



Bureau of Corrections

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BUDGET MANAGEMENT AND UTILIZATION

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REVISION AND APPROVAL

Rev.	Date	Nature of Changes	Approved By
0		Original issue.	Ma. Cielb O. Monsalud <i>[Signature]</i>

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1. PURPOSE

This section describes BuCor’s procedure in providing budget management services through the Finance Division and Budget Offices of the various BuCor Operating Prisons and Penal Farms (OPPFs). It also includes specific work instructions in performing the aforementioned procedures.

2. SCOPE


This section includes the activities involved from Budget Preparation and Legislation, Budget Execution and Budget Accountability.

3. DEFINITION OF TERMS & ACRONYMS

BUDGET	<ul style="list-style-type: none"> Estimate of income and expenditure for a set period of time.
BFAR	<ul style="list-style-type: none"> Budget Financial Accountability Report
BED	<ul style="list-style-type: none"> Budget Execution Documents


4. RESPONSIBILITIES

The Accounting and Budget Office (under the Finance Division) are responsible for the fund management services of BuCor.

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5. PROCEDURE DETAILS


Activity	Person Responsible	Details/Functions	References/Forms
<p>START</p> <p>↓</p> <p>Budget Preparation & Legislation</p> <p>↓</p> <p>Budget Execution</p> <p>↓</p> <p>Budget Accountability</p> <p>↓</p> <p>END</p>	<p>Budget Section Planning and Management Division</p>	<ul style="list-style-type: none"> • Prepares budget proposal compliant to the DBM guidelines. • Preparation, Submission of Budget Execution Documents (BEDs) 	<ul style="list-style-type: none"> • Agency Performance Measures, Budget Forms • Budget Execution Documents
	<p>Finance Division/PMD & OPPFs Budget /Planning Officer Chief Budget Section and Chief Accounting Section</p>	<ul style="list-style-type: none"> • Budget Orientation and Recalibration Workshop for the budget rollout of the coming year. • Allotment and Obligation • Disbursement • Monitors Budget Utilization 	<ul style="list-style-type: none"> • Work and Financial Plan • ORS or BURS • Disbursement Voucher
	<p>Chief, Finance</p>	<ul style="list-style-type: none"> • Prepares and consolidates Financial and Accountability Reports • Prepares Budgetary Reports for submission to Regulatory Agencies 	<ul style="list-style-type: none"> • BFARS • FAR No. 5

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6. GUIDELINES

6.1 Budget Preparation and Legislation

- 6.1.1 The Budget Section, Finance Division prepares the Budget Guidelines for the succeeding fiscal year and the next two (2) years.
- 6.1.2 The Chief, Finance Division reviews and disseminates to concern offices the Budget Guidelines.
- 6.1.3 The Chiefs, Finance Division and Planning and Management Division (PMD) collaborate to formulate the joint Planning and Budgeting Guidelines and the joint memorandum for compliance to the Guidelines.
- 6.1.4 Upon the finalization of the Joint of the Planning and Budget Guidelines and memorandum, the Chief, Finance Division and Chief, PMD jointly issue the memorandum to all Division Chiefs and OPPFs to prepare and submit their Physical Plans, Local Budget Proposals/PPMPs/APPs, Work and Financial Plans (WFPs) and other Budgetary Requirements for the Budget Proposal.
- 6.1.5 The Finance Division, along with the PMD, conducts an Annual Planning and Budget Conference.
- 6.1.6 The Divisions/Units/OPPFs prepare and finalize their respective Physical Plans, PPMPs/APPs, WFPs and other Budgetary Requirements to be submitted to the Budget Section for consolidation.
- 6.1.7 The Chief, Finance Division coordinates with PMD to complete the required information on baseline and targets in relation to the forward estimates (FEs) and annual budget estimates and overall BuCor Physical Plans.
- 6.1.8 Once the National Budget Circular on the preparation and submission of agency budget, plans and targets (Budget Call) from the Department of Budget and Management (DBM) is received, the Budget Section prepares the Budget Proposal using the consolidated Physical Plans, Local Budget Proposals/PPMPs/APPs/WFP as references and forwards it to the Chief, Finance Division for evaluation.
- 6.1.9 The Chief, Finance Division evaluates the consolidated Budget Proposal for order & completeness.
 - 6.1.9.1 If the Budget Proposal requires revision or do not conform to the prescribed format and content, the Chief, Finance Division returns

