



Republic of the Philippines  
Office of the President  
**National Irrigation Administration**  
(PAMBANSANG PANGASIWAAN NG PATUBIG)  
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MC No. 27 s. 2014

**MEMORANDUM CIRCULAR**

TO : THE SENIOR DEPUTY ADMINISTRATOR, DEPUTY ADMINISTRATORS  
DEPARTMENT/REGIONAL/OPERATIONS/PROJECT MANAGERS AND  
OTHERS CONCERNED

SUBJECT : **COMMISSION ON AUDIT (COA) AND DEPARTMENT OF BUDGET  
AND MANAGEMENT (DBM) JOINT CIRCULAR NO. 2014-1 DATED  
JULY 2, 2014**

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Attached is the Commission on Audit (COA) and Department of Budget and Management (DBM) Joint Circular No. 2014-1 dated July 2, 2014 re: **Guidelines Prescribing The Use Of Modified Formats Of The Budget And Financial Accountability Reports (BFARs).**

It provides rules and guidelines in the implementation of important structural reforms in FY 2014 harmonized formats of the financial accountability reports among others.

This can be downloaded at [www.dbm.gov.ph](http://www.dbm.gov.ph) for further information and guidance.

For strict compliance.

  
ENGR. FLORENCIO F. PADERNAL, DPA  
Administrator

July 28, 2014

NIA



Republic of the Philippines  
**COMMISSION ON AUDIT**  
**DEPARTMENT OF BUDGET AND MANAGEMENT**

**JOINT CIRCULAR NO. 2014 - 1**  
**July 2, 2014**

**TO :** HEADS OF DEPARTMENTS, AGENCIES, STATE UNIVERSITIES AND COLLEGES (SUCs) AND OTHER OFFICES OF THE NATIONAL GOVERNMENT; HEADS OF GOVERNMENT-OWNED AND/OR CONTROLLED CORPORATIONS (GOCCs) MAINTAINING SPECIAL ACCOUNTS IN THE GENERAL FUND; HEADS OF BUDGET AND ACCOUNTING UNITS; AND ALL OTHERS CONCERNED

**SUBJECT: GUIDELINES PRESCRIBING THE USE OF MODIFIED FORMATS OF THE BUDGET AND FINANCIAL ACCOUNTABILITY REPORTS (BFARs)**

**1.0 RATIONALE**

With the implementation of important structural reforms in FY 2014, such as, the adoption of the GAA as a release document, and the Unified Accounts Code Structure (UACS), the integration of the Performance-Informed Budget (PIB) Structure in the General Appropriations Act, as well as the adoption of the Philippine Public Sector Accounting Standards (PPSAS), there is an emergent need to adapt to these innovations *vis-à-vis* the harmonized budget and financial accountability reports (BFARs) prescribed by the oversight agencies, i.e. the Department of Budget and Management (DBM) and the Commission on Audit (COA) to effectively report, monitor and/or evaluate agency performance versus plans and targets which shall serve as basis for sound policy decisions.

**2.0 PURPOSE**

2.1 To modify the harmonized formats of the financial accountability reports (FARs) on appropriations, allotments, obligations, and disbursements, as earlier prescribed under COA-DBM Joint Circular No. 2013-1 dated March 15, 2013; and to prescribe the financial accountability reports for approved budget/utilization/commitments and disbursements of agencies authorized by law to use their income.

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- 2.2 To prescribe the revised budget accountability report (BAR) specifically the Quarterly Physical Report of Operations; and
- 2.3 To reiterate policies and procedures on the preparation and timely submission of BAR and FARs by the agencies to the DBM and COA at the prescribed deadline.

### 3.0 COVERAGE

This Circular covers all departments, agencies, state universities and colleges (SUCs) and other offices of the national government, and government-owned and/or controlled corporations maintaining Special Accounts in the General Fund.

### 4.0 GUIDELINES

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

#### 4.1 Quarterly Physical Report of Operation (QPRO) – BAR No. 1

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

#### 4.2 Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB) – FAR No. 1

This report shall reflect the authorized appropriations and adjustments, total allotments received including transfers/adjustments, total obligations, total disbursements and the balances of unreleased appropriations, unobligated allotments, and unpaid obligations of a department/office/agency by Fund Cluster (i.e., equivalent to old Codes for Fund 101, 102, 151, etc.) and by allotment class. It shall likewise be presented by:

- Fund Authorization
- Major Final Output (MFO)
- Program/Activity/Project (PAP)
- Major Programs/Projects (Identify by KRA)

Note that the Funding Source Code under the UACS will be clustered to capture the financial transactions for recording in the books of accounts maintained by the agencies.

4.3 Summary of Appropriations, Allotments, Obligations, Disbursements and Balances by Object of Expenditures (SAAODBOE) – FAR No. 1-A

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

4.4 List of Allotments and Sub-Allotments (LASA) – FAR No. 1-B

This report shall reflect the allotments released by the DBM and the sub-allotments issued by the Agency Central Office (ACO)/Regional Office (RO), their corresponding numbers, date of issuance, and amounts by allotment class and by Fund Cluster. The total allotments per this report should be equal to the total allotments appearing in the SAAODB (FAR No. 1).

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

This report shall reflect the approved budget, utilizations, disbursements and balances of the agency authorized by law to use their income, such as OWWA/SUCs, and approved by the Board of Trustee/Regents.

