



**Republic of the Philippines**

**DEPARTMENT OF BUDGET AND MANAGEMENT  
and  
DEPARTMENT OF LABOR AND EMPLOYMENT -  
TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY**

**JOINT CIRCULAR NO. 2011 - 1**

March 11, 2011

**TO :** ALL REGIONAL DIRECTORS, CHIEF OF SERVICES FOR  
ADMINISTRATION, ADMINISTRATORS OF TESDA SCHOOLS, BUDGET  
OFFICERS, CHIEF ACCOUNTANTS OF ACCOUNTING UNITS AND ALL  
OTHERS CONCERNED

**SUBJECT :** **GUIDELINES ON THE DIRECT RELEASE OF FUNDS TO TESDA  
IMPLEMENTING UNITS (IUs)**

**1.0 PURPOSE**

- 1.1 To prescribe new and reiterate existing budgetary guidelines on the direct release of funds to the TESDA – Regional Offices (ROs) and TESDA Administered Schools.
- 1.2 To rationalize and provide a uniform scheme of directly releasing funds and accordingly delineate the responsibilities of DBM - Central Office (CO) and ROs as well as TESDA - CO, ROs and TESDA Administered Schools.
- 1.3 To improve funds flow in order to ensure the timely payment of personnel benefits and implementation of programs, projects and activities of TESDA.
- 1.4 To closely adhere to the provisions of Section 70 of the General Provisions of FY 2011 General Appropriations Act (GAA) - R.A. No. 10147 which provides that funds allocated for regional offices/implementing units but included in the budget of their central offices or which are specifically allocated for the different regions/implementing units shall be released directly to said regional offices/implementing units.

**2.0 COVERAGE**

This Joint Circular shall cover release of funds to TESDA CO, ROs and TESDA Administered Schools for regular operating requirements including Retirement and Life Insurance Premiums (RLIP), Locally-Funded Projects (LFPs), Foreign-Assisted Projects (FAPs) and the centrally-managed items (CMIs)/nationwide/regionwide lump-sum appropriations as provided in the GAA, as well as, releases for Trust Liabilities.



### 3.0 DEFINITION OF TERMS

3.1 For purposes of this Circular, the following terms shall be construed to mean:

- 3.1.1 **Implementing Units** - refer to the ROs and TESDA Administered Schools with a duly appointed/designated financial staff on a temporary or permanent status who draws his/her salary from TESDA and is assigned to handle the accounting and cashiering functions.
- 3.1.2 **Direct Release of Funds** – refer to the decentralized system of releasing the allotment, cash allocation and other fund-related documents to the TESDA IUs by DBM – CO and DBM – ROs, as the case may be, as delineated in this Circular.
- 3.1.3 **Financial Staff** – refer to the employees in the TESDA IUs who are appointed on a temporary/or permanent basis as Accountant/Administrative Positions in charge of Bookkeeping/Cashiering and Disbursing functions.
- 3.1.4 **Regular Operating Requirements** - refer to the Personal Services (PS), Maintenance and Other Operating Expenses (MOOE) and Capital Outlays component of programs/projects/activities of TESDA as contained in the GAA.
- 3.1.5 **Centrally Managed Items** – refer to lump-sum funds lodged under TESDA-CO, intended for activities and projects to be implemented TESDAwide, e.g. Training for Work Scholarship Program (TWSP).
- 3.1.6 **Regionwide Lump-sum** – refer to appropriations indicated as such in the GAA which are used as funding source for salary adjustments based on approved Equivalent Record Forms, conversion and reclassification of positions per NBC No. 461.
- 3.1.7 **Allotment** – refer to an authorization issued by DBM to an agency through Agency Budget Matrix (ABM) or Special Allotment Release Order (SARO) which allows the latter to incur obligation for specified amounts contained in a legislative appropriation.
- 3.1.8 **Agency Budget Matrix (ABM)** – refer to the disaggregation of the agency budget showing the needing and not needing clearance to determine the items to be issued Special Allotment Release Orders (SAROs) as well as the amount to be released comprehensively.
- 3.1.9 **Sub-Allotment Release Order (Sub-ARO)** – refer to an internal document issued by TESDA – CO or RO transferring a portion of available allotment to TESDA – RO or TESDA Administered School, respectively. Said document authorizes the concerned TESDA IUs to incur obligation not exceeding a given amount during a specified period for the purpose indicated.

