



Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
OFFICE OF THE SECRETARY
Manila

MAY 13 2015

597. 13 DPWH
05-14-2015

DEPARTMENT ORDER)
No. **73**)
Series of 2015 *Dr. N. N.*)

Subject : **RETURN OF SAVINGS UNDER
FY 2015 GENERAL
APPROPRIATIONS ACT (GAA)**

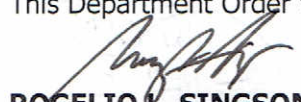
Savings in the FY 2015 GAA refer to portions or balances of any released appropriations in the Act which have not been obligated as a result of any of the following:

1. Final discontinuance or abandonment of an on-going program, activity or project (P/A/P) by the head of the agency concerned due to causes not attributable to the fault or negligence of the said agency which would not render it possible for the agency to implement the said P/A/P during the validity of the appropriations;
2. Non-commencement of the P/A/P for which the appropriations is released. For this purpose, non-commencement shall refer to the inability of the agency or its duly authorized procurement agent to obligate the released allotment and implement the P/A/P due to natural or man-made calamities or other causes not attributable to the fault or negligence of the agency concerned during the validity of the appropriations;
3. Decreased cost resulting from improved efficiency during the implementation or until the completion by agencies of their P/A/Ps; provided, that the agencies will still be able to deliver the targets and services as approved in the Act; and
4. Difference between the approved budget for the contract and the contract award price.

Hence, within two (2) months of realization of savings through any of the above mechanisms, the Operating Unit (OU) or Implementing Unit (IU) must return the funds to the Central Office, through Planning Service, by issuing the attached forms together with the Certificate of Availability of Funds.

The President of the Philippines, the Senate President, the Speaker of the House of Representatives, the Chief Justice of the Supreme Court, the Heads of Constitutional Commissions enjoying fiscal autonomy, and the Ombudsman are the only ones authorized to use savings in their respective appropriations to augment actual deficiencies incurred for the current year in any item of their respective appropriations. An item of appropriation shall pertain to the amount appropriated for a program, activity or project authorized in the Act.

This Department Order takes effect immediately.


ROGELIO L. SINGSON
Secretary

Department of Public Works and Highways
Office of the Secretary



WIN5Q34420

05-14-2015-522

Department of Public Works and Highways

Request for Withdrawal of Unobligated Allotment

Financial Year 2015

Region : _____

District : _____

SCHEDULE I

PARTICULARS		AMOUNT OF SAVINGS		REMARKS/ JUSTIFICATION
UACS Code	Program/Activity/Project	Completed Projects	Project Cost Variance	
(as reflected in the GAA)			(Approved Budget – Contract Award Price)	

Note: To be filled up by Fund Source i.e.: DPWH Specific Budget (released to Central Office and sub-allotted to regions); DepEd – School Building Program; Calamity Fund; DOH-Health Facilities; DA- Farm-to-Market Road Projects; and those directly released to the respective DPWH-Implementing Units

Form for Return of Savings (2015, version 1.0)

A. GENERAL		
1. REGION Click here to enter text.	2. DEO Click here to enter text.	
3. LEGISLATIVE DISTRICT Click here to enter text.	4. IMPLEMENTING OFFICE Click here to enter text.	
B. PROJECT		
5. UACS (Unified Account Structure as defined in GAA) Click here to enter text.		
6. Project Id Click here to enter text.		
7. MFO Choose an item.	8. MFO Program Choose an item.	
9. MFO Activity Choose an item.		
10. PROJECT DESCRIPTION (as recorded in GAA] Click here to enter text.		
11. CERTIFICATE OF AVAILABILITY OF FUNDS. Attach copy of CAF of Funds for original project. Click here to enter amount.		
12. APPROPRIATION (P'000) (as recorded in GAA) Click here to enter amount.	13. APPROVED BUDGET FOR CONSTRUCTION (ABC) Click here to enter amount.	
14. CONTRACT AMOUNT Click here to enter amount.	15. SAVINGS Click here to enter amount.	
16. REMARKS / JUSTIFICATION Click here to enter text.		
C. SUBMISSION		
SUBMITTED BY:	Regional Director / District Engineer / PMO	DATE: Enter date.

or his/her equivalent shall be responsible for posting the list of accredited CSOs and update the same every quarter on the official website of the DSWD.

