
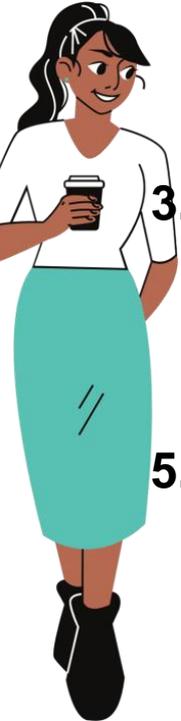
²GR 131529 dtd..April 30, 1999



PERSONAL SERVICES

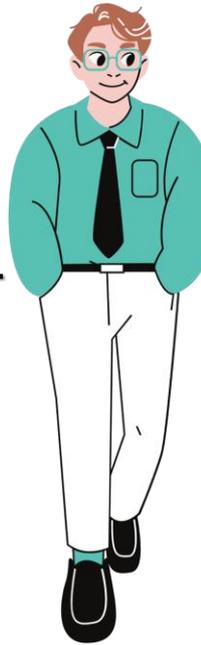
LIMITATIONS on the GRANT OF ADDITIONAL COMPENSATION

3. Government personnel stationed abroad who are granted Overseas Allowances to defray their living expenses shall no longer be entitled to PERA for the duration of their assignment abroad (Sec. 57, 2024 GAA)
3. Payment of Magna Carta benefits for public health workers, school teachers, social workers, scientists, engineers, researchers and other science and technology personnel shall be subject to DBM guidelines. (Sec 59, 2024 GAA)
5. Hazard Duty Pay shall be paid only go overnment personnel actually assigned to and performing their duties in strife torn or embattled areas as certified by the DND Secretary shall be entitled to for the duration of the assignment. (Sec 61, 2024 GAA; BC 2005-4,7/13/2005)



PERSONAL SERVICES

LIMITATIONS on the GRANT OF ADDITIONAL COMPENSATION



6. Government Lawyers assigned in the legal office are authorized a **SPECIAL COUNSEL ALLOWANCE** of P5,000 per appearance or attendance in the hearings of regular judicial courts³ whenever:

- a) deputized by the Office of Solicitor General (OSG) or by the Head of the Agency (HOA) to assist the OSG;
- b) the lawyer's appearance is not in relation to a motion for *extension or postponement* of hearing
- c) the aggregate allowance per month does not exceed 50% of the said lawyer's monthly salary

(Sec. 60, 2024 GAA)

³Not before administrative or quasi judicial agencies

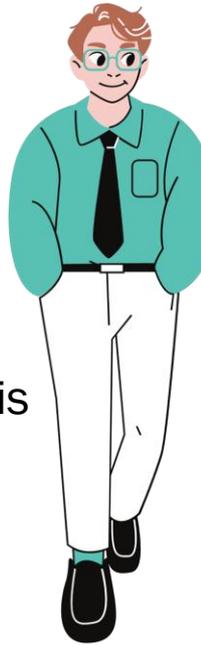
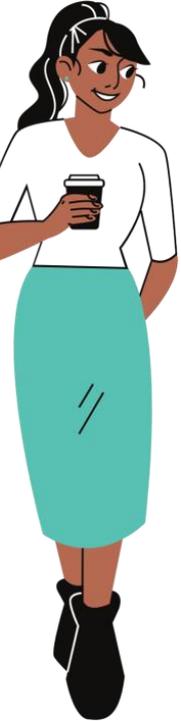


PERSONAL SERVICES

LIMITATIONS on the GRANT OF ADDITIONAL COMPENSATION

7. **HONORARIA** may be **paid only to** the following (Sec 63, 2024 GAA):

- a) **Teaching personnel** of the DepEd, TESDA, SUCs and other educational institutions, engaged in actual classroom teaching, whose teaching load is outside of the regular office hours or in excess of the regular load;
- b) **lecturers, resource persons, coordinators and facilitators** in seminars, training programs, and other similar activities in training institutions;
- c) **Chairpersons and members** of commissions, boards, councils, and other similar entities, including personnel thereof who are NOT PAID salaries nor per diems but compensated in the form of honoraria as provided by law, rules and regulations;



PERSONAL SERVICES

LIMITATIONS on the GRANT OF ADDITIONAL COMPENSATION

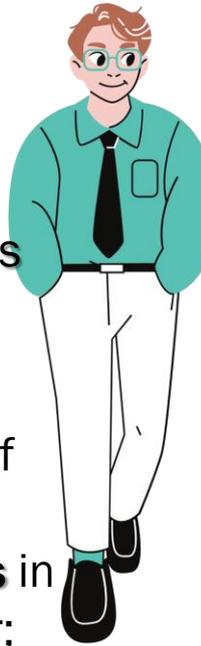
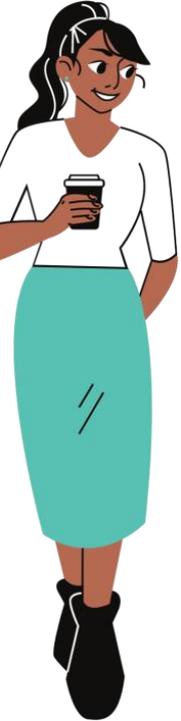
7. HONORARIA may be paid only to the following:

d) those involved in Science and technological activities who render services beyond their regular workload;

e) Officials and employees assigned to **special projects** which:

