

**[DBM NATIONAL BUDGET CIRCULAR NO. 453,
October 01, 1996]**

**BUDGETARY GUIDELINES RELATIVE TO THE YEAR-END
UNUTILIZED BALANCES OF MAINTENANCE AND OTHER
OPERATING EXPENSES UNDER SECTIONS 59 AND 60 OF R.A. NO.
8174, THE CY 1996 GENERAL APPROPRIATIONS ACT**

1.0

Purpose

This Circular is issued to define, clarify, and implement the extension of the validity of unutilized balances of Maintenance and Other Operating Expenses (MOOE) pursuant to Sections 59 and 60 of R.A No. 8174.

2.0

Definition

For the purpose of this Circular, the phrase "unutilized balances of MOOE shall refer to (a) unobligated balances of MOOE allotments released during the year; and/or, (b) unreleased MOOE appropriations at the end of the calendar year, provided, that the amount available for release shall exclude appropriation reserves authorized to be imposed.

3.0

Procedural Guidelines

3.1 Unutilized balances of MOOE appropriations as defined under Section 2.0 above shall be considered as continuing appropriation and available for use up to end of the calendar year following the year when the amount was appropriated.

3.2 Except for those covered by Section 3.5 below, fifty percent (50%) of the total unutilized balances of MOOE shall be pooled by the Department of Budget and Management in a fund to be used for the following purposes:

3.2.1 DECS-supervised post-secondary degree-offering schools and other higher education schools transferred to the- Commission on Higher Education (CHED) as well as technical-vocational schools converted by law to higher education schools and any other educational institution, including high schools, affected by the implementation of R.A. 7722 and R.A. 7796;

3.2.2 Upgraded and newly created hospitals;

3.2.3 Newly established economic zones and administrative regions.

3.3 The other fifty percent (50%) of the unutilized balance of MOOE shall be made available for use by the agency to whom the appropriation was authorized.

3.4 The amount falling under Section 3.3 shall be used for the implementation of the purpose for which it has been originally appropriated. However, savings may be used for other priority items, except personal services, subject to the compliance with existing laws, rules and regulations, and to prior approval by the DBM.

3.5 The unobligated balance of MOOE allotments for foreign assisted projects (Fund 102), Special Accounts in the General Fund and Revolving Funds shall be exempt from the 50% pool. The entire balance shall be treated as continuing appropriation available for obligation up to the end of the calendar year following the year when the amount was appropriated.

4.0

Specific Procedures

4.1 For unobligated balances of released MOOE allotment

4.1.1 All unobligated balances of released allotment under MOOE at year-end shall be taken-up as continuing appropriation using appropriate account titles as prescribed under COA Circular No. 91-368. A copy of the covering Journal Voucher (JV) duly approved by the agency head shall be submitted to DBM.

4.1.2 Agencies concerned shall use 50% of the unobligated balance of released allotment for the purpose for which the release was made without further authority from DBM.

4.1.3 In the event that the unobligated balance is to be used for purposes other than that for which it was originally released, the agency concerned shall submit a request for Special Budget together with the usual supporting documents.

4.1.4 The portion of the unutilized balance of released MOOE to be used for the purposes enumerated under Section 3.2 above shall be withdrawn through the issuance of a GARO by the DBM. Agencies shall make the appropriate accounting entries to effect the withdrawal of the 50% of the unobligated released MOOE allotments in accordance with the accounting guidelines prescribed by COA. The Journal Voucher to effect the withdrawal, duly approved by the agency head shall be submitted to the DBM not later than the following dates:

- a. October 15, 1996 for CY 1995 appropriations;
- b. March 31 of the following year the amount was appropriated.

4.1.5 In cases where the Regional Offices (ROs) and Operating Units (OUs) have received funding checks, the cash corresponding to the allotment withdrawn under item 4.1.4 shall be remitted to the Bureau of the Treasury.