The agency concerned shall submit to the House Committee on Appropriations and the Senate Committee on Finance, a report on the fund releases, indicating the names of the accredited CSOs and amounts transferred, duly audited by the COA. The respective heads of the agencies and web administrators or their equivalent shall be responsible for ensuring that said reports are posted on their respective official websites which shall be considered compliance with the said reportorial requirement.

Failure to comply with any of the foregoing shall result in the automatic suspension of the salaries of the responsible official and/or employee until they have complied with the above requirements pursuant to Section 57, Chapter 6, Book VI of E.O. No. 292. Repeated failure or refusal of said official or employee to submit the above reports without any justifiable cause may be a ground for administrative disciplinary action, subject to pertinent civil service rules and regulations. The head of agency shall be responsible for ensuring compliance with this penalty provision.

Sec. 69. Use of Savings. The President of the Philippines, the Senate President, the Speaker of the House of Representatives, the Chief Justice of the Supreme Court, the Heads of Constitutional Commissions enjoying fiscal autonomy, and the Ombudsman are hereby authorized to use savings in their respective appropriations to augment actual deficiencies incurred for the current year in any item of their respective appropriations. An item of appropriation shall pertain to the amount appropriated for a program, activity or project authorized in this Act.

The foregoing constitutional officers authorized to use savings shall be responsible for ensuring that a semestral and annual report on their respective use of savings shall be submitted to the Senate Committee on Finance and the House Committee on Appropriations, copy furnished the DBM. The report shall indicate, among others, the amount of savings generated, the sources and grounds used therefor, and the existing program, activity or project in their respective appropriations augmented. They shall likewise ensure that said reports are posted on their respective official websites.

Sec. 70. Meaning of Savings. Savings refer to portions or balances of any released appropriations in this Act which have not been obligated as a result of any of the following:

- (a) Final discontinuance or abandonment of an on-going program, activity or project (P/A/P) by the head of the agency concerned due to causes not attributable to the fault or negligence of the said agency which would not render it possible for the agency to implement the said P/A/P during the validity of the appropriations;
- (b) Non-commencement of the P/A/P for which the appropriations is released. For this purpose, non-commencement shall refer to the inability of the agency or its duly authorized procurement agent to obligate the released allotment and implement the P/A/P due to natural or man-made calamities or other causes not attributable to the fault or negligence of the agency concerned during the validity of the appropriations;
- (c) Decreased cost resulting from improved efficiency during the implementation or until the completion by agencies of their P/A/Ps: PROVIDED, That the agencies will still be able to deliver the targets and services as approved in this Act; and
- (d) Difference between the approved budget for the contract and the contract award price.

PROVIDED, HOWEVER, That savings may likewise refer to available balances of appropriations arising from unused compensation and related costs pertaining to: (i) unfilled, vacant or abolished positions; (ii) non-entitlement to allowance and benefits; (iii) leaves of absence without pay; and (iv) unutilized pension and retirement benefits arising from death of pensioners, decrease in the number of retirees, or other related causes.

Programmed appropriations which have not been released or allotments not obligated due to the fault of the agency concerned shall not be considered savings. (CONDITIONAL IMPLEMENTATION - President's Veto Message, December 23, 2014, Volume II-B, page 1552, R.A. No. 10651)

Sec. 71. Meaning of Augmentation. Augmentation is the act of the head of offices authorized under Section 69 of this Act to use savings in their respective appropriations to provide additional funding to cover an actual deficiency incurred for the current year in any existing item of their respective appropriations. A deficiency in the appropriation of a P/A/P may result from:

- a. Justified modifications or adjustments in the P/A/P authorized in this Act; or
- b. Adjustment in the cost of implementing P/A/P due to justified causes.

In no case shall a non-existent P/A/P, be funded by augmentation from savings or by the use of an appropriations not otherwise authorized in this Act. The existence of an appropriation for an allotment class in a P/A/P is necessary for the purposes of augmentation. An allotment class as used herein may either be personnel services, MOOE or capital outlays.

