



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Malacañang, Manila

LEGAL OPINION NO. L-B-2001-14

SUBJECT : Local Government Budgeting – Utilization of Appropriations

ISSUE : Prioritization on the utilization of the appropriation for Terminal Leave Benefits (TLP).

FACTS : Mr. Raul A. Mabini, Municipal Budget Officer of Baybay, Leyte, in his letter dated 27 June 2000, requested opinion on the prioritization in the utilization of appropriation for TLP. Due to financial constraints in the allocation of the appropriation for TLP in the FY 1998 Annual Budget of Baybay, Leyte, only the expected claims of those who will retire during the year, including the last termers elective local officials, were included.

Records show in the HRMO and DILG field offices in Baybay, Leyte, that the expected claims of last termers, SB Secretary Reynaldo Atienza, SB Members Ricardo Avila, Zenen Puray and Avelino Uy, were included in the budget.

An issue arose when Mr. Dominador Chiong, the Vice-Mayor tendered his unexpected immediate resignation on April 1998 and claimed his TLP on the same month, even though he was fully aware that he was not included in the budget. The Sangguniang Bayan passed a resolution to realign funds for his claim and Mr. Chiong was accordingly paid. Nevertheless, he is still complaining regarding such issue on the prioritization of the utilization of the appropriation for TLP.

OPINION : The issue raised is beyond the jurisdiction of the Department of Budget and Management to resolve.

The prioritization in the disbursement of local funds involves a budget execution policy, which is within the cognizance of the LGU concerned. Administration of local funds is, by law, vested upon the LGU so long as the same is in accordance with the appropriations in the approved annual budget of the LGU.

Paragraph 2 of Section 320 of R.A. No. 7160, the Local Government Code of 1991, provides, thus:

"The responsibility for the execution of the annual and supplemental budgets and the accountability therefor shall be vested primarily in the local chief executive concerned."

REFERENCE: Memorandum of the Secretary dated 22 August 2001 to DBM RO-VIII

Recommended:



JANET B. ABUEL
Director, LLS

Approved:



EMILIA T. BONCODIN
Secretary