



BUDGET CIRCULAR NO. 2025-1

“GUIDELINES ON THE ADOPTION OF THE GOVERNMENT PURCHASE CARD (GPC) AS AN ALTERNATIVE MODE OF PAYMENT FOR CERTAIN GOVERNMENT EXPENDITURES”



PURPOSE

- This Circular is being issued to provide a framework for the adoption of the Government Purchase Card (GPC) as a fast, convenient, and secure digital payment method for certain government expenditures.





LEGAL BASIS

- Republic Act (RA) No. 8792: An Act Providing for the Recognition and Use of Electronic Commercial and Non-Commercial Transactions, Penalties for Unlawful Use Thereof, and Other Purposes
- Executive Order No. 170, s. 2022: Adoption of Digital Payments for Government Disbursements and Collections
- Budget Circular (BC) No. 2025-1: Guidelines on the Adoption of the Government Purchase Card (GPC) as an Alternative Mode of Payment for Certain Government Expenditures
- Section 105, General Provisions, RA No. 12314: FY 2026 General Appropriations Act (GAA)



SCOPE AND COVERAGE

Directed

- All Executive Branch entities, including state universities and colleges, and government-owned or –controlled corporations (GOCCs) not covered under RA No. 10149

Encouraged

- Other government bodies, including the Legislature, Judiciary, Constitutional Commissions, and local government units
- GOCCs covered under RA No. 10149 may adopt the policy in coordination with the Governance Commission for GOCCs



SALIENT FEATURES OF BC No. 2025-1

General
Guidelines

1

Specific
Guidelines

2

Duties and
Responsibilities

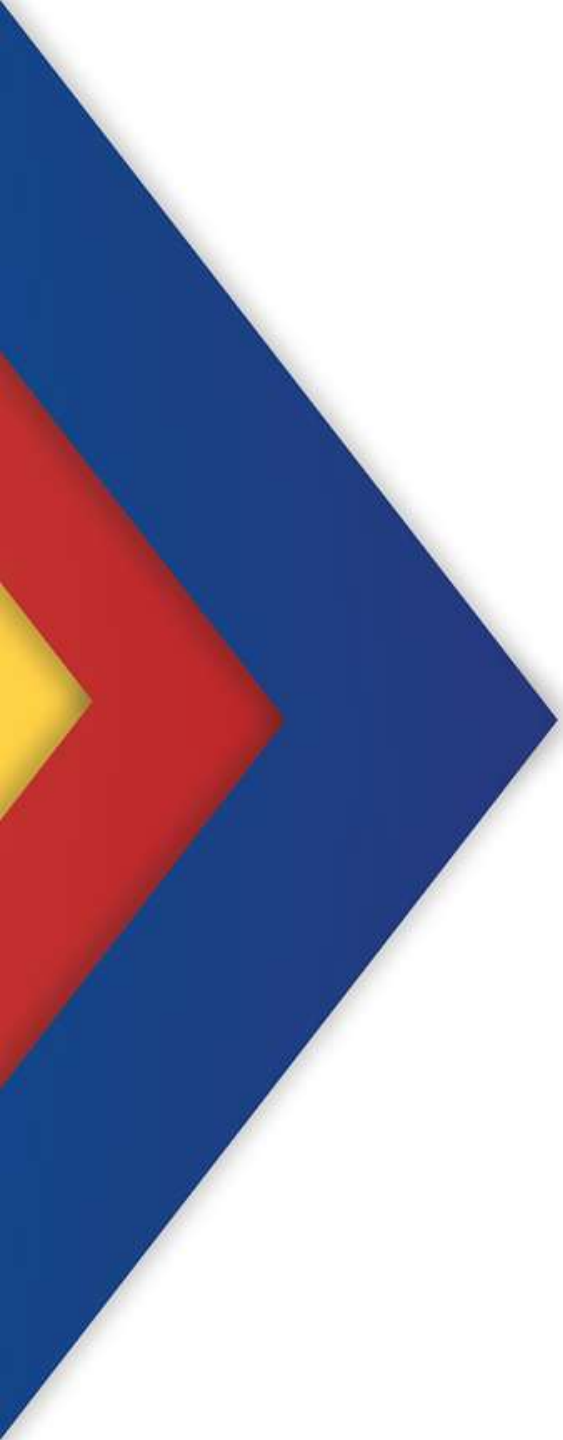
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Sanctions
and Penal
Provisions

4

Other
Provisions

5



I. GENERAL GUIDELINES



Serves as an **alternative mode of payment** for the purchase of pre-identified specific goods and services within a Program Code or Privilege Type category



Shall follow existing procurement processes

Shall not supplant nor bypass existing accounting rules and requirements prescribed in applicable laws and issuances such as the COA Circular Nos. 2012-001 and 2012-003, among other issuances



What are the eligible expenditure types?