3.1.10 **Trust Liabilities** – refer to receipts or collections held in trust or guarantee for another agency and for a specific purpose such as: performance/bidders/bail bonds, inter-agency transferred funds and service fees.

## 4.0 GUIDELINES

4.1 Starting FY 2011, the direct release of funds shall be uniformly implemented in TESDA. Allotment and cash allocation shall be released to TESDA - CO and IUs.

4.1.1 As basis for the direct release of funds to IUs, TESDA-CO, upon effectivity of this Circular, shall submit to DBM-CO, copy furnished concerned RO, list of IUs. The list shall indicate the following data:

- a) Name, agency code and location of TESDA Administered Schools;
- b) Head of the IUs;
- c) MDS-GSB/Branch Office;
- d) Account Number for:
  - Regular MDS Account – for regular operating requirements; and
  - Special MDS Accounts - for Accounts Payable/Retirement Gratuity/Terminal Leave (RG/TL) and another for Trust Liabilities; and
- e) Name of authorized signatories.

4.1.2 Any subsequent modification of the list shall be formally communicated by TESDA-CO to DBM-CO, copy furnished the DBM RO concerned.

4.1.3 For TESDA IUs which do not have separate agency codes and MDS Accounts per required list, the following procedures shall be observed:

4.1.3.1 TESDA IUs concerned shall submit a request for issuance of agency code to DBM-CO, duly endorsed by TESDA-CO.

4.1.3.2 TESDA IUs concerned shall open necessary MDS Accounts cited under item 4.1.1.d of this Circular with any of three MDS-GSBs of the national government i.e., LBP, DBP, and PVB. It shall inform the DBM-RO concerned of the new MDS Account Numbers.

4.1.4 Upon approval of the GAA, DBM-CO and ROs shall in consultation with TESDA CO and IUs, prepare and release the ABM in accordance with the DBM guidelines.

4.2 DBM-CO shall release to TESDA-CO the following:

4.2.1 Allotment and Cash allocation for:

4.2.1.1 Regular operating requirements including RLIP of TESDA-CO, LFPs, CMIs and FAPs; and,



- 4.2.1.2 TL/RG requirements of TESDA-CO.
- 4.2.2 Cash Allocation of TESDA-CO for:
  - 4.2.2.1 Accounts Payable (A/P)-Current and Prior Years; and
  - 4.2.2.2 Trust Liabilities
- 4.3 DBM-ROs shall release to TESDA IUs the following:
  - 4.3.1 Allotment and Cash Allocation for:
    - 4.3.1.1 Regular operating requirements including RLIP and LFPs;
    - 4.3.1.2 TL/RG requirements of TESDA IUs; and
    - 4.3.1.3 Share of IU from the CMIs/Regionwide Lump-sum
  - 4.3.2 Cash Allocation of TESDA IUs for:
    - 4.3.2.1 A/P for Current and Prior Years; and
    - 4.3.2.2 Trust Liabilities
- 4.4 TESDA-CO and ROs shall furnish DBM-CO and RO concerned a report of the transfer of allotment through Sub-AROs which shall be used as basis in the determination of additional cash allocation to be released directly to TESDA IUs. It is understood that the use of funding checks to cover Sub-AROs shall be discontinued.
- 4.5 All existing Cash-in-Bank balances of TESDA Administered Schools, net of outstanding checks under current or savings accounts arising from funding checks received from TESDA ROs for Sub-AROs, except those receipts intended for the conduct of training activities, shall be remitted to the Bureau of Treasury (BTR) in accordance with National Budget Circular No. 488 dated May 22, 2003. A maximum of six (6) months from the date of the latest outstanding check issued shall be allowed after which the remaining Cash-in-Bank balances shall be closed.
- 4.6 The TESDA-CO and IUs shall directly remit to the GSIS, PAG-IBIG, PHIC and ECC branch offices and other authorized institutions through MDS Check, the government and personal share of their employees for premiums/contributions including payment for personal loans.
- 4.7 The withholding taxes shall be transmitted by TESDA-CO and IUs to the nearest Bureau of Internal Revenue (BIR) – Revenue District Office (RDO) through a Tax Remittance Advice (TRA) supported by the applicable Withholding Tax Return (WTR) consistent with the provisions of the Department of Finance and the DBM Joint Circular No. 1-2000 A dated July 31, 2001.

