



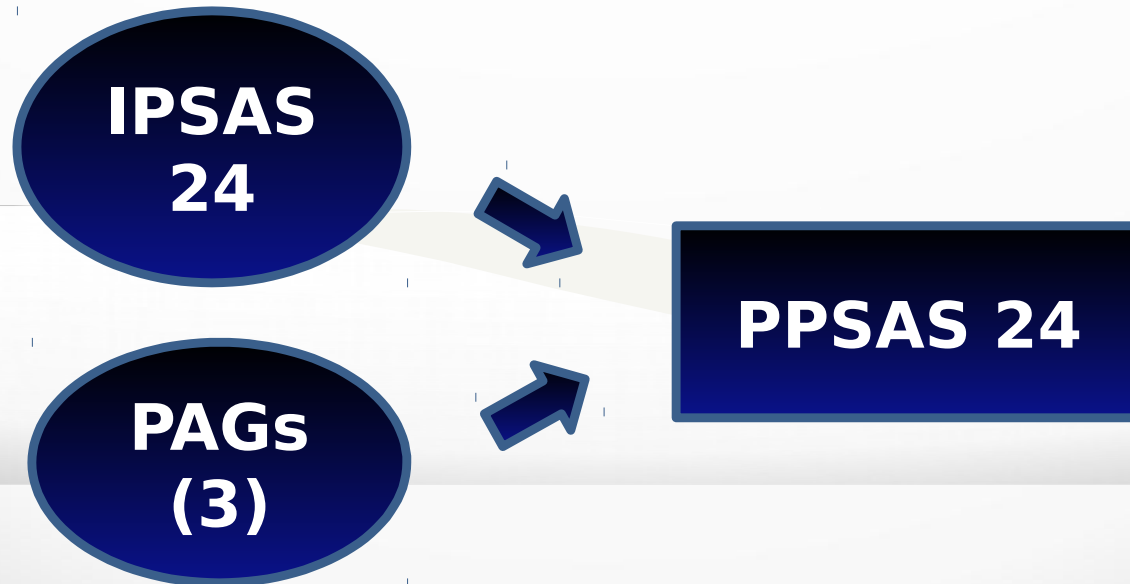
Seminar on Philippine Public Sector Accounting Standards (PPSAS) and Revised Chart of Accounts (RCA) for Government Corporations (GCs) Classified as Non- Government Business Enterprises (GBEs)

**Public Sector Accounting Standards Board
(PSAcSB)**



Session

PPSAS 24² – Presentation of Budget Information in Financial Statements



REQUIREMENTS OF PPSAS 24

- A comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities that are required to, or elect to, make publicly available their approved budget(s); and
- A disclosure of an explanation of the reasons for material differences between the budget and actual amounts.

OBJECTIVES OF PPSAS 24

Compliance with the standard will ensure that public entities:

- *Discharge their accountability obligation; and*
- *Enhance transparency of their financial statements*

LEARNING OBJECTIVES

At the end of the session, the participants will be able to:

- *Identify the proper presentation of the budgetary information in the financial statements in accordance with PPSAS 24; and*
- *Identify the proposed updates on accounting, monitoring and reporting of budgetary information.*

Budget ???

Budgeting ???





What do you understand with the following?

1. *Accounting basis*
2. *Budgetary basis*
3. *Comparable basis*
4. *Approved budget*
5. *Original budget*
6. *Supplemental budget*
7. *Final budget*
8. *Actual Amounts*



DEFINITION OF TERMS

Accounting basis means the accrual or cash basis of accounting as defined in the accrual basis IPSASs and the Cash Basis IPSAS.



DEFINITION OF TERMS

Budgetary basis means the accrual, cash, or other basis of accounting adopted in the budget that has been approved by the legislative body.



DEFINITION OF TERMS

Comparable basis means the actual amounts presented on the same accounting basis, same classification basis, for the same entities, and for the same period as the approved budget.



DEFINITION OF TERMS

Approved budget means the *expenditure authority* derived from laws, appropriation bills, government ordinances, and other decisions related to the *anticipated revenue or receipts* for the budgetary period.



DEFINITION OF TERMS

Original Budget is the initial approved budget for the budget period.

Supplemental Budget is an additional budget provided when the approved budget is not sufficient



DEFINITION OF TERMS

Final Budget is the original budget, adjusted for all reserves, carry over amounts, transfers, allocations, supplemental appropriations and other legislative or similar authority changes applicable to the budget period.