Travel expenses



**Miscellaneous
small value
purchases**



**Computer software,
services & digital
content**



**Hotel and
Lodging**



**Representation
expenses**



**Fuel, lubricants, oils,
automotive parts
and services**



Who are authorized to use the GPC?

- Head of the Agency
- Other officials or employees with the following minimum requirements:
 - A permanent or regular employee of the agency and those with coterminous appointment
 - Fidelity bond
 - Personnel whose function or duty requires the purchase of goods and/or services classified in the eligible expenditure types



Recommended Eligible Types per Program Code or Privilege Type

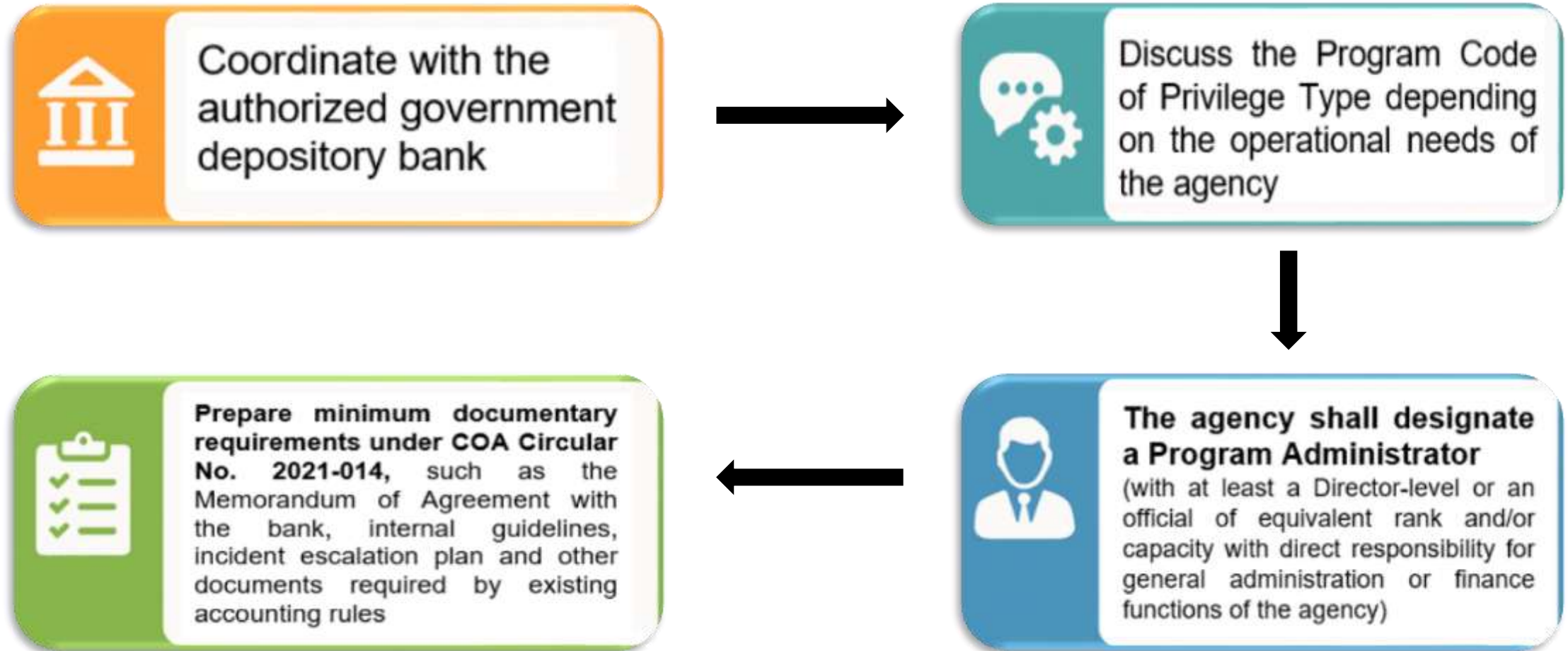
Eligible Expenditure Type	Program Code or Privilege Type			
	A	B	C	D
Travel Expenses	✓	✓		
Miscellaneous small value purchases	✓		✓	
Computer software, services, and digital content	✓		✓	
Hotel/lodging	✓	✓		
Representation/business development	✓	✓		
Fuel, automotive parts and services	✓		✓	✓



Recommended Monthly Purchase Limit

Program Code or Privilege Type	Monthly Purchase Limit
A	Up to Php 5,000,000.00
B	Up to Php 1,000,000.00
C	Up to Php 1,000,000.00
D	Up to Php 100,000.00

What are the minimum requirements for the adoption of the GPC?





