To: All Revenue Officials and Employees Concerned  
Subject: Guidelines on Preparation and Submission of Documents and Reports Required by the Department of Budget and Management (DBM)

I. BACKGROUND

Pursuant to DBM National Budget Circular No. 523 dated February 16, 2010 and DBM National Budget Circular No. 507 dated January 31, 2007, all Agencies are required to submit, on a regular basis, documents and reports which are used for monitoring and providing the necessary information to the President of the Republic of the Philippines and Fiscal Agencies for the purpose of crafting sound policy decisions.

The documents and reports required to be submitted to the DBM are categorized into:

1. Budget Execution Documents (BEDs) – which pertain to Annual documents required at the beginning of the Budget Execution Phase. These documents which contain the Agencies’ targets and plans for the current year include: i) Physical Plan; and ii) Financial Plan.


These documents and reports shall be the basis to: i) Determine the Agency’s level of performance in terms of physical output as well as actual expenditures incurred in the production/delivery of goods/services to the public; and ii) Decide on requests of an Agency for release of additional funds and realignment of funds. Likewise, the decisions made maybe used in withdrawing funds from the Agency or revising Agency programs and targets for the remaining period of the year.
II. OBJECTIVES

This Order is issued to:

1. Prescribe the guidelines and procedures on the preparation and submission of the documents and reports required by the DBM under National Budget Circular Nos. 523 and 507.

2. Improve the timely submission of data by all concerned Offices, as needed in the DBM-required reports; and

3. Define and delineate the duties and responsibilities of different Divisions/Offices involved.

III. POLICIES AND GUIDELINES

The following policies and guidelines shall be observed in carrying out the activities pursuant to this Order:

1. Information Material/Data Requirement

   1.1 Regional Finance Division

       The FINANCE DIVISION in the Regional Offices shall prepare the Regional Quarterly Physical Report of Operation using Annex A for submission to the following Offices, copy furnished the Chief, Budget Division every 5th day of the month following the quarter:

       1.1.1 Collection Service for performance measures under Major Final Output (MFO) 1 - Collection

       1.1.2 Assessment Service for performance measures under MFO 1 - Assessment

       1.1.3 Legal Service for performance measures under MFO 2 – Legal and Tax Policy Advice Service

       1.1.4 Taxpayers Assistance Service for performance measures under MFO 3 - Taxpayer Compliance

       The Regional Quarterly Reports shall serve as input in the preparation of Quarterly Report in the National Office.
1.2 National Office

1.2.1 The Offices enumerated hereunder shall submit the required data, using Annex B for the Annual Physical Plan and Annex C for the Quarterly Physical Report of Operation, to their respective Deputy Commissioner for validation:

a.) Operations Group

- Collection Service
  a.1) Collection Performance
  a.2) Collection Growth
  a.3) Collection from Accounts Receivable (AR)
  a.4) Number of Stopfiler cases closed vs. Number of Cases created
  a.5) Number of AR cases closed vs. Number of AR cases handled
  a.6) Number of warrants issued and executed vs. Number of AR cases being handled

- Assessment Service
  a.7) Audit Effort Ratio for Revenue Regions (RRs)/Revenue District Offices (RDOs)
  a.8) Number of cases returned by the Assessment Division (AD) vs. Number of cases put into review by AD

- Taxpayers Assistance Service
  a.9) Number of taxpayers registered this year vs. Number of taxpayers registered last year
  a.10) Number of taxpayers visited/tax mapped vs. Number of taxpayers targeted to be visited
  a.11) Number of new business taxpayer registrants vs. Number of unregistered business taxpayers
  a.12) Number of resolved multiple and identical TINs vs. Total number of multiple and identical TINs
  a.13) Number of validated inactive taxpayers vs. Number of inactive taxpayers initially determined

b.) Legal and Inspection Group

- Legal Service
  b.1) Number of Rulings acted upon vs. Total number of rulings received
  b.2) Number of Cases Recommended to the Department of Justice (DOJ) vs. Total number of tax cases handled
b.3) Number of Assessment cases won vs. Number of cases decided by the Courts
b.4) Number of Refund cases won vs. Number of cases decided by the Courts

1.2.2 Large Taxpayer Service (LTS-Regular and Excise)

The LT Programs Division shall submit the following information/data using Annex B for the Annual Physical Plan and Annex C for the Quarterly Physical Report of Operation to the Assistant Commissioners for LT-Regular and LT-Excise for validation:

a.) Collection Performance
b.) Collection Growth
c.) Collection from Accounts Receivable (AR)
d.) Audit Effort Ratio

1.2.3 The Annual Physical Plan and the Quarterly Physical Report of Operation shall be submitted on or before the 31st day of January after the end of the previous year and every 7th day of the month following the quarter, respectively.


The validated Annual Physical Plan and Quarterly Report of Operation by concerned Deputy Commissioners and Assistant Commissioners for LTS shall be submitted to the Assistant Commissioner, Policy and Planning Service, Attention: Chief, Planning Division every 5th day of February after the end of the previous year and 10th day of the month following the quarter, respectively.


The PLANNING DIVISION shall consolidate the data submitted by concerned Offices (as mentioned in item No. 1) using Annex D for the Consolidated Annual Physical Plan and Annex E for the Consolidated Quarterly Physical Report of Operation.

Annexes D and E shall be submitted to the Assistant Commissioner, Financial Service, Attention: Chief, Budget Division, on or before 15th day of February of the following year and every 15th day of the month following the quarter, respectively.

   The **BUDGET DIVISION** shall prepare the following documents/reports:
   
a.) Annual Physical and Financial Plan (Annex F)

   The consolidated Annual Physical and Financial Plan shall be submitted on or before the 18th day of February of the following year and the Quarterly Financial Report of Operation, together with the Quarterly Physical Report of Operation, every 18th day of the month following the quarter. These reports shall be forwarded to the Deputy Commissioner for the Resource Management Group for endorsement of the approval and signature of the Commissioner of Internal Revenue.

**IV. REPEALING CLAUSE**

   All revenue issuances or portions thereof that are inconsistent herewith are hereby repealed or amended accordingly.

**V. EFFECTIVITY**

   This Order takes effect immediately.

   *(Original Signed)*

   **KIM S. JACINTO-HENARES**
   Commissioner of Internal Revenue

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