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- the documents to the Budget Section for the necessary revisions or adjustments.
- 6.1.9.2 Once the Budget Proposal is found in order, it is endorsed to the Office of the Director General (ODG) for the Director's approval.
- 6.1.10 The Director General reviews, evaluates and approves the Budget Proposal.
- 6.1.10.1 If the DG has concerns and recommendations regarding the Budget Proposal, the ODG returns the documents, along with the documentation on the DG's concerns, for revisions and adjustments.
- 6.1.11 If the Budget Proposal is in order, the DG signs the draft Budget Proposal and returns to the Budget Section for encoding.
- 6.1.12 The Budget Section encodes the BuCor Budget Proposal into the Online Submission of Budget Proposal (OSBP) of the DBM and prints the Budget Documents.
- 6.1.13 The Budget Section forwards the printed Budget Documents and all the budgetary requirements to the Chief, Finance Division for endorsement to the DG.
- 6.1.14 The Chief, Finance Division reviews the complete Budget Proposal and endorses to the DG for approval with a draft endorsement letter to the Department of Justice.
- 6.1.15 The DG signs the complete Budget Proposal.
- 6.1.16 The ODG submits the signed complete Budget Proposal to the Department of Justice (DOJ) and DBM, through the Budget Liaison Officer, Budget Sections.
- 6.1.17 Technical Budget Hearings
- 6.1.17.1 The DG receives a Notice from Congress/Senate requiring the Bureau to submit specific budget documents.
- 6.1.17.2 The ODG endorses the Notice to the Chief, Finance Division.
- 6.1.17.3 The Budget Section, through the Chief, Finance Division, requests the following Offices to prepare budgetary documents necessary to the Congressional and Senate requirements:
- 6.1.17.3.1 The Chief, Planning and Management Division for the BuCor Mandate, functions, missions, organizational chart of the agency goals, thrust, objectives, Major Final

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Output (MFO) performance indicators and Annual accomplishment report;

6.1.17.3.2 Budget Section for the Highlights of BuCor Budget, justification for any major changes in current and proposed budget, agency budget proposal, financial report and highlight of foreign/locally funded projects, comparative detailed breakdown of the Maintenance and Other Operating Expenses (MOOE) and Capital Outlay (CO), status of allotment and fund releases and other statistical data;

6.1.17.3.3 Accounting Section for the financial and narrative report on the utilization of income, detailed breakdown of cash advances (CAs), and breakdown and aging of accounts payables (APs); and

6.1.17.3.4 The Chief, HRD for the Summary of filled and unfilled plantilla positions, updated directory of officials and key positions.


6.1.17.4 Once the National Expenditure Program (NEP) is received, the Budget Section revises and/or completes the budgetary requirements based on the budget reflected in the NEP, and submits to the Chief, Finance Division for review.

6.1.17.5 The Chief, Finance Division reviews the budgetary requirements requested by the Congress.

6.1.17.6 If the budgetary requirements are complete and in order, the Chief, Finance Division informs the Chief, Budget Section to prepare the Budget Briefing Folio.

6.1.17.7 The Chief, Budget Section prepares the Budget Briefing Folio and submits to the Chief, Finance Division.

6.1.17.8 The Chief, Finance Division reviews the Budget Briefing Folio and endorses it, along with the


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budgetary requirements, to the DG for approval.

- 6.1.17.9 The DG reviews and approves the requested budgetary requirements and Budget Briefing Folio, and submits to the two (2) Houses of Congress (Senate and the House of Representatives), through the Budget Liaison Officer, Budget Section.
- 6.1.17.10 The Chief, Budget Section, prepares Budget briefing presentation materials for the use of the DG and BuCor Officials during the Technical Budget Hearings (TBH).
- 6.1.17.11 The Chiefs, Finance Division, Budget Section, Accounting Section, Planning and Management Div., Admin Div. and the DG represents and attends the TBH with DBM and DOJ and the subsequent Legislative review, consolidation and confirmation of the Bureau's budget.