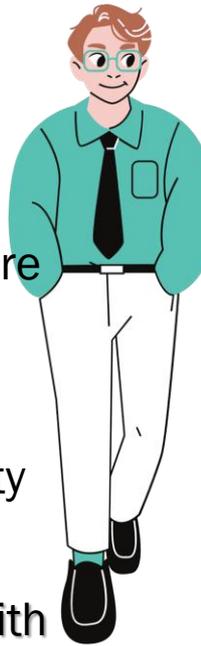
- ❖ Are **reform-oriented or developmental**, contribute to the improvement of service delivery and enhancement of the performance of the core functions of the agency, and have **specific timeframes and deliverables** in accomplishing objectives and milestones set by the agency for the year;
- ❖ Entail **rendition of work in addition to, or over and above**, their **regular workload**; and

f) Officials and employees **authorized to receive honoraria** under R.A. No. **9184** and its IRR.



PERSONAL SERVICES

LIMITATIONS on the GRANT OF ADDITIONAL COMPENSATION

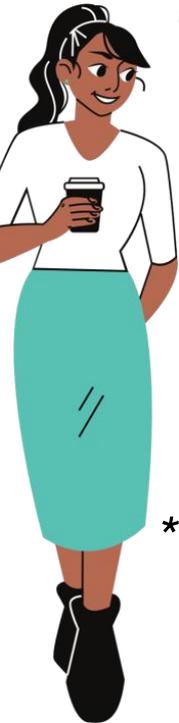


7. The **rates of HONORARIA** shall depend on the level of responsibilities, nature of work rendered, and extent of individual contribution to produce the desired outputs.

The total honoraria received from all special projects shall **not exceed** twenty five percent (**25%**) of the **annual basic salaries**; and

The officials and employees authorized to receive Honoraria shall comply with the Budget Circulars and guidelines issued by the DBM*

* *B.C. No. 2007-1 dated April 23, 2007; N.B.C. No. 2007-510 dated May 8, 2007; B.C. No. 2007-2 dated October 1, 2007; B.C. No. 2004-5A dated October 7, 2005, as amended by B.C. No. 2007-3 dated November 29, 2007; DBM and DOST J.C. No. 1 dated June 25, 2013; and such other guidelines issued by the DBM.*



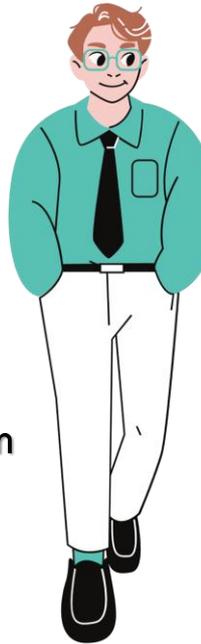
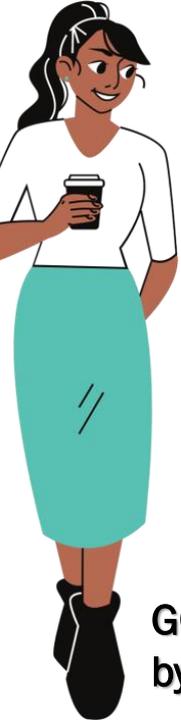
PERSONAL SERVICES

LIMITATIONS on the GRANT OF ADDITIONAL COMPENSATION

8. The grant of COLLECTIVE NEGOTIATION AGREEMENT (CNA) Incentive to NGAs, including Constitutional offices enjoying fiscal autonomy, and SUCs, sourced from allowable MOOE allotment identified by the DBM shall be subject to the following pursuant to Sec. 77 RA 11975 :

- a) that there shall be a valid CNA between the agency and the recognized employee organization which includes a provision on cost cutting measures to be undertaken by the agency and its employees ;
- b) that it shall be one-time annual payment *based on a* written resolution signed by agency representatives from both labor and management duly approved by the agency head;
- c) that it shall be limited to the amount determined by the DBM; and
- d) that the use of MOOE for payment of CNA shall be approved by the agency head during the validity of the appropriation.

