



Republic of the Philippines

Department of Education

SCHOOLS DIVISION OF MARINDUQUE

Office of the Schools Division Superintendent

MEMORANDUM

OSDS-BUDGET-2026-001

TO : Assistant Schools Division Superintendent
Chief Education Supervisors
Unit Heads
All Others Concerned

FROM : **LYNN G. MENDOZA, EdD**
OIC, Schools Division Superintendent

SUBJECT : **SUBMISSION OF REPORTS OF SAVINGS FROM UNOBLIGATED ALLOTMENTS OF IDENTIFIED PROGRAMS/ACTIVITIES/PROJECTS (PAPs) IN COMPLIANCE WITH DBM NATIONAL BUDGET CIRCULAR NOS. 602 AND 603**

DATE : **May 11, 2026**

In reference to the Memorandum issued by the Office of the Undersecretary for Finance dated May 08, 2026 on the above subject, all Program Owners are hereby directed to conduct a thorough review of their respective Programs, Activities, and Projects (PAPs), including corresponding allotments and obligations as of March 31, 2026.

In this regard, all Program Owners shall:

1. identify possible savings from unobligated allotments chargeable against FY 2026 Current Appropriations and FY 2025 Continuing Appropriations, consistent with the provisions of DBM NBC Nos. 602 and 603;
2. determine whether cost reduction measures equivalent to at least twenty percent (20%) for applicable MOOE items may be offered without adversely affecting service delivery; and
3. submit the corresponding report on identified savings, together with the required certification/justification, on or before **May 12, 2026** to this Office, through the Finance Service – Budget Unit for consolidation.

For Program Owners with no available savings to offer, a written justification shall be submitted indicating that the available allotments have been fully programmed for ongoing and scheduled operational requirements until the end of FY 2026 and are necessary to ensure continuous and uninterrupted delivery of services.

For strict compliance.

/OSDS-Budget/AMM/



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Republic of the Philippines
Department of Education
OFFICE OF THE UNDERSECRETARY FOR FINANCE

MEMORANDUM
OASF-2026-1111

FOR : REGIONAL DIRECTORS
ASSISTANT REGIONAL DIRECTORS
SCHOOLS DIVISION SUPERINTENDENTS
ASSISTANT SCHOOLS DIVISION SUPERINTENDENTS
FINANCE AND BUDGET OFFICERS
ALL OTHERS CONCERNED

FROM : ATTY. EDSON BYRON K. SY
Assistant Secretary for Finance
Officer-In-Charge, Office of the Undersecretary for Finance

SUBJECT : SUBMISSION OF REPORTS OF SAVINGS FROM UNOBLIGATED
ALLOTMENTS OF IDENTIFIED PROGRAMS/ACTIVITIES/
PROJECTS (PAPs) IN COMPLIANCE WITH DBM NATIONAL
BUDGET CIRCULAR NOS. 602 AND 603

DATE : MAY 08, 2026

This refers to the issued Department of Budget and Management National Budget Circular (NBC) No. 602 dated April 23, 2026, and NBC No. 603 dated May 04, 2026 titled ***“Adoption of Economy Measures in View of the Declaration of a State of National Energy Emergency under Executive Order (EO) No. 110, s. 2026”***, which provide guidelines for the offering and declaration of savings from identified Programs, Activities and Projects (PAPs) to be sourced from the unobligated allotments as of March 31, 2026 under the FY 2026 General Appropriations Act (GAA) and FY 2025 GAA, respectively.

Pursuant to Section 84 of the General Provisions (GPs) of the FY 2026 GAA and Section 77 of the GPs of the FY 2025 GAA, **savings refer to portions or balances of any released appropriations which have not been obligated** as a result of any of the following:

- a) Completion, final discontinuance, or abandonment of P/A/P for which the appropriation is authorized; or
- b) Implementation of measures resulting in improved systems and efficiencies and thus enabled an agency to meet and deliver the required or planned targets, programs, and services approved in this Act at a lesser cost.

In case of final discontinuance or abandonment is used as basis in the declaration of savings, such discontinued or abandoned P/A/P shall no longer be proposed for funding in the next two (2) fiscal years.



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In this regard, **all concerned Offices are directed to submit on or before May 13, 2026** to this Office, through the Finance Service - Budget Division, via email at fs.bd@deped.gov.ph, copy furnished your Central Office, Budget Division counterpart, a consolidated report on the identified savings to be offered, subject to the following guidelines:

1. Current Appropriations, FY 2026 GAA

a) Maintenance and Other Operating Expenses (MOOE)

- Item 4.1.1 of NBC No. 602, a cost reduction by at least twenty percent (20%) for the following MOOE items:
 - Traveling Expenses
 - Training and Scholarship Expenses
 - Supplies and Materials Expenses
 - Utility Expenses
 - Representation Expenses
 - Other MOOE items that may be conserved through bureaucratic efficiency measures while ensuring the continuous and uninterrupted delivery of public services

In cases where certain items from the foregoing are deemed essential to agency operations, the required 20% reduction may instead be applied to other non-essential or lower-priority MOOE items.

- **School MOOE shall NOT** be included as source of savings to be offered.
- Only **comprehensively released allotments** shall be offered as sources of savings.

b) Capital Outlay (CO)

- Item 4.1.2 of NBC No. 602, the following Capital Outlay items may be deferred:
 - Purchase of motor vehicles, except those considered critical for health services, uniformed personnel, and disaster risk reduction and response operations; and
 - Construction of new government buildings/facilities and other Capital Outlays that are not yet ready for implementation.

2. Continuing Appropriations, FY 2025 GAA

- a. Pursuant to Section 4.1.1 of NBC No. 603, all Offices shall review the FY 2025 unobligated allotments based on the submitted Financial Accountability Reports as of March 31, 2026, and determine the portion thereof that can no longer be utilized. The total amount identified shall be declared and offered as savings.

The Central Office - Budget Division shall provide the necessary SharePoint link to facilitate the encoding of your reports consistent with the details in Annex A (*Certification*) prescribed under DBM NBC Nos. 602 and 603. However, hard copies of



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the said certification, duly signed by the authorized signing and/or approving authorities, shall still be submitted.

All concerned offices are likewise advised and reminded to identify and compute the savings to be offered **based on the unobligated allotments reported in the submitted Financial Accountability Reports as of March 31, 2026.**

Further, all concerned offices shall ensure that the identified cost reductions and P/A/Ps offered as savings will not adversely affect agency performance or result in service disruptions.

For guidance and strict compliance.



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