6.2 Budget Execution

- 6.2.1 Preparation of Budget Execution Documents (BEDs)
 - 6.2.1.1 The Chief, Planning and Management Division (PMD) prepares the BuCor Annual Work Plan based on the Annual Work and Financial Plans (WFPs) and PPMPs/APPs submitted by the different units and OPPFs during the Budget Preparation Stage.
 - 6.2.1.2 The Budget Section prepares the BuCor Annual Financial Plan based on the Annual WFPs and PPMPs/APPs submitted by the different units and OPPFs during the Budget Preparation Stage.
 - 6.2.1.3 The Budget Section prepares the Monthly Disbursement Program based on the Annual WFPs and PPMPs/APPs submitted by the different units and OPPFs during the Budget Preparation Stage.
 - 6.2.1.4 The Chief, Supply Section in coordination with the Chief, Budget Section prepares the Annual Procurement Plan (APP) based on the PPMPs submitted by the different BuCor units,

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excluding the APPs of the OPPFs during the Budget Preparation Stage.

6.2.1.4.1 For OPPF APPs, the PSPMD reviews the APPs and forwards to the Budget Officer for reference.

6.2.1.5 The Budget Officer consolidates the BuCor Annual Financial Plan, Physical Plan, Monthly Disbursement Program and APP for Common Use Supplies and Equipment as the BuCor Budget Execution Documents (BEDs).

6.2.1.6 The Chief, Finance Division and Chief, PMD submits the compiled BuCor BEDs to the Director of Corrections (DG) for approval.

6.2.1.7 The DG reviews, evaluates and approves the BuCor BEDs.

6.2.1.7.1 If the DG has concerns and recommendations regarding the BEDs, the ODG returns the documents, along with the documentation on the DG's concerns, for revisions and adjustments.

6.2.1.7.2 If the BEDs are in order, the DG signs and transmits to the Budget Division for onward encoding and transmittal.


6.2.1.8 The Budget Section encodes the BEDs into the DBM's Unified Reporting System (URS) and generates the print-outs.

6.2.1.9 The Chief, Finance Division endorses the URS-print-out BEDS to the DG for approval.

6.2.1.10 The DG approves and signs the URS-print-out BuCor BEDs and transmits to DBM, copy furnished DOJ, through the Budget Liaison Officer.

6.2.2 Budget Recalibration


6.2.2.1 Upon passage of the General Appropriations Act (GAA) for the following year, the Finance Division, in collaboration with the Chief, Planning and Management Div., organizes a Budget Orientation and Recalibration Workshop for the budget roll-out of the coming year.

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- 6.2.2.2 The various offices/units and OPPFs submit the revised WFPs and PPMPs/APPs to the Finance Division; PMD; and Procurement Section for consolidation.
- 6.2.3 Budget Utilization
 - 6.2.3.1 The Requesting Unit prepares the necessary requisition documents and submits to the appropriate requisition authority.
 - 6.2.3.2 The appropriate requisition authority processes the request for funds and checks for order and completeness.
 - 6.2.3.2.1 For Cash Advance (CA), the Budget Staff coordinates with the Accounting Unit for the Certification of Previously Unliquidated Advances.
 - 6.2.3.2.2 The Accounting Staff transmits the approved Certification to the Budget Staff.
 - 6.2.3.3 The appropriate requisition authority forwards the requisition documents to the Budget Office for review and certification of obligation.
 - 6.2.3.4 The Budget Officer reviews the Obligation Request (ObR) and other requisition documents, assigns an ObR number, and endorses to the Chief, Budget Section for certification.
 - 6.2.3.5 The Chief, Budget Section reviews and certifies the ObR and forwards, including the other requisition documents, to Accounting Office for processing.
 - 6.2.3.6 The Accounting Staff reviews the ObR, Disbursement Voucher (DV) and other requisition documents for order and completeness and endorses to the Chief, Accounting Unit for review and certification of cash availability.
 - 6.2.3.7 The Chief, Accounting Unit signs the DV, and processes the fund request for disbursement.

6.3 Budget and Financial Accountability Reports

- 6.3.1 The Director General issues a memorandum requiring all OPPFs to submit their physical and financial reports according to the required schedule.