GCs and LGUs may grant the same subject to the policies rules and regulations issued by the DBM

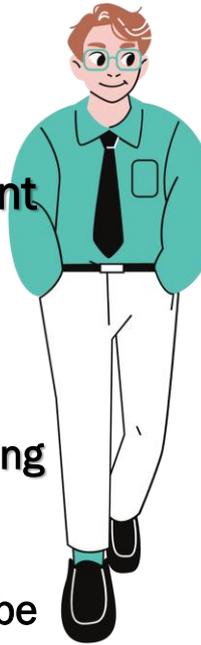
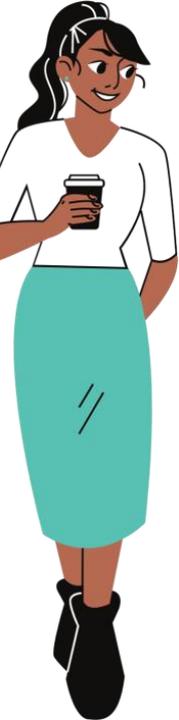


PERSONAL SERVICES

LIMITATIONS on the GRANT OF ADDITIONAL COMPENSATION

9. REPRESENTATION and TRANSPORTATION ALLOWANCE (RATA) to government OFFICIALS determined by the DBM or the GCG, shall be subject to the ff. limitations:

- a) Shall be granted while in the actual performance of their respective functions;
- b) Transportation allowance shall NOT be granted to those assigned or actually using government vehicle except on occasions or periods when they are unable to use said gov't. transportation for justifiable reasons;
- c) No RATA, commutable or reimbursable which exceed the rates authorized may be granted;
- d) RATA of LGU officials of equivalent rank to the officials of the NGAs enumerated in Sec. 60 of the 2024 GAA, shall be at the same percentages of the salary rates authorized for their income classification under Sec 10 of RA 6758;; and
- e) The provisions of NBC 548 and LBC 103 both dated May 15, 2013 shall be observed.
(Sec. 64, RA11975)

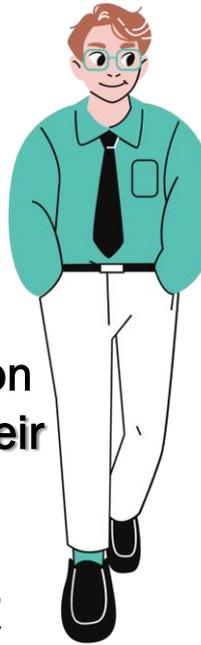
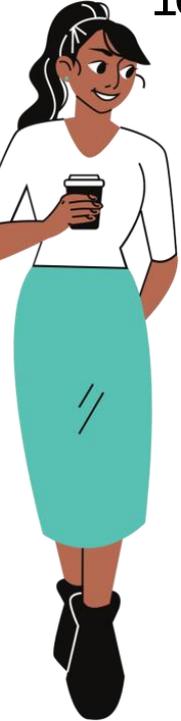


PERSONAL SERVICES

LIMITATIONS on the GRANT OF ADDITIONAL COMPENSATION

10. MID YEAR BONUS shall be granted to all personnel whether regular, TEMPORARY, CASUAL OR CONTRACTUAL status, on full time or part-time basis, of NGAs, as well as of LGUs and GCs (if covered by the Compensation and Position Classification system under RA 6758), chargeable against their respective corporate and local funds subject to:

- at least an aggregate service of 4 mos. from July 1 of the preceding year to May 15 of the current year if still in the service as of May 15 of the current year;
- at least a satisfactory performance rating in the immediately preceding rating period;
- Compliance with pertinent DBM BCs. (Sec 67, RA 11975)



PERSONAL SERVICES

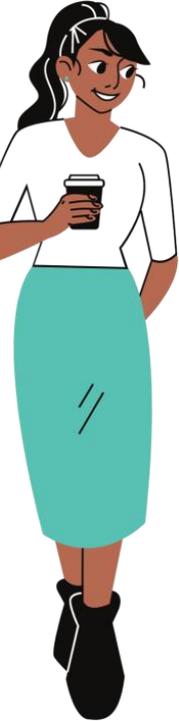
LIMITATIONS on the GRANT OF ADDITIONAL COMPENSATION

11. Night shift differential pay shall not exceed twenty percent (20%) of the hourly basic rate, for each hour of work between 6:00PM and 6:00AM of the following day, by the government employee occupying **Division Chief positions and below**, or their equivalent, including those in **GOCCs**, whether permanent, contractual, temporary, or casual, pursuant to R.A. No. 11701.

For **LGUs**, the payment of night shift differential pay shall be **charged against their respective funds**, subject to the provisions of Sections 325 and 331 of R.A. No. 7160.

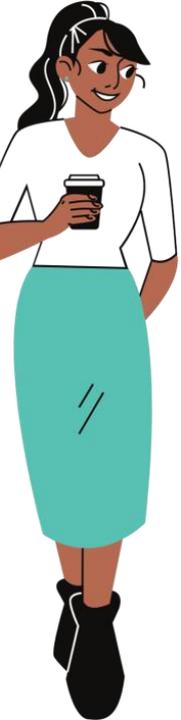
For **GOCCs** and their subsidiaries, it shall be **charged against their respective corporate funds**.

(Section 62, RA 11975)



PERSONAL SERVICES

LIMITATIONS on the GRANT OF ADDITIONAL COMPENSATION



13. **Uniform or Clothing Allowance** not exceeding Seven Thousand Pesos (**P7,000**) per year shall be authorized to each government employee, who have **rendered at least 6 mos. service** subject to B.C. No. 2018-1 dated March 8, 2018, and such other guidelines issued by the DBM. (Sec 58, RA 11975)



MOOE Expenses

Common CLASSIFICATION



1. Training Expenses

- Training Fees (NBC No. 563 dated April 22, 2016)
- Honoraria of RPs, Coord, Facilitators (DBM Budget Circular 2007-1, 4/23/2007)
- Handouts,Supplies Materials
- Meals and Snacks
- All training related Expenses



2. Utility Expenses



3. Communication Expenses

(Telephone, Internet Subscription,etc.)