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

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

4.7 Aging of Due and Demandable Obligations (ADDO) – FAR No. 3

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

#### 4.8 Monthly Report of Disbursements (MRD) – FAR No. 4

The report shall reflect the total disbursements made by department, office or agency and operating unit by Fund Cluster from the following disbursement authorities:

- Notice of Cash Allocation (NCA);
- NCA for Working Fund issued to BTr as an advance funding from loan/grant proceeds in favor of an agency;
- Tax Remittance Advice issued;
- Cash Disbursement Ceiling issued by departments with foreign-based agencies or units;
- Non-Cash Availment Authority; and
- Others, e.g. Customs, Duties and Taxes (CDT), BTr Documentary Stamps

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

#### 4.7 Quarterly Report of Revenue and Other Receipts (QRROR) – FAR No. 5

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

### 5.0 RESPONSIBILITIES

5.1 The BFARs shall be prepared and certified correct by the following agency officials:

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

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

5.2 The Head of each OU, office or agency shall be responsible for the timely submission of the BFARs prescribed in this Circular to the DBM offices concerned and to the COA - Audit Team Leaders and Government Accountancy Sector (GAS).

5.3 All departments/agencies/OUs shall observe the following timelines in submitting the required BFARs to COA and DBM:

- Within thirty (30) days after the end of each quarter
  - QPRO – FAR No. 1
  - SAAODB – FAR No. 1
  - SAAODBOE – FAR No. 1-A
  - LASA – FAR No. 1-B
  - SABUDB – FAR No. 2
  - SABUDBOE – FAR No. 2-A
  - QRROR – FAR No. 5
- On or before 30<sup>th</sup> day following the end of the year
  - ADDO – FAR No. 3
- On or before 30<sup>th</sup> day of the following month covered by the report
  - MRD – FAR No. 4

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

- The lower operating units, i.e., field offices, district offices, provincial offices shall directly submit their reports to their COA Audit Team Leader and DBM RO concerned (in the case of DPWH, DOH, SUCs, DepEd, TESDA and CHED). However, they shall likewise furnish their RO and CO copies of their reports **within 5 days after the end of each quarter**, for consolidation purposes.
- The agency RO shall prepare a consolidated report covering the report of the region and its lower operating units, then submit the same to the ACO and COA-GAS **within 10 days after the end of each quarter**;
- The **ACO** shall prepare an overall consolidated report of the department/agency and submit the report to the CO of DBM and COA-GAS within 30 days after the end of each quarter.

5.5 The COA and DBM shall regularly monitor agency/OU compliance with the reporting requirements prescribed in this Circular.

## 6.0 PENALTY CLAUSE

- 6.1 The concerned offices of COA and DBM designated as the recipients of the BFARs shall notify the agency concerned on the non-submission of the said reports. Pursuant to Section 57, Chapter 6, Book VI of E.O. 292 and Paragraph 2, Section 122, of P.D. 1445, payment of salaries of the Budget Officer/Head of Budget Unit and the Chief Accountant/Head of Accounting Unit, or their authorized representatives, who fail to prepare and submit the BFARs shall be automatically suspended from the time the reports are due until they are received by COA and DBM.
- 6.2 In addition to suspension of salary as above provided, any violation of this Joint Circular without justifiable cause for three (3) consecutive times during the calendar year by the officials concerned shall be a ground for administrative disciplinary action, subject to pertinent civil service rules and regulations.

## 7.0 REPEALING CLAUSE

This Circular supersedes DBM-COA Joint Circular No. 2013-1 dated March 15, 2013.

## 8.0 EFFECTIVITY

This Circular shall take effect immediately.

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FLORENCIO B. ABAD  
Secretary  
Department of Budget and Management~~



*MA. GRACIA M. PULIDO-TAN*  
MA. GRACIA M. PULIDO-TAN  
Chairperson  
Commission on Audit





QUARTERLY PHYSICAL REPORT OF OPERATION  
As of \_\_\_\_\_

Department : \_\_\_\_\_  
 Agency : \_\_\_\_\_  
 Operating Unit : \_\_\_\_\_  
 Organization Code (UACS) : \_\_\_\_\_

_____	Current Year Appropriations
_____	Supplemental Appropriations
_____	Continuing Appropriations
_____	Off-Budget Account

Particulars	UACS CODE	Physical Targets					Physical Accomplishments					Variance as of _____	Remarks
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total		
		3	4	5	6	7=(3+4+5+6)	8	9	10	11	12=(8+9+10+11)		
1	2	3	4	5	6	7=(3+4+5+6)	8	9	10	11	12=(8+9+10+11)	13	14
Part B													
Major Programs/Projects													
KRA No. 1 - Anti-Corruption, Transparent, Accountable and Participatory Governance													
Program Budgeting: Education Program													
MPP													
Target 1													
Target 2													
...													
Other Major Programs and Projects													
PAP													
Target 1													
Target 2													
...													
...continue down to the last PAP													
...continue down to the last Program Budgeting													
...continue down to the last KRA													

Prepared By: \_\_\_\_\_  
 Planning Services Head / Planning Officer  
 Date: \_\_\_\_\_

In coordination with: \_\_\_\_\_  
 Financial Services Head/ Budget Officer  
 Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
 Agency Head/ Department Secretary  
 Date: \_\_\_\_\_