



Republic of the Philippines
Department of Education

29 DEC 2015

DepEd ORDER
No. **58** s. 2015

USE OF PERSONNEL SERVICES APPROPRIATIONS AND REALIGNMENT OF FUNDS

To: Undersecretaries
Assistant Secretaries
Bureau and Service Directors
Regional Directors
Schools Division Superintendents
Public Elementary and Secondary Schools Heads
All Others Concerned

1. The Department of Budget and Management (DBM) has released two issuances on the use of Personnel Services Appropriations and Realignment of Funds, namely:

- a. National Budget Circular (NBC) No. 557 dated June 3, 2015 – Guidelines on the Use of Personnel Services Appropriations under the Fiscal Year (FY) 2015 General Appropriations Act (GAA); and
- b. NBC No. 559 dated June 26, 2015 – Guidelines on the Realignment of Funds under the FY 2015 GAA, and Other Purposes.

2. Under NBC No. 557, appropriations for Personnel Services (PS) shall be used for the payment of authorized personnel benefits:

- a. Available PS allotments released at the start of the year shall be used for the following:
 - i. Original purpose of appropriations; and
 - ii. PS deficiencies in authorized personnel benefits such as:
 1. Deficiency in Magna Carta Benefits subject to approval of the DBM Secretary;
 2. Award for back pay for cases with final and executory decision of a competent authority;
 3. Deficiency in specific-purpose allowances and benefits; and
 4. Authorized personnel benefits in prior years.
- b. Wherein there is no available PS allotment at the time when payment of authorized PS deficiency shall be made, the agency may frontload such deficiency against the unobligated PS allotments comprehensively released.
- c. The use of PS appropriations to cover deficiency shall be subject to approval of agency head. However, the approval, is hereby delegated to the following:
 - i. For central office (CO) and for requests from the regional offices (ROs)/schools division offices (SDOs)/implementing units (IUs) earlier submitted to the CO for clearance of Undersecretary or Assistant Secretary for Finance and Administration;



- ii. For ROs, the Regional Directors (RDs); and
 - iii. For SDOs and IUs, the respective Schools Division Superintendents (SDSs).
- d. The use of PS appropriations to cover deficiency shall be supported with a Reallocation Advice for Use of PS Appropriations (RAPSA), and the said adjustment shall be recorded or reflected in the Registry of Allotment and Obligations for PS and reported in the appropriate BFARs submitted to the DBM.
- e. Available PS allotments may be realized from unspent compensation of employees due to the following:
 - i. Incurrence of leaves of absence without pay;
 - ii. Vacant positions due to termination, resignation, retirement or separation;
 - iii. Delay in the actual assumption of duty from date of appointment;
 - iv. Suspension and other disciplinary sanctions;
 - v. Erroneous computations of PS benefits; and
 - vi. Other similar instances.
- f. Other sources of appropriations for payment of authorized personnel benefits:
 - i. Miscellaneous Personnel Benefits Fund
 - 1. May be used to fund requirements for filling of positions and creation of positions and for payment of other compensation common to all, such as Overtime (OT) Pay, Step Increment, Productivity Enhancement Incentive (PEI), Performance-Based Bonus (PBB), etc.;
 - 2. Subject to submission of Special Budget Request (SBR) to DBM with justification and latest Statement of Appropriations, Allotments, Obligations, Disbursements, and Balances by Object of Expenditure (SAAODBOE).
 - ii. Automatic Appropriations such as the Retirement and Life Insurance Premium (RLIP)
 - 1. Released allotment for RLIP cannot be reallocated to other objects of expenditures.
 - iii. Allowable MOOE allotments for the payment of Collective Negotiation Agreement (CNA) incentive under General Provision No. 74 of FY 2015 GAA:
 - 1. Shall have resulted in cost-cutting and systems improvement measures undertaken by the agency;
 - 2. Subject to submission of Special Budget Request (SBR) to DBM with:
 - a. Certification reflecting the available MOOE allotments by P/A/P and specific object of expenditure; and
 - b. Agency's latest quarterly SAAODBOE.