4. General Services



MOOE Expenses

Common CLASSIFICATION



5. Professional Services

(e.g: A consultant-natural or juridical) person not part of the regular staff of the agency)



6. Supplies and Materials



7. Confidential, Intelligence and Extraordinary Expenses

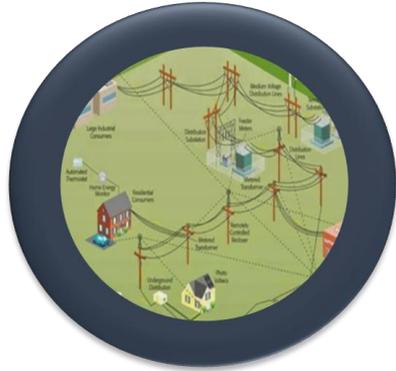


8. Repairs and Maintenance



MOOE Expenses

CLASSIFICATION



9. Travel Expenses



10. Labor & Wages



**11. Taxes, Insurance
Premiums and
Other Fees**



MOOE Expenses

Classification

12. Awards, Rewards, Prizes & Indemnities



13. Other MOOE



Rent/Lease Expenses

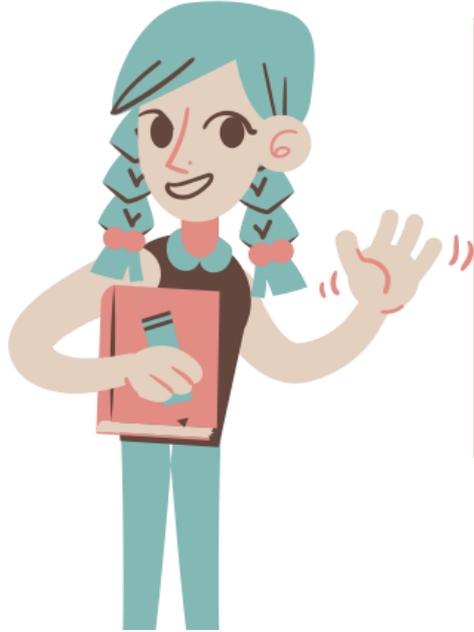


Printing and Publication Expenses



MOOE Expenses

1. Training Honoraria



**DBM Budget Circular No. 2007-1
April 23, 2007**

**Guidelines on the Grant of Honoraria
to Lecturers, Resource Persons
Coordinators and Facilitators**



MOOE Expenses

2. Utility Expenses



The **APPROVED BUDGET** for petroleum, oil and lubricants, water, illumination and power services, telephone and other communication services shall be **disbursed exclusively for such items** of expenditure, and may be **modified only in the last quarter** after **considering the full year's requirement**.

Expenditure of agencies in **violation of this provision** shall be **void** and subject the erring officials/employees to **disciplinary action** and to **appropriate criminal action** under existing penal laws (**Sec. 82, RA 11975**)



MOOE Expenses

2. Utility Expenses



Expenditure shall be **allowed for fuel, parts, repair and maintenance of government vehicles** of any type, which are **used for FREE TRANSPORT TO COMMUTERS** on a round-the-clock basis, to **meet the emergency DURING a TRANSPORT CRISIS**, such as that occasioned by **street demonstrations, *welgang bayan*, floods, typhoons and other emergencies**,
(Sec. 18(e) RA 11975)



MOOE Expenses

3. Advertising Expense



COA Circular 2024-005 - Expansion of the Coverage of Advertising Expenses and Recognition of Accounts to Include those Relative to the **Dissemination of Information Connected with the **Official Functions and Programs of Government Agencies**, through Social Media Platforms**

- 1) **Covers all kinds of advertising procured by NGAs, GC,SUCs LGUs through negotiated procurement under Sec.53.6, of RA No. 9184.**



MOOE Expenses

3. Advertising Expense

COA Circular 2024-005 - Expansion of the Coverage of Advertising Expenses



- 2) Amends Item 9.1.3.5 of COA Circular No. 2012-001 dated June 14, 2012 on "Advertising Expenses" to allow or **include Advertisements or contents posted on social media applications, like Facebook, Instagram, Twitter, and the likes, in the verified official account of the agency, following the guidelines under Section V(D)6 a)i)e, Annex Hof the 2016 Revised IRR of RA No. 9184.**



MOOE Expenses

3. Advertising Expense

COA Circular 2024-005 - Expansion of the Coverage of Advertising Expenses



- 3) The **use of government-funded social media** campaigns for political objectives or to **promote partisan interests** by government officials and agencies is **strictly prohibited** and may result in **administrative and/or criminal charges**.