GENERAL APPROPRIATIONS ACT, FY 2015

Sec. 72. Priority in the Use of Savings. In the use of savings, priority shall be given to the augmentation of the amounts set aside for the payment of compensation, year-end bonus and cash gift, retirement gratuity, terminal leave benefits, old-age pension of veterans and other personnel benefits authorized by law and in this Act, as well as the implementation of priority programs, activities or projects covered in this Act.

Sec. 73. Rules in the Realignment of Allotment Classes and Reprioritization of Items of Appropriations. The general rule is that agencies and offices must spend what is programmed in their appropriations in this Act. Therefore, any request to realign or to reprioritize is an exception to the rule and must be strictly construed against the agency or office requesting it. The exception may be allowed in the following instances:

- (a) The respective heads of agencies in the Executive branch, including SUCs are authorized to realign any object of expenditure e.g., Salaries and Wages, Travelling Expenses, or Investment Outlays, within an allotment class i.e., Personnel Services (PS), MOOE or Capital Outlays (CO) within the same program, activity or project (P/A/P) in their respective agency allocations, except for the following:
 - (i) Intelligence funds which require prior approval from the President of the Philippines; and
 - (ii) Payment of Magna Carta benefits authorized under Section 52 hereof which shall require prior approval of the DBM.

The realignment of objects of expenditures within CO of agency allotments is allowed: PROVIDED, That the realignment is within the same P/A/P and may only be undertaken until the second quarter of the year.

- (b) Any realignment within the same P/A/P that will entail the reallocation of funds from one allotment class i.e., PS, MOOE or CO to another without augmentation of the amount appropriated for the said P/A/P, shall be subject to approval by the DBM: PROVIDED, That any realignment from CO to another allotment class may only be undertaken until the third quarter of the year.

In all cases of realignment the existence of an appropriation in the object of expenditure and allotment class is necessary for realignment.

The heads of the constitutional offices enjoying fiscal autonomy are likewise authorized to realign allotment classes and reprioritize items of appropriations within their respective offices, subject to the rules on savings and augmentation as well as to the pertinent budget execution guidelines issued by the DBM.

Sec. 74. Rules in the Payment of Collective Negotiation Agreement Incentives. The amount sourced from allowable MOOE allotments generated out of cost-cutting measures undertaken by the agencies of the government and their respective personnel, which are identified in their respective Collective Negotiation Agreements (CNAs) and supplements thereto, may be used for the grant of CNA Incentives to agencies with duly executed CNAs: PROVIDED, That the one-time annual payment of CNA Incentive shall be made through a written resolution signed by agency representatives from both labor and management, and approved by the agency head: PROVIDED, FURTHER, That the funds sources and amount of CNA Incentive shall in all cases be limited to the allowable MOOE allotments and rates determined by the DBM respectively: PROVIDED, FURTHERMORE, That the payment of CNA Incentive sourced from the allowable MOOE allotments shall be subject to approval by the DBM. PROVIDED, FINALLY, That any excess amounts from the allowable MOOE allotments after payment of the CNA Incentive shall revert to the General Fund.

Implementation of this provision shall be subject to guidelines issued by the DBM.

Sec. 75. Mandatory Expenditures. The amounts programmed for petroleum, oil and lubricants as well as for water, illumination and power services, telephone and other communication services, and rent requirements shall be disbursed exclusively for such items of expenditures: PROVIDED, That any available allotment from these items after taking into consideration the agency's full year requirements may be realigned only in the last quarter and subject to the provisions in Section 70 hereof.

Disbursements or expenditures of agencies in violation of this section shall be void, and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, and appropriate criminal action under existing penal laws.

Sec. 76. Expenditures for Business-type Activities. Appropriations for the procurement of supplies and materials intended to be utilized in the conduct of business-type activities shall be disbursed exclusively for such business-type activity. In no case shall said appropriations be used for any other purpose.

Disbursements or expenditures by agencies in violation of this section shall be void, and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, and appropriate criminal action under existing penal laws.