



Republic of the Philippines  
**Department of Education**  
Region VI – Western Visayas

21 AUG 2024


DIVISION MEMORANDUM

No 486 s. 2024

**STRICT OBSERVANCE OF THE COMMON FUND SYSTEM (CFS) IN THE  
SETTLEMENT OF DUE AND DEMANDABLE OBLIGATIONS**

To: Public Secondary School Heads of Implementing Units  
Accountants/Bookkeepers of Implementing Units  
All Others Concerned

1. Attached is Regional Memorandum 740, s. 2024, titled "**Strict Observance of the Common Fund System (CFS) in the Settlement of Due and Demandable Obligations**".
2. Immediate dissemination of this Memorandum is desired.

  
**MIGUEL MAC D. APOSIN EdD, CESO V**  
Schools Division Superintendent

Encl.: As stated

Reference: DepEd Regional Memorandum No. 740, s. 2024

To be indicated in the Perpetual Index  
under the following subject;

ALLOTMENT

BUDGET

CLAIMS

POLICY

REQUIREMENT



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Republic of the Philippines  
**Department of Education**  
REGION VI – WESTERN VISAYAS

**REGIONAL MEMORANDUM**

AUG 14 2024

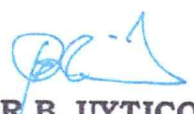
No. 740, s. 2024

**STRICT OBSERVANCE OF THE COMMON FUND SYSTEM (CFS) IN  
THE SETTLEMENT OF DUE AND DEMANDABLE OBLIGATIONS**

TO: Schools Division Superintendents  
Division Accountants and Budget Officers  
All Others Concerned

1. Attached is an Advisory dated August 5, 2024 from Maria Liane L. Gayomali, Regional Director, Department of Budget and Management – Region VI on the **Strict Observance of the Common Fund System (CFS) in the Settlement of Due and Demandable Obligations.**

2. Wide dissemination of this Memorandum is desired.

  
**RAMIR B. UYTICO EdD, CESO III**  
Regional Director

Reference: As stated  
To be indicated in the Perpetual Index  
under the following subjects:

ALLOTMENT  
BUDGET  
CLAIMS  
POLICY  
REQUIREMENT

MIA\_RRE/RM- Strict Observance of the Common Fund System (CFS) in the Settlement of Due and Demandable Obligations  
RM-FD – 2024-410/ August 13, 2024




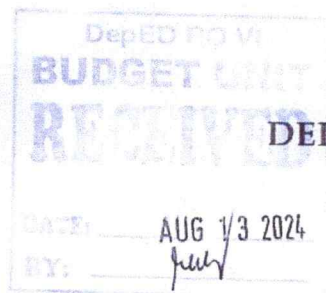
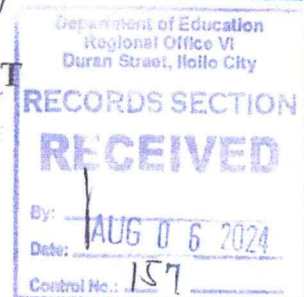
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**RELEASED**  
DBM Regional Office VI

BY:   
DATE: **AUG 05 2024**



REPUBLIC OF THE PHILIPPINES  
**DEPARTMENT OF BUDGET AND MANAGEMENT**  
REGION VI

## ADVISORY

For : DepEd Regional Office VI, Schools Division Offices (SDOs), and Secondary School-Implementing Units (SS-IUs) in Region VI

Subject : **STRICT OBSERVANCE OF THE COMMON FUND SYSTEM (CFS) IN THE SETTLEMENT OF DUE AND DEMANDABLE OBLIGATIONS**

Date : 05 August 2024

- 1.0 We take notice that DepEd Operating Units (OUs) are submitting special budget requests (SBR) to this Office for the release of additional cash allocation to cover operating requirements and for payment of other due and demandable obligations.
- 2.0 Evaluation of these requests revealed that some SBRs are of a minimal amount which may be charged against its available released cash allocation consistent with the principle of **Common Fund System (CFS)**.

A sample tabular presentation is provided below as reference:

Purpose of Requests	Amount Requested (P)	Amount of Monthly Cash Allocation <sup>1</sup> (P)	Percentage of Amount requested vs. Monthly Cash Allocation
Request for release of cash allocation to cover the funding requirements for the conduct of School-Based Training for Teachers (SBTT) on MATATAG Curriculum	5,396.00	1,907,000.00	0.28%
	5,738.00	3,373,000.00	0.17%
	4,750.00	1,520,000.00	0.31%

<sup>1</sup> Month of August per FY 2024 BED No. 3 (BED Level: 04 – GAA level as evaluated by DBM)

- 3.0 Under the CFS, cash allocation released under the Regular MDS Sub-Account of agencies can be used to cover payment of both current year and prior years' Accounts Payable (AP) due to all creditors (external and internal).

It is understood however that payment of mandatories, i.e., PS, MOOE and CO requirements, shall take precedence over APs in the utilization of NCAs received. Only when the mandatory requirements are satisfied can the payment of APs be charged against the available cash allocation, as provided under Item 4.2.1.6 of National Budget Circular (NBC) No. 592<sup>2</sup> dated 02 January 2024.

- 4.0 Furthermore, this fiscal measure would be beneficial to minimize the bulk of lapsed cash allocation due to non-utilization of agencies.
- 5.0 To maximize the disbursements of funds, **DepEd OUs shall strictly observe the CFS and utilize its available cash allocation to cover the funding requirements of sub-allotment release orders and other obligational authorities, if possible.**
- 6.0 In instances where a DepEd OU has insufficient cash allocation, an SBR may be submitted to this Office duly supported with a **strong justification** stated therein.
- 7.0 SDOs are enjoined to validate all budgetary requests of SS-IUs under its functional jurisdiction, as to the propriety of the amount being requested and the justification provided, including the completeness and orderliness of the documentary requirements. In this way, frequent returning of requests with just a minimal observation can be avoided as well as fast track the issuance of the necessary action documents.
- 8.0 Lastly, DepEd OUs shall ensure timely, complete, and accurate submission of reportorial requirements pursuant to Commission on Audit (COA)-DBM Joint Circular (JC) 2019-1<sup>3</sup> dated 1 January 2019, and as reiterated under DBM Circular Letter (CL) No. 2024-5<sup>4</sup> dated 27 February 2024, **with due prudence, consistency, and accuracy on the information provided** for an effective monitoring of cash disbursements and balances which are vital in the course of evaluation of requests for release of additional cash allocation.
- 9.0 For guidance and strict compliance. Thank you.

  
**MARIA LIANE L. GAYOMALI**  
Regional Director

<sup>2</sup> Guidelines on the Release of Funds for Fiscal Year (FY) 2024

<sup>3</sup> Updated Guidelines Relative to Budget and Financial Accountability Reports (BFARs) starting FY 2019

<sup>4</sup> Reiteration of the Submission of Budget and Financial Accountability Reports (BFARs) under Commission on Audit - Department of Budget and Management Joint Circular (COA-DBM JC) No. 2019-1