- 4) To promote transparency and accountability, **all government-funded social media campaigns** should be **publicly disclosed**. The details of the campaigns, including the **purpose, scope, target audience, and cost**, should be made **available to the public** through **government websites** and **media platforms**



MOOE Expenses

3. Advertising Expense

COA Circular 2024-005 - Expansion of the Coverage of Advertising Expenses



5) **Documentary requirements** include among others the following:

- Copy of newspaper clippings evidencing publication and/or **CD** in case of TV/Radio commercial
- Complete link of the advertisement or content **posted on social media**;
- Bill/Statement of Account, or monthly progress billings, which may include electronic invoice or screenshots of electronic payment covering total cost of activities;
- Report on advertising/campaign through social media applications duly reviewed and approved by the agency containing but not limited to the **Content of advertising/information disseminated** in various social media



MOOE Expenses

4. General Services



May RECURRING contracts for general support services (janitorial, security, supply of drinking water, telecommunication requirements, rental of office and equipment and lease purchase agreements) be renewed?



Answer: **YES**, provided:

1. Term of Renewal does **not exceed one year**
2. **Subject to assessment/evaluation of the performance** of the contractor/ service provider and that the latter has no violation;
3. ORIGINAL contract **COMPLIES** with RA 9184
4. Original terms and conditions will govern;
5. **Total contract renewals shall not exceed two years**
6. **Comply** with relevant GPPB guidelines



MOOE Expenses

4. General Services



Sec. 32 RA 11975 - For recurring procurement such as but not limited to -

- **janitorial and security services,**
- **supply of drinking water,**
- **telecommunications requirements,**
- **rental of office and equipment, and**
- **lease-purchase agreements.**

Government agencies may **either secure an MYCA or renew the ongoing contract** to not more than one year subject to evaluation of performance and such renewals shall not exceed 2 years



MOOE Expenses

5. Professional Services Expenses – Legal Services



- COA Circular 2021-003 dated July 16, 2021 requires **concurrence** by the Commission on Audit of the **retainer of lawyers** by agencies of government after review by the OGCC of the Retainer contract;
- Purpose of COA is to ensure the **reasonableness** of the amount of **legal fees**



MOOE Expenses

5. Professional Services Expenses – Consulting Services



- **Advisory and Review Services**
- **Pre-investment or Feasibility Studies**
- **Design**
- **Construction Supervision**
- **Management and Related Services**
- **Other Technical or Special Studies**

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MOOE Expenses

6. Supplies, Materials & Spare Parts

- a) **All common-use supplies*** shall be procured by **NGAs, GOCCs, GFIs, SUCs** and **LGUs only** from the **Procurement Service (PS)** – **(Sec 22.RA 11975)**

- b) Procurement and inventory **shall NOT EXCEED TWO-MONTHS REQUIREMENT** of the Procuring Entity(PE), **EXCEPT** for **CRITICAL*** supplies, materials, and equipment spare parts which the PE is **expected** to have **sufficient** and **timely provision** and which **inventory, the HOPE may be increase** in the following instances :
 - in **anticipation of cost increases**
 - when **necessitated by a national emergency**
 - there is an **impending shortage**
 - when **authorized by the Charter** of the Agency. **(Sec 22,23 and 28, RA 11975)**



MOOE Expenses

6. Supplies, Materials, Spare Parts

- c) Procurement in excess of the PE's one-year requirement shall be subject to approval by the President of the Philippines, upon the joint recommendation of the Chairperson of the COA and the agency head concerned

COMMONLY-USED ITEMS are those listed in the Electronic Catalogue of the PS and commonly procured by gov't agencies (Sec 22)

CRITICAL SUPPLIES AND MATERIALS refer to those which are vital to the support of operations and are in short supply or expected to be short in supply such as fuel, equipment spare parts and other analogous items (Sec 23)



MOOE Expenses

7. Purchase of Agricultural & Fisheries Products

As a policy in the implementation of **feeding programs, relief operations, rice subsidy, and other programs** of the DA, DSWD, DepEd, DOH, DILG, LGUs, and other relevant government agencies, the PE, shall **directly purchase available AGRICULTURAL AND FISHERIES PRODUCTS FROM LOCAL FARMERS, FISHERFOLK, or their associations or cooperatives**, pursuant to R.A. No. 11321 (Sagip Saka Act): provided , that the **DIRECT PURCHASE** of agri-fishery products shall be **compliant with Section 11 of the Sagip Saka Act and existing procurement laws, rules and regulations.** (Sec 24 RA 11975)



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MOOE Expenses

7a. Confidential and Intelligence Expenses



COA-DBM-DILG-GCG-DND JMC No.
2015-01

Confidential
Expenses



Incurred by CIVILIAN government agencies FOR SURVEILLANCE to support their mandate or operations

Intelligence
Expenses



Intelligence INFORMATION GATHERING of UNIFORMED and MILITARY personnel and intelligence practitioners that directly impact on NATIONAL SECURITY



MOOE Expenses

7a. Confidential and Intelligence Expenses

Limitations under Sec 84 of RA 11975

Intelligence
Expenses
(Sec 84)

