REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

DEPARTMENT OF BUDGET AND MANAGEMENT
OFFICIAL RELEASE
Central Records Division
MALACAÑANG, MANILA

CORPORATE BUDGET CIRCULAR

No. 27

April 28, 2025

FOR : **All Heads of Government-Owned or -Controlled Corporations (GOCCs), including Government Financial Institutions (GFIs), Receiving Budgetary Support from the National Government, and All Others Concerned**

SUBJECT : **GUIDELINES ON THE USE OF PRIOR YEARS' SUBSIDY**

1.0 RATIONALE AND PURPOSES

1.1 To prescribe policies, procedures, rules and regulations governing the issuance of approval on the use of prior years' subsidies, as authorized under Special Provision Applicable to all GOCCs No. 3 of Republic Act (R.A.) No. 12116, FY 2025 General Appropriations Act (GAA);

1.2 To utilize unobligated prior years' subsidies to cover the additional funding requirements for the implementation of programs, activities, and projects (PAP/s) in the current year, consistent with prudent fiscal management;

1.3 To maximize the use of long-standing unobligated subsidies, while augmenting available government resources for the attainment of current national development goals; and

1.4 To inform the GOCCs/GFIs on the submission of documentary requirements to support their requests for approval of the DBM.

2.0 COVERAGE

All GOCCs/GFIs receiving budgetary support from the National Government under the current fiscal year appropriation and with unobligated subsidies released from any sources of prior years' appropriations.

This Circular covers unobligated prior years' subsidies that are certified by the GOCCs/GFIs as an available source for the current year PAPs.

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CENTRAL RECORDS DIVISION

3.0 EXCLUSION

This Circular does not cover GOCCs/GFIs which do not have an existing budget line item under the current year appropriation. Further, this Circular does not apply to: (i) subsidies received from other National Government Agencies; (ii) National Government advances converted into subsidies; (iii) subsidies sourced from shares under a special law; and (iv) subsidies currently subject to pending court decisions, legal disputes, or other judicial proceedings.

4.0 GENERAL GUIDELINES

4.1 The Approval on the Use of Prior Years' Subsidies (APYS) to be issued by the DBM for the current fiscal year shall apply only to unobligated subsidy allotment released to GOCCs/GFIs from fiscal years preceding the immediate prior year.

4.2 The GOCCs/GFIs shall fully utilize the prior years' subsidies covered by APYS within the same fiscal year the same was issued.

4.3 Only those requests endorsed by the respective Governing Boards of the GOCCs/GFIs shall be submitted to the DBM for approval **not later than August 31 of the fiscal year.**

4.4 All requests for APYS shall be supported with an inventory of all available PY subsidy balances covering fiscal years preceding the immediate prior year, and the following accomplished APYS Forms:

a.) Work and Financial Plan (WFP), shown as APYS Form 1; and
b.) Certification of Fund Source and Recipient PAP/s, signed by the Head of the GOCC/GFI, shown as APYS Form 2.

4.5 The GOCCs/GFIs shall be allowed only two (2) APYS for a given fiscal year. Hence, GOCCs/GFIs are enjoined to observe proper planning, programming, and budgeting prior to the submission of requests for APYS.

4.6 The issuance of the APYS shall not be construed as an authorization to exceed the total approved Corporate Operating Budget (COB) level.

5.0 SPECIFIC GUIDELINES

5.1 The GOCC/GFI shall determine its total unobligated allotment balances as of, at the latest, the last preceding quarter, which shall serve as the basis for the allowable amount to be requested for APYS. The Head of the GOCC/GFI shall certify the availability of the balance requested for APYS to cover the additional funding requirements for the programs, sub-programs, and/or projects under the current GAA.

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5.2 In the preparation of WFP or the APYS Form 1, the GOCC/GFI must ensure that the WFP is:

5.2.1 Approved by the Governing Board;

5.2.2 Aligned with the targets and objectives of the programs and sub-programs in the current GAA;

5.2.3 Covering only PAP/s that are implementable within the fiscal year; and

5.2.4 In the case of multi-year programs or activities covered by Board-approved Certificate of Budget Inclusion, the same shall be updated to reflect the funding requirement under the current and ensuing years of the multi-year implementation schedule.

5.3 The GOCC/GFI shall ensure that the total sources are equal to the additional funding requirement of the recipient PAP/s.

5.4 In the preparation of the certification or APYS Form 2, the GOCC/GFI shall indicate the following:

5.4.1 The source Special Allotment Release Order (SARO) Numbers and the corresponding unobligated amounts to be drawn from each SARO.

5.4.2 The specific recipient PAP/s to be funded, which must be an existing line item budget of the GOCC/GFI under the current GAA.

6.0 APPLICABILITY

These guidelines shall be applicable while an SP authorizing the GOCCs/GFIs to use their prior years' subsidies is provided in the annual GAA.

7.0 ITEMS FOR RESOLUTION

Interpretation of the provisions of this Circular shall be referred to the DBM for resolution.

8.0 SEPARABILITY CLAUSE

If any part or provision of this Circular is held invalid or unconstitutional, other provisions not affected thereby shall remain in force and effect.

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9.0 REPEALING CLAUSE

All provisions of existing circulars and issuances inconsistent with this Circular are hereby repealed and/or modified accordingly.

10.0 EFFECTIVITY

This Circular shall take effect immediately after its publication.

For the guidance and compliance of all concerned.

AMENAH F. PANGANDAMAN
Secretary

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Chief Administrative Officer
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DBM APYS Form 1

WORK AND FINANCIAL PLAN

GOCC: _____

Period Covered: _____

Board Resolution Number	Programs/ Activities /Projects	Expected Output	Duration	Responsible Office	Funding Requirement *(Amount in pesos)*	Fund Source		20___ OBLIGATION SCHEDULE					Remarks
						SARO Reference No.	Date	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	

Issued By:

_____

HEAD OF THE GOCC

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Chief Administrative Officer
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DBM APYS FORM 2

CERTIFICATION

This is to certify that, as of <DATE>, the <GOCC NAME> has an unobligated balance from the following allotment/s amounting to <AMOUNT IN WORDS> (**P** xxx), covering the period _____, with details as follows:

FROM

Year	Amounts in Pesos			
	Allotment No.	**Amount**	**Obligation**	**Unobligated**
	a	*b*	*d*	*e=b-d*

This is to certify further that, the above-cited unobligated allotment/s is/are available to cover the following recipient Program/Sub-Program/Project pursuant to <BOARD RESOLUTION APPROVING THE REQUEST>:

TO

GAA	P/A/P			Allotment Class	Object of Expenditures	Amount
	Program	Sub-Program	Project			

Prepared By:

_____

Approved By:

_____

Head of the GOCC

NOTE: This certification is invalid without Board Approval.

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