3. Allotment released for CNA shall be attributed to General Administration and Support, and recorded in the agency books under the PS-Other Bonuses and Allowances-Collective Negotiation Agreement Incentive-Civilian.

3. Under NBC No. 559, realignment of funds refers to the reallocation, modification, or change in the details within an existing Program/Activity/Project (P/A/P). However, in all cases of realignment the existence of an object of expenditure in the allotment class within the same P/A/P is necessary, provided that the realignment will not result in an increase in the amount of appropriations for said P/A/P.

a. Realignment may include changes in any of the following:

- i. Object of expenditure within an allotment class, with the exception of PS, wherein the approving authority is the agency head except payment of Magna Carta Benefits which shall be cleared with the DepEd-Office of the Secretary (OSec) and approved by the Secretary of DBM.

1. The approval of the realignment of object of expenditure within an allotment class is hereby delegated to the following:

- a. For CO and for requests from the ROs/SDOs/IUs earlier submitted to the CO for clearance, Undersecretary or Assistant Secretary for Finance and Administration;
- b. For ROs, the RDs;
- c. For SDOs and IUs, the respective SDSs.

- ii. Implementing or Operating Units (IOUs)

1. The approval of the realignment within the same allotment class is the agency head. However, such is hereby delegated to the following:

- a. For CO and for requests from the ROs/SDOs/IUs earlier submitted to the CO for clearance, Undersecretary or Assistant Secretary for Finance and Administration;
- b. For ROs, the RDs; and
- c. For SDOs and IUs, the respective SDSs.

- iii. Project modifications or change of projects under the Basic Education Facilities pursuant to DepEd Special Provision No. 21 under the 2015 GAA shall be approved by the DepEd Secretary.

- iv. The realignment of funds from one allotment class to another, including realignment for deficient allotment classes pertaining to unreleased appropriations of the Special Purpose Funds (SPF) and Unprogrammed Appropriations shall be cleared with DepEd-OSec and to be approved by the Secretary of DBM.

b. Timelines in the realignment of funds:

- i. Realignment of object of expenditures within Capital Outlay – until the Second Quarter of the year (June 30);
- ii. Realignment from Capital Outlay to another allotment class – until the Third Quarter of the year (September 30);
- iii. Project modifications authorized in the Special Provisions of the respective budgets as specified under 3.5.3 of NBC No. 559 – until the Second Quarter of the year; and
- iv. Realignment of available allotment from mandatory expenditures under MOOE such as petroleum, oil and lubricants, as well as for water, illumination and power services, telephone and other communication services and rents – during the Fourth Quarter of the year only.

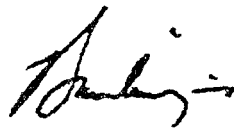
c. The realignment of funds, which are subject to the approval of the agency head or his duly authorized representative, shall be:

- i. Supported with Realignment Advice Form (RAF) duly signed by the agency head or his designated representative per Item 3.1 hereof;
- ii. Reflected in the appropriate Registry of Allotments and Obligations (RAO); and
- iii. Reported in the appropriate BFARs.

d. Further, realignment of funds, which are subject to the approval of DBM, shall be subject to the submission of a Special Budget Request (SBR) with the following supporting documents:

- i. Justification;
- ii. Certification on the Actual Deficiency and Sources of Funds;
- iii. Latest Statement of Appropriations, Allotments, Obligations, Disbursements and Balances (SAAODB); and
- iv. Financial Plan (BED 1) and Physical Plan (BED 2).

4. Immediate dissemination and compliance with this Order is directed.



BR. ARMIN A. LUISTRO FSC
Secretary

Reference: N o n e

To be indicated in the Perpetual Index
under the following subjects:

APPOINTMENT
ALLOTMENT
APPROPRIATIONS
BENEFITS

FUNDS
POLICY
PROJECTS
SERVICE