- ❖ **RELEASE or DISBURSEMENT requires approval by the Pres of the Phil.**
- ❖ **Use of savings to augment intelligence funds is subject to approval of the President of the Philippines upon joint recommendation by the Secretaries of DBM and the DND;**
- ❖ **Require submission of a quarterly report on the accomplishments in the use of said funds;**
- ❖ **Guided by COA-DBM-DILG-DND-GCG J.C. 2015-01 dtd. January 8, 2015**

Confidential &
Intelligence
Expenses (Sec 85)

- ❖ **Release or disbursement require prior approval of the Department Secretary concerned;**
- ❖ **Require submission to the Pres of the Philippines and both houses of Congress a quarterly accomplishments report on the use thereof;**
- ❖ **Use shall also be guided by COA-DBM-DILG-DND-GCG J.C. 2015-01**



MOOE Expenses

7a. Confidential and Intelligence Expenses

CANNOT BE USED FOR:



Salaries and Compensation



Representation, Consultancy Fees, Entertainment Expenses



Building/ Housing Construction



MOOE Expenses

7b. Extraordinary & Miscellaneous Expenses*

AUTHORIZED AMOUNT AND GUIDELINES

NGAs

Amount authorized:
Derived from **Sec. 51 RA 11975 (2024 GAA)**

Guidelines:
Prescribed under COA
Circular No. 89-300
dated March 21, 1989

GOCCs/GFIs

Amount authorized:
Where no such authority
is granted in the
corporate charter, it is
derived from the GAA

Guidelines:
Prescribed under COA
Circular No. 2006-001*
dated January 3, 2006

LGUs

Section 25(h) of the
Local Government Code
(RA 7160) provides that
Annual appropriation of
the **Local Chief Executive:**
should not exceed 2% of
the actual receipts
derived from the basic
real property tax in the
next preceding year

*Guidelines on the Disbursement of EME



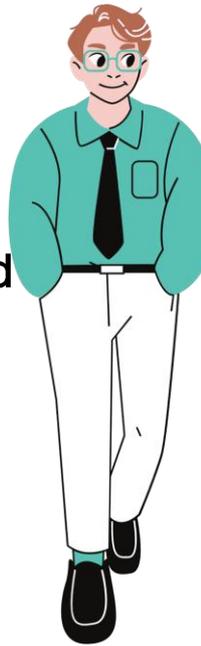
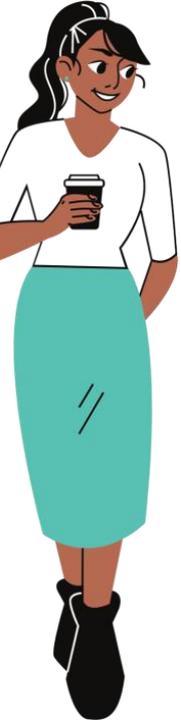
MOOE Expenses

7b. Extraordinary & Miscellaneous Expenses *

12. Rates not exceeding the amounts of EME in the GAA may be used for the officials with the ranks specified or their equivalent, as may be determined by the DBM or by the GCG for Government Corporations covered by R.A. No. 10149.

EME include, but not limited to, expenses for:

- Meetings, seminars and conferences;
- Official entertainment;
- Public relations;
- Educational, athletic and cultural activities;
- Contributions to civic or charitable institutions;
- Membership in government associations;
- Membership in national professional organizations duly accredited by the Professional Regulation Commission;
- Membership in the Integrated Bar of the Philippines;
- Subscription to professional technical journals and informative magazines, library books and materials;
- Office equipment and supplies; an
- Other similar expenses not supported by the regular budget allocation. (Sec 51 RA 11975).



MOOE Expenses

7b. Extraordinary & Miscellaneous Expenses *

OFFICIALS/EMPLOYEES AUTHORIZED TO RECEIVE EME:

- ❖ **Head of Bureau Regional Office** or Organization of Equivalent Rank
- ❖ **General Manager of Local Water District**
- ❖ Municipal **Trial Court Judge**, Municipal Circuit Trial Court Judge and Shari'a Circuit Court Judge
- ❖ **Local Chief Executives**
- ❖ Department **Secretary**
- ❖ Department **Undersecretary**
- ❖ **Department Head**
- ❖ **Assistant Secretary**

Shall be **STRICTLY NON-COMMUTABLE AND REIMBURSEMENT BASIS** to be **supported by receipts** or **IN LIEU THEREOF**, BY A **CERTIFICATION** that the same had been expended for the **purposes stated** in the budget authorization



MOOE Expenses

9. Travel Expenses



All personal or official foreign travel of: -

- **Department Secretaries** and those of equivalent rank in the Executive Department
- **Chairpersons**
- **Members of the Governing Board** and
- **CEOs of GOCCs/GFIs** under or attached to the OP,
- **Heads of NGAs**

shall **REQUIRE CLEARANCE FROM THE OP** PRIOR TO **FOREIGN TRAVEL** (Sec 93, RA 11975/ 2024 GAA)



MOOE Expenses

9. Travel Expenses



Payment shall be allowed for **Foreign Travel Expenses** of any government official and employee for training, seminar or conference **ABROAD** when :

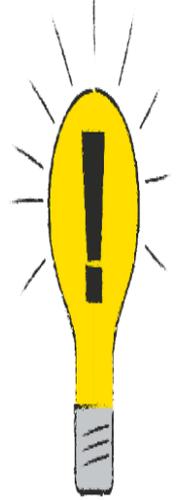
- a) **the foreign mission cannot effectively represent** our country or
- b) **the travel is necessitated** by authorized **international commitments**, in accordance with E.O. No. 77, s. 2019, and such other issuances as may be issued thereon.

