



INTER-AGENCY TASK FORCE ON THE HARMONIZATION OF
NATIONAL GOVERNMENT PERFORMANCE MONITORING, INFORMATION AND REPORTING SYSTEMS
(Administrative Order No. 25 s. 2011)

MEMORANDUM CIRCULAR NO. 2013-01-A

September 30, 2013

TO : All Heads of Departments, Bureaus, Offices and other Agencies of the National Government, including State Universities and Colleges, and Government-Owned or-Controlled Corporations

SUBJECT: Amendment to the Guidelines on Performance Targets in Line with the Grant of the Performance-Based Incentives for Fiscal Year 2013 under EO No. 80 s.2012

This Memorandum Circular amends Section 5.2c and specifies the cut-off period for the transactions covered under Section 6.0 on Good Governance Conditions and under Section 9.2, as follows:

- 5.2c. For FY 2013, the budget utilization rate and the submission to COA by the department/agency of its financial statements and all reports and documents within the mandated time required by rules and regulations shall be adopted as common GASS indicators by all departments and agencies.
- i. Budget utilization rate which shall be measured by the ratio of total disbursements (cash and non-cash excluding personnel services) to total obligations for maintenance and other operating expenses (MOOE) and capital outlays (CO) in 2013. The total disbursements/obligations shall cover the additional releases, transfers from other agencies and continuing appropriations in 2013 to capture all funds obligated by the agency. Total disbursements include payments of accounts payable paid during the year under the Common Fund Scheme.
 - ii. The 2013 target for the budget utilization rate should reflect an improvement over the 2012 baseline of the department/agency. Since, the above revised utilization rate was agreed upon by the TWG after MC 2013-1 was issued, the final target based on this revised indicator shall be the subject of negotiation with the DBM during the review of PBB performance targets from September to October 15, 2013.
 - iii. Per Section 41 of Presidential Decree No. 1445, submission to COA of required financial statements and reports for audit which include Balance Sheet, Statement of Income and Expenses, Statement of Cash Flows, Statement of Government Equity, and Notes to Financial Statements shall not be later than the February 14. To be eligible for the 2013 PBB, department/agency who were unable to submit these 2012 financial reports to COA on time must comply with this requirement soonest but not later than the November 30 deadline for compliance with good governance conditions.

- 9.2 Departments/Agencies shall submit all certifications of compliance with good governance conditions on or before November 30, 2013. Early submission of certifications will facilitate the early determination of the department's/agency's eligibility to PBB for FY 2013. Given the set deadline, the cut-off date for transactions covered in the certifications on Transparency Seal, PhilGEPS posting, and liquidation of cash advances is November 15, 2013.

For your guidance.


FLORENCIO B. ABAD

Secretary, Department of Budget and Management
and Chairman, AO 25 Inter-Agency Task Force