II. SPECIFIC GUIDELINES



Guidelines on the use of the GPC

- The Authorized Cardholder must ensure that the purchases made using the GPC:
 - Included in the **agency's Annual Procurement Plan**;
 - Included in the agency's **Information Systems Strategic Plan**, for ICT related purchases; and the same shall be **in line with the guidelines or requirements** set by the implementing agency's ICT unit, if any
 - Must be **within** the set Monthly Purchase Limit
- Agencies with fleet cards may opt to retain such arrangements for fuel and related purchases.



Settlement of the GPC Transactions

- **Minimum documentary requirements** for the settlement of all GPC transactions
- Finance unit to **settle the amount in full on or before the due date** via Auto Debit Arrangement or List of Due and Demandable Accounts Payable – Advice to Debit Account (LDDAP-ADA)
- Additional charges incurred, such as, but not limited to, penalties or late payment fees, **shall be charged against the personal account** of the official or personnel directly responsible for the delay.



Unauthorized vs Disputed Transactions

Kinds of Transactions	Particulars	Responsibility of the Implementing Agency/Servicing Bank
Unauthorized Transactions	<ul style="list-style-type: none">• Transactions or claims that are not in accordance with the guidelines on the use of the GPC, the Servicing Bank agreement, or existing financial and regulatory frameworks.• Personal purchases shall be charged against the account of the Authorized Cardholder	<ul style="list-style-type: none">• The Finance unit shall inform the Authorized Cardholder, who shall be held personally liable for paying the full amount of flagged transactions.
Disputed Transactions	<ul style="list-style-type: none">• Transaction that an Authorized Cardholder claims to be invalid, such as fraudulent transactions, non-delivery of purchased goods/services, or cancelled purchases, among others.	<ul style="list-style-type: none">• Disputed transactions must be immediately reported by the Authorized Cardholder to the PA and the Servicing Bank for verification and resolution before the cut-off date.



III. DUTIES AND RESPONSIBILITIES

Program Administrator



Oversee and ensure proper implementation of the GPC

Recommend officials and employees to be authorized to use the GPC, subject to the approval of the Head of the Agency

Design and implement the agency's internal GPC guidelines and recommend all modifications thereto, subject to the approval of the Head of the Agency

Serve as the account manager for all Authorized Cardholders

Authorized Cardholder

Secure all relevant forms and documentary requirements to support GPC transactions as indicated in the SOA and ensure their timely submission of the same to the agency's Finance Unit



Verify and confirm the accuracy of the amounts reflected in the SOA vis-à-vis the charge slips or sales invoice

Report any disputed transactions and/or lost, stolen or mutilated GPC to the PA and the Servicing Bank

Verify the availability of funds and process claims for the settlement of the GPC bill

Finance Unit



Process payments and ensure that GPC bills are fully settled on or before the due date

Validate that the transactions or purchases made using the GPC are within the Program Code or Privilege Type assigned to each Authorized Cardholder

Notify the Authorized Cardholder for any unauthorized transactions or purchases

Agency Heads & Accountable Officers



Responsible for the proper implementation of the provisions of the Circular in their respective offices

Accountable for any transactions not in accordance with the provisions of the Circular, without prejudice to proper justification by the employees concerned of any unauthorized transactions thereof



Servicing Bank

Issue individual SOAs to each Authorized Cardholder, as well as an Agency SOA that includes all GPC transactions of the implementing agency to the PA

Implementing Agency

Not precluded from formulating provisions which indicate specific duties and responsibilities to operationalize the adoption of the GPC in their respective implementing guidelines based on the nature, mandate and functions of the agency.

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IV. SANCTIONS AND PENAL PROVISIONS



Grounds for suspension or revocation of cardholder privileges

- Making unauthorized transactions or personal purchases, in addition to being personally liable to pay such transactions or purchases;
- Failure to liquidate and recommend payment within the period allowed by law or as prescribed in their respective implementing guidelines for GPC transactions; or
- Lost or stolen GPC cards through the fault or negligence of the Cardholder.

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V. OTHER PROVISIONS



Transitory Provisions

- Continue their implementation under previously issued internal guidelines, subject to updates or modifications in line with the provisions of the Circular.
- All agencies are enjoined to adopt the GPC Program within two (2) years of the effectivity of the Circular.
- Said agencies are encouraged to integrate the GPC progressively as a regular mode of payment for all authorized expenditures.

Updating and Review

- The guidelines provided in the Budget Circular shall be subject to periodic review and updating every three (3) years or as may be necessary.



THANK YOU!

For questions and/or concerns, you may:

email the DBM-SPIB at **dbm-spib@dbm.gov.ph**, or
contact via **(02) 8657-3300** loc. **1230/1227 (MSID)**