DEFINITION OF TERMS

Actual Amounts refers to the amount that result from the execution of the budget.

PRESENTATION OF A COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Subject to the requirements of Paragraph 21, an entity shall present a comparison of the *budget amount* for which it is held *publicly accountable* and *actual amounts*, either as a *separate additional financial statement* or an *additional budget column in the FS* currently presented in accordance with the PPSAS.

PRESENTATION AND DISCLOSURE

Paragraph 21:

An entity shall prepare a comparison of budget and actual amounts as *additional budget column* in the primary financial statements **ONLY** where the *financial statements and budget* are prepared on a *comparable basis*.

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2 An entity shall present a comparison of the budget and actual amounts as a separate *additional financial statement*.

PRESENTATION AND DISCLOSURE

Paragraph 23:

When the *budget* and *financial statements* are not prepared on a comparable basis, a *separate Statement of Comparison of Budget and Actual Amounts* is presented.

(NAME OF THE ENTITY)
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
FOR THE YEAR ENDED DECEMBER 31, 2016

Particulars	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
	Original	Final		
Notes*				
RECEIPTS				
Tax Revenue	XXX	XXX	XXX	XXX
Services and Business Income	XXX	XXX	XXX	XXX
Assistance and Subsidy	XXX	XXX	XXX	XXX
Shares, Grants and Donations	XXX	XXX	XXX	XXX
Gains	XXX	XXX	XXX	XXX
Others	XXX	XXX	XXX	XXX
Total Receipts	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
PAYMENTS				
Personnel Services	XXX	XXX	XXX	XXX
Maintenance and Other Operating	XXX	XXX	XXX	XXX
Capital Outlay	XXX	XXX	XXX	XXX
Financial Expenses	XXX	XXX	XXX	XXX
Others	XXX	XXX	XXX	XXX
Total Payments	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>
NET RECEIPTS/PAYMENTS	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>	<u>XXX</u>

This statement should be read in conjunction with the accompanying notes.

**The notes referred were assumed.*

SOURCES OF INFORMATION

Budget

Receipts

- Estimated Revenue

Payments

- Corporate Operating Budget/RBUD

Actual

Receipts

- Actual Agency Receipts/SCF

Payments

- RBUD/BURS/Actual Agency Disbursements/SCF

DISCLOSURE REQUIREMENTS

- Explanation or reason for changes between original and final budget
- Budgetary and classification basis of the approved budget
- Period of the approved budget
- Entities included in the approved budget

RECONCILIATION

Where the financial statements and budget are not prepared on a comparable basis,

**ACTUAL AMOUNTS PRESENTED ON A
COMPARABLE BASIS TO BUDGET**

should be reconciled to the

**ACTUAL AMOUNTS PRESENTED IN THE
FINANCIAL STATEMENTS**

*Identifying any **BASIS**, **TIMING**, and **ENTITY**
DIFFERENCES*

RECONCILIATION

If the accrual basis is adopted for the budget,
provide reconciliations on:

- **Total Revenues**
- **Total Expenses**
- **Net cash flows from operating, investing and financing activities**

If a basis other than the accrual basis is adopted
for the budget, provide reconciliations on:

- **Net cash flows from operating, investing and financing activities**

RECONCILIATION

	Operating	Financing	Investing	Total
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	X	X	X	X
Basis Differences	X	X	X	X
Timing Differences	-	-	-	-
Entity Differences	X	X	X	X
Actual Amount in the Statement of Cash Flows	X	X	X	X

EFFECTIVITY **DATE**

This PPSAS shall apply for annual financial statements covering periods beginning January 1, 2016.

Part 2 – Updates on Accounting, Monitoring and Reporting of Budgetary Information

Registry of Budget, Utilization and Disbursements

The *Registry of Budget, Utilization and Disbursements (RBUD)* shall be used to record the approved special budget and the corresponding utilizations and disbursements charged to retained income and other retained income collection of government corporations (GCs) classified as Non-Government Business Enterprises (GBEs), Revolving Funds and Trust Receipts/Custodial Funds.

Recording of Budget Utilization

The incurrence of budget utilization shall be made through the issuance of *Budget Utilization Request and Status (BURS)*.