(Sec. 18(d) RA 11975)



MOOE Expenses

9. Travel Expenses



The **rules, regulations and rates** of travel expenses were **updated in 2019** by EO 77.

No official or employee may be sent to **foreign training** when due to **retire within one year after the foreign travel** (Sec. 18.d, RA 11975)



MOOE Expenses

9. Travel Expenses



LGU officials and employees and mayors of component **Cities and municipalities**

LGU officials and employees and **barangay officials and employees** within their territorial jurisdiction

Approving Official

Provincial **Governors**

Municipal and City **Mayors**



MOOE Expenses

14a. Other MOOE – Rent/Lease Expense



- ❖ DBM Budget Circular 2022-1 dated February 11, 2022

REQUIREMENT FOR RENTAL:

- Only if rental is deemed more economical, expedient and convenient than outright purchase
- Shall not be for more than 15 continuous days
- If more than 15 days, required approval from the Secretary of DBM

PROCUREMENT:

- Appendix 20 of RIRR of RA 9184



MOOE Expenses

14a. Other MOOE – Rent/Lease Expense



- ❖ Rental of GOVERNMENT VEHICLE (DBM Budget Circular 2022-1 dated February 11, 2022)

POLICY:

- For officials authorized to use official vehicle;
- For the performance by government personnel of official functions or activities; and
- When COST-EFFECTIVE, FUEL-EFFICIENT, ENVIRONMENT FRIENDLY



MOOE Expenses

14b. Other MOOE - Printing & Publication Expenses



1. All government agencies shall **engage** the services of the National Printing Office (NPO)/ BSP/APO Production Unit which shall be the Recognized Government Printers (RGPs) of Accountable Forms and Sensitive high quality or high volume requirements.
2. The RGP shall undertake the printing requirements themselves *and* shall not subcontract any portion of the printing job
3. An agency **may allowed to engage private printers** for accountable forms and sensitive high quality or high volume requirements upon **certification by the RGPs that they are unable to service said requirements**

(Sec. 25, RA 11975)



MOOE Expenses

14b. Other MOOE - Printing & Publication Expenses



May a procuring entity engage the services of a private printer?



General Rule: NO

Exception:

Provided NO RGP can undertake the printing service due to time and equipment limitations

(Section 4.3.1- 4.3.2 of GPPB Resolution 05-2010)



CAPITAL OUTLAY

Acquisition of PPE



CAPITAL OUTLAY

Mode of Acquisition of Property Plant & Equipment

- 1. Purchase** (straight contract) through Competitive Bidding. (Sec. 10, RA 9184; or as an Exception: Alternative Methods of Procurement(Sec.48- 53)
- 2. Construction**
- 3. Transfer** and
- 4. Finance Lease**



CAPITAL OUTLAY

Purchase of ICT Equipment

The appropriation for **Information and Communications Technology (ICT) equipment** shall be used **FOR PERSONAL COMPUTERS** inclusive of operating systems, basic software and other essential electronic devices to be **PROVIDED TO OFFICIALS AND EMPLOYEES** of the PE. Said ICT equipment shall be **procured exclusively from the PS as common-use supplies**, pursuant to L.O.I. No. 755, E.O. No. 359, and A.O. No. 1, and shall be in **accordance with the agency's Information Systems Strategic Plan (ISP)**.

(Sec. 26 RA11975/2024 GAA)



CAPITAL OUTLAY

Purchase of Motor Vehicles



Purchase of motor vehicles shall be made in compliance with A.O. No. 14, s. 2018, GPPB Resolution No. 20-2019 dated September 5, 2019, Budget Circular (B.C.) No. 2022-1 dated February 11, 2022, (Omnibus Guidelines On The Acquisition, Use, Rental, And Replacement Of Government Motor Vehicles); B.C. No. 2022-1A dated March 1, 2023, and such other pertinent guidelines **(Sec 18(b), RA11975)**;

Purchase of **ELECTRIC** vehicles shall be in compliance with the targets (5% of fleet) of the Comprehensive Roadmap for the Electric Vehicle Industry pursuant to R.A. No. 11697, its IRR, and other pertinent guidelines **(Sec 18 (c) RA 11975)**.