- 4.8 Trust Receipts classified as such, per COA-DBM-DOF Joint Circular No. 1-97 dated January 2, 1997, shall be remitted by TESDA-CO and IUs to BTR. The amount remitted to the BTR shall be considered as Trust Liabilities of TESDA and letter-requests with the necessary supporting documents shall be submitted by TESDA-CO and IUs for issuance of NCA by DBM-CO or RO concerned.
- 4.9 Requests for realignment of funds, utilization of savings and other budgetary matters of similar nature by TESDA-CO and IUs shall be endorsed by TESDA authorized officials in accordance with the guidelines to be issued by TESDA for the purpose.
- 4.10 All pertinent provisions of existing circulars on FAPs, A/P-Current and Prior Years, Trust Liabilities and TL/RG shall continue to be adopted.

## 5.0 REPORTING REQUIREMENTS

- 5.1 The following Budget Execution Documents and Accountability Reports prescribed under NBC Nos. 507 and 507-A, dated January 31, 2007 and June 12, 2007, respectively, shall be submitted by TESDA-CO and IUs to DBM-CO or ROs as basis for periodic monitoring and evaluation purposes:

TYPE OF REPORTS	FORM NO.	PERIOD OF SUBMISSION
<b>A. ANNUAL BUDGET EXECUTION DOCUMENTS (BEDs)</b>		
Physical and Financial Plan	BED 1	) On or before February 15
Monthly Cash Program	BED 2	) of each year
Estimate of Monthly Income	BED 3	)
List of Not Yet Due and Demandable Obligations		On or before of January 31
	BED 4	of each year
<b>B. BUDGET ACCOUNTABILITY REPORTS (BARs)</b>		
<b>QUARTERLY</b>		
Quarterly Physical Report of Operation	BAR 1	) On or before the 10th day
Quarterly Financial Report of Operation	BAR 2	) following the quarter.
Quarterly Report of Income	BAR 3	)
<b>MONTHLY</b>		
Statement of Allotments, Obligations and Balances	BAR 4	) On or before the 10th day
Monthly Report of Disbursements	BAR 5	) following the month

- 5.2. In line with effort to enhance transparency and enforce accountability in government operations, the following are emphasized:
- 5.2.1 DBM shall post in the DBM website, compliance of agencies/IUs with the required BEDS and BARs.



- 5.2.2 DBM shall continue to enforce the "no report, no release" policy. Likewise, the administrative sanctions provided under Section 57, Chapter VI, Book VI of E.O. 292 as well as withholding of actions on agency requests, for release of funds shall be imposed, pending compliance to the provisions of this circular and pending submission of accountability reports within the due dates prescribed in Section 6.1 of this Circular.
- 5.3 Each TESDA Administered School shall furnish TESDA-CO and RO a copy of the release documents such as: approved ABM, SARO and Advice of Notice of Cash Allocation Issued (ANCAI).
- 5.4 Each TESDA Administered School shall furnish TESDA-RO the accountability reports submitted to DBM-RO concerned. TESDA-ROs shall consolidate on a quarterly basis the BARs of TESDA-ROs and Administered Schools to be submitted to TESDA-CO. The TESDA-CO shall prepare an overall consolidation of the CO and RO reports as of year-end for submission to DBM-CO for planning, budgeting and other purposes.

## **6.0 SAVING CLAUSE**

Nothing in the above-mentioned delegated responsibilities to DBM-ROs and TESDA IUs thru the respective heads of offices shall be construed as a limitation on the powers of the DBM Secretary and TESDA Director-General to review/overrule any action taken by the concerned Regional Director and Head of TESDA Administered Schools.

## **7.0 REPEALING CLAUSE**

The provisions of any Circular, Order and other issuances, which are inconsistent with this Circular, are hereby rescinded, repealed and/or modified accordingly. Cases not covered by the provisions of this Circular shall be referred to DBM CO and ROs and TESDA CO and IUs, as the case may be, for appropriate action.

## **8.0 EFFECTIVITY**

This Circular shall take effect immediately upon signing.



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Office of the  
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