Budget Utilization and Request

BUDGET UTILIZATION REQUEST AND STATUS

Entity Name

Serial No. : _____

Date : _____

Fund : _____

Payee				
Office				
Address				
Responsibility Center	Particulars	Project	Object Code/ Expenditures	Amount
Total				

A.	Certified: Charges to budget necessary, lawful and under my direct supervision; and supporting documents valid, proper and legal	B.	Certified: Budget available and utilized for the purpose/adjustment necessary as indicated above
Signature :	_____	Signature :	_____
Printed	_____	Printed Name:	_____
Position :	Head, Requesting Unit/Authorized Representative	Position :	Head, Budget Unit/Authorized Representative
Date	_____	Date	_____

C.	STATUS OF UTILIZATION					
	Reference			Amount		
Date	Particulars	BURS/JEV/RCI/ RADAI No.	Utilization (a)	Payable (b)	Payment (c)	Balance



Adjustment of Budget Utilization

Adjustment of budget utilization after the processing of the claim shall be made through the use of *Notice of Budget Utilization Request and Status Adjustment (NBURSA)*

Notice of Budget Utilization Request and Status Adjustment

<p>NOTICE OF BUDGET UTILIZATION REQUEST AND STATUS ADJUSTMENT</p> <p>_____</p> <p>Entity Name</p>	<p>NBURSA No. : _____</p> <p>Date : _____</p> <p>Fund : _____</p>
<p>For: The Head Budget Unit:</p> <p><input type="checkbox"/> Please adjust BURS No. _____ dated _____ due to the following changes:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Responsibility Center to _____ <input type="checkbox"/> Particulars to _____ <input type="checkbox"/> Project to _____ <input type="checkbox"/> Account Code to _____ <input type="checkbox"/> Amount to P _____ <p><input type="checkbox"/> Please adjust RBUD for excess/under utilization per attached JEV No. _____ dated _____.</p>	
<p>A.</p> <p>Prepared by:</p> <p>_____</p> <p style="text-align: center;">Accounting Staff-in-Charge</p>	<p>B.</p> <p>Approved by:</p> <p>_____</p> <p style="text-align: center;">Chief Accountant/Head of Accounting Unit</p>
<p>C.</p> <p>Certified Correct:</p> <p>_____</p> <p style="text-align: center;">Head of the Requesting Unit/Authorized Representative</p>	<p>D.</p> <p>Verified by:</p> <p>_____</p> <p style="text-align: center;">Head of the Budget/Authorized Representative</p>



Recording of Disbursement

Disbursements shall be recorded in the RBUD based on the RCI/RADAI/TRA/JEV

Disbursement Voucher (DV) Form

_____ Entity Name		Fund :	
DISBURSEMENT VOUCHER		Date :	
		DV No. :	
Mode of Payment	<input type="checkbox"/> MDS Check <input type="checkbox"/> Commercial Check <input type="checkbox"/> ADA <input type="checkbox"/> Others (Please specify)		
Payee	TIN/Employee No.:	ORS/BURS No.:	
Address			
	Particulars	Responsibility Center	Project
			Amount
	Amount Due		
A. Certified: Expenses/Cash Advance necessary, lawful and incurred under my direct supervision.			
_____ Printed Name, Designation and Signature of Supervisor			
B. Certified:		C. Approved for Payment	
<input type="checkbox"/> Cash available <input type="checkbox"/> Subject to Authority to Debit Account (when applicable) <input type="checkbox"/> Supporting documents complete and amount claimed proper			
Signature		Signature	
Printed Name		Printed Name	
Position	Head, Accounting Unit/Authorized Representative	Position	Agency Head/Authorized Representative
Date		Date	
D. Receipt of Payment			JEV No.
Check/ADA No.:	Date :	Bank Name & Account Number:	
Signature :	Date :	Printed Name:	Date
Official Receipt No. & Date/Other Documents			



Journal Entry Voucher (JEV) Form

JOURNAL ENTRY VOUCHER					JEV No.: _____	
Entity Name : _____ Fund : _____					Date : _____	
Responsibility Center	ACCOUNTING ENTRIES					
	Accounts and Explanation	Account Code	P	Amount		
				Debit	Credit	
TOTAL						
Prepared by: _____ Accounting Personnel			Certified Correct: _____ Head, Accounting Unit			



The updates discussed shall form part of the proposed COA Circular on the Supplementary Guidelines on the Preparation of FSs and FRs and the Transitional Provisions on the Implementation of the PFRSs by GBEs and PPSAS by Non-GBEs. Also, the GAM for GCs will be issued to complement the implementation of PPSAS.

Thank You



Thanks!