Only **RECOGNIZED** electric vehicles shall be purchased based on guidelines issued by DOE and subject to the provisions of R.A. No. 9184, its IRR, and GPPB guidelines. **(Sec. 43, RA 11975)**





CAPITAL OUTLAY

OMNIBUS GUIDELINES ON THE ACQUISITION, USE, RENTAL, AND REPLACEMENT OF GOVERNMENT MOTOR VEHICLES

The **policy** of the government to **ensure the prudent and judicious acquisition, use, rental, and replacement** of government motor vehicles. Motor vehicles to be acquired and/or rented by the government shall be:

- a) **LIMITED to** those **NECESSARY and APPROPRIATE** for the officials authorized to use **official transport vehicles**;
- b) for **OFFICIAL functions/activities** of **government personnel** requiring transport mobility; and
- c) **COST-EFFECTIVE, FUEL-EFFICIENT, ENVIRONMENT-FRIENDLY, and AT PAR** with the improvements and developments in the automotive **INDUSTRY and RELEVANT TECHNOLOGY.**



CAPITAL OUTLAY



APPLICABILITY of the Omnibus Guidelines

1. **APPLY TO ALL** National Government Agencies (**NGAs**) under the Executive Branch, including **SUCs, GOCCs, GFIs, LWDs, and the LGUs.**
2. The **Legislature, the Judiciary, Constitutional Commissions, and Office of the Ombudsman** are encouraged to adopt the provisions of this Circular, as may be necessary and applicable.



CAPITAL OUTLAY

EXCEPTION to the Applicability of the Omnibus Guidelines



3.3 As provided under Administrative Order (AO) No. 14, s. 2018, the **acquisition of the following motor vehicles shall NOT BE COVERED BY DBM Circular 2022-1:**

- a) Vehicles **used for security** and for the **President and the Vice President**;
- b) **Donated** Vehicles to the Philippine **Government** or any of its **agencies** and instrumentalities **by foreign governments**, and **bilateral /multilateral institutions**;
- c) Vehicles **used for visiting foreign dignitaries** maintained by the Office of the **President** and the **Department of Foreign Affairs**; and
- d) Vehicles **acquired using funds from existing ODA programs** according to the terms thereof.



CAPITAL OUTLAY

PURCHASE OF INFRASTRUCTURE

Contract

By administration

Private-Private Partnership
(Financing, Construction, Operation
and Maintenance)



CAPITAL OUTLAY

PURCHASE OF INFRASTRUCTURE

The Display and/or Affixture of the Name, Image, picture, image, motto, logo, color motif, initials, or other symbol or graphic representation associated with any public official, whether elected or appointed, on signboards for all **infrastructure projects** funded under the GAA shall be considered **as unnecessary** pursuant to COA Circular No. 2013-004 dated January 30, 2013, as amended, and **therefore, prohibited.** (Sec. 19 RA 11975)



CAPITAL OUTLAY

MULTI-YEAR INFRASTRUCTURE CONTRACT (Sec 32, RA 11975)

1. A Multi Year Contractual Authority (**MYCA**) is required prior entering into a multi-year contract, **EXCEPT when** such project is **funded by foreign loan**.
2. The MYCA shall obtained **from the DBM** prior to the commencement of the procurement of the multi-year infrastructure by an NGA.
3. **GCs and LGUs** shall **secure** before entering into multi-year contracts, prior authority from their Governing Board or **Sanggunian** respectively.
4. The Certification of Availability of Funds (**CAF**) to be issued by the **AGENCY CHIEF ACCOUNTANT** shall be issued **annually BASED on the BUDGET FOR THE YEAR**



CAPITAL OUTLAY

MULTI-YEAR INFRASTRUCTURE CONTRACT (Sec 32, RA 11975)

5. In case of **multi year projects with no funding requirement**, the Chief Acct. shall issue a **certification that there no fund is needed** for the year;
6. **Multi-year PPP projects** shall be covered by a letter of commitment following the guidelines issued by DBM;
7. The PE shall ensure that the **annual funding requirements** for the multi-year projects shall be **included in the budget for the years covered** consistent with the MYCA and that the **disbursements shall in no case exceed the appropriations for the year.**
8. Procurement of multi-year projects shall be **subject to the provisions of R.A. No. 9184, its IRR, and GPPB guidelines.**



CAPITAL OUTLAY

CRITERIA FOR ACCOUNTING RECOGNITION

COA Circular No.
2022-004 dtd
5/31/22;
2024-006 dtd
3/14/24 (LGUs)

IPSAS 17

Meets the **capitalization threshold of P50,000.00 and above**

- Ownership and control rest with the entity;
- Cost or fair value can be measured reliably; &
- future economic benefits will flow to the entity



CAPITAL OUTLAY

ACCOUNTING TREATMENT/RECOGNITION of PPE Purchases Falling Below Capitalization Threshold

Semi Expendable
Items



COA Circulars No. 2022-004 and Msr.14, 2024 dated May 31, 2022 and March 14, 2024 respectively, mandates that such items of Machinery, Equipment, Furnitures and Fixtures costing less than P50,000, shall be treated and recorded as INVENTORY of Semi-expendable Machinery/ Equipment /Furnitures and Fixtures.





THANK YOU
For your kind attention





QUESTIONS

