

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. **10484**



Introduced by **HON. JOY MYRA R. SALVADOR-TAMBUNTING**

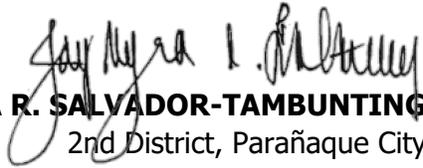
EXPLANATORY NOTE

One of the major challenges for national government agencies during the COVID-19 pandemic was to ramp up their absorptive capacities in order to ensure that allocated funds reach their intended recipients, especially as most allocations are intended for COVID-19 relief and support. Prior the COVID-19 pandemic, the issue of low absorptive capacity among several agencies have been a recurring issue—prompting the adoption of the cash budgeting system which aimed to “promote the faster implementation of government programs by ensuring that funding requirements for priority programs and projects are sufficient, maximized by agencies, and, even more importantly, delivered on time¹.” The cash budgeting system basically obliges agencies to utilize project funds within one year.

Whilst the adoption of the cash budgeting system is a rational and reasonable policy, we cannot ignore the fact that government agencies have been grappling with the problem of absorptive capacity for the Fiscal Year 2021, further aggravated by the numerous COVID-19 lockdowns this year. Without intervention, a significant portion of the FY 2021 budget will not be obligated or disbursed before the expiration of its validity in December 31, 2021.

This Representation believes that special circumstances require special measures and ultimately, what we want is to ensure that these already appropriated funds are utilized for much needed programs and projects. To this end, this measure proposes to extend the availability of the 2021 Appropriations from December 31, 2021 to December 31, 2022.

On behalf of the people of Parañaque City’s Second District, and for the common good of the Filipino people, the approval of the said measure is earnestly sought.


JOY MYRA R. SALVADOR-TAMBUNTING
2nd District, Parañaque City

¹ *Duterte orders adoption of Cash Budgeting System.* (2019, September 13). Dbm.gov.ph. <https://www.dbm.gov.ph/index.php/secretary-s-corner/press-releases/list-of-press-releases/1508-duterte-orders-adoption-of-cash-budgeting-system>

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AN ACT
EXTENDING THE AVAILABILITY OF THE 2021 APPROPRIATIONS TO DECEMBER 31, 2022, AMENDING FOR THE PURPOSE SECTION 62 OF THE GENERAL PROVISIONS OF REPUBLIC ACT NO. 11518, THE GENERAL APPROPRIATIONS ACT OF FISCAL 2021

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

Section 1. Section 62 of the 2021 General Appropriations Act or Republic Act No. 11518 is hereby amended to read as follows:

"Sec.62. Cash Budgeting System. All appropriations authorized in this Act, including budgetary support to GOCCs shall be available for release and disbursement for the purpose specified, and under the same general and special provisions applicable thereto, until December 31, [2021] **2022**. While the amount appropriated herein as National Disaster Risk Reduction and Management Fund for calamities, epidemics as declared by the DOH, crises resulting from armed conflicts, insurgency, terrorism, and other catastrophes occurring in 2021 and financial assistance to LGUs released during the purpose specified until December 31, 2022. On the other hand, appropriations for the statutory shares of LGUs shall be available for obligation and disbursement until fully expended.

After the end of validity period, all unreleased appropriations shall lapse, while unexpended or undisbursed funds shall revert to the unappropriated surplus of the General Fund in accordance with Section 28, Chapter 4, Book VI of E.O No. 292 and shall not thereafter be available for expenditure except by subsequent legislative enactment Departments, bureaus and offices of the National Government, including constitutional offices enjoying fiscal autonomy, SUCs and GOCCs, shall strictly observe the validity of appropriations and the reversion of funds.

For FY 2021, the appropriations for infrastructure capital outlays, including those subsidy releases to GOCCs for infrastructure projects, shall be valid for obligation until December 31, [2021] **2022**, while the completion of construction, inspection, and payment shall be made not later than [June 30] **DECEMBER 31**, 2022. On

the other hand, appropriations for MOOE and other capital outlays shall likewise be valid for obligation until December 31, [2021] **2022**, while the delivery, inspection and payment shall be made not later than [March 31] **DECEMBER 31**, 2022.

The DBM is authorized to issue the necessary guidelines for the effective implementation of the cash budgeting system.

A report on these releases and disbursements shall be submitted to the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document.”

Sec. 2. Repealing Clause. – All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

Sec. 3. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,