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- 6.3.2 The Chief Budget Officer of each of the OPPFs and BuCor prepare the required physical and financial reports.
- 6.3.3 The Staff, Office of the Superintendent of each of the OPPFs prepares their respective physical reports.
- 6.3.4 The Staff, Office of the Superintendent of the OPPF consolidates the required physical and financial reports and endorses to the OPPF Superintendent.
- 6.3.5 The OPPF Superintendent reviews the consolidated reports and approves for submission.
- 6.3.6 The Staff, Office of the Superintendent of the OPPF facilitates submission of the required reports to the Director General.
- 6.3.7 The Admin Staff collects and reviews the OPPF-submitted reports.
 - 6.3.7.1 If the submitted reports are incomplete, the Admin Staff informs the Finance and/or Planning and Management Division of the incomplete/inconsistency of reports.
 - 6.3.7.2 For issues on financial reports, the Chief, Finance Division issues a memorandum to the specific OPPF to submit and/or clarify their report.
 - 6.3.7.3 For issues on physical reports, the Chief, Planning & Management Division issues a memorandum to the specific OPPF to submit and/or clarify their report.
 - 6.3.7.4 The particular OPPF complies with the memorandum on additional report submission and/or clarification and submits the additional requirements.
- 6.3.8 The Admin Staff, Directorial Staff for Administration consolidates the OPPF-submitted reports and transmits to the Chief, /finance Division and Chief, Planning & Management Div.
- 6.3.9 The Chief, Finance Division, reviews the consolidated reports for order and completeness.
 - 6.3.9.1 If the consolidated reports are incomplete or inconsistent, the Chief, Finance Division informs the Admin Staff of the incomplete/inconsistency of reports.
 - 6.3.9.2 The Admin Staff coordinates reviews the submitted consolidated reports, coordinates with the various OPPFs to resolve


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incomplete/inconsistency of reports, and makes the necessary additions /corrections to the consolidated reports.

- 6.3.10 The Chief, Finance Division approves the required reports for submission.
- 6.3.11 The Budget Section shall facilitates submission of the reports to DBM and COA.

7. REFERENCES

- 7.1. COA Circular 96-005 dated 2 May 1996: Further amendment to GAO Memorandum Circular No. 400 dated May 29, 1959, as amended, on reimbursement of expenses not requiring receipts.
- 7.2. COA Circular No. 2007-001 dated 25 October 2007: Revised guidelines in the granting, utilization accounting and auditing of the funds released to Non-Governmental Organizations/People's Organization (NGOs/POs)
- 7.3. COA Circular No. 2009-007 dated 25 September 2009: Restatement and clarification of Items 4.5.4, 4.7.2, and 4.9.1 and other related provisions of COA Circular No. 2009-002 dated 18 May 2009
- 7.4. COA Circular No. 2012-001: Prescribing the Revised Guidelines and Documentary Requirements for Common Government Transactions
- 7.5. COA Circular No. 90-331 dated 3 May 1990: Rules and Regulations on the Granting, Utilization and Liquidation of Cash Advances
- 7.6. COA Circular No. 96-004 dated 19 April 1996: Guidelines to implement Section 16 of EO248 as amended by EO 248-A which prescribes the regulations and the new rates of allowance for official local and foreign travels of government personnel
- 7.8. DBM and COA Joint Circular No. 2014-1 dated 2 July 2014, Guidelines Prescribing the Use of Modified Formats of the Budget and Financial Accountability Reports (BFARs)
- 7.9. EO 248: Prescribing Rules and Regulations and New Rates of Allowances for Official Local and Foreign Travels of Government Personnel
- 7.10. EO 298, series of 2004: Amending further EO 248 dated May 29, 1995 as amended by EO 248-A dated August 14, 1995, which prescribes rules and regulations and new rates of allowance for official local and foreign travels of government personnel

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- 7.11. EO 459, series of 2005: Streamlining the Procedure in the Disposition of Requests of Government Officials and Employees for Authority to Travel Abroad
- 7.12. Government Procurement Policy Board (GPPB) Resolution No. 12-2007 dated 29 June 2007: Amendment of Section 53 of the Implementing Rules and Regulations Part A off Republic Act 9184 and Prescribing Guidelines on Participation of Non-Governmental Organizations in Public Procurement