



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Malacañang, Manila



Budget Circular No. 2009-1

March 10, 2009

To: All National Government Agencies Concerned, Provincial Governors, City and Municipal Mayors, Punong Barangays, Members of the Sanggunian, Local Development Councils, Local Finance Committees and All Others Concerned

Subject: **Guidelines for the Release of the Kilos Asenso Support Fund**

1.0 Purpose

This Circular is issued to provide the guidelines in the release and utilization of the Kilos Asenso Support (KAS) Fund to sustain the programs and projects of the Local Government Units (LGUs).

2.0 Legal Basis

Pursuant to Republic Act No. 9498 or the FY 2008 General Appropriations Act, the KAS Fund shall be used as the national government counterpart fund to support the programs and projects of LGUs under the Kilos Asenso Program.

3.0 Use of Fund

The KAS Fund shall be utilized to sustain development and provide for deficiencies for the following:

- 3.1 Construction of farm-to-market roads, small bridges and day care centers;
- 3.2 Improvement of potable water supply;
- 3.3 Investment in agro-forestry projects; and
- 3.4 Other similar growth enhancing projects designed to uplift the socio-economic standing of LGUs.
 - 3.4.1 Growth enhancing projects refer to those which shall promote employment, education, health, and housing in the LGUs.




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4.0 Procedure for the Release of the Fund

- 4.1 LGUs shall submit to the Department of Budget and Management a letter request consistent with Section 3.0 on the use of the fund supported by details of the project if necessary and a commitment from the LGU to provide for a counterpart fund.
- 4.2 The fund shall be released directly to the LGUs and credited to their account maintained with the Government Servicing banks.
- 4.3 The appropriation by the LGU of no less than twenty percent (20%) of the Internal Revenue Allotment (IRA) for development project shall be one of the sources of the LGU counterpart fund.
- 4.4 Priority in the release of the fund shall be given to the 5th and 6th class municipalities.
- 4.5 The LGUs shall submit to the DBM a report on the status of the project and utilization of the fund.
- 4.6 Utilization and disbursement of the fund shall be subject to existing accounting, budgeting and auditing rules and regulations and to compliance with Republic Act No. 9184 (Government Procurement Reform Act).

5.0 Effectivity

This Circular shall take effect immediately.


ROLANDO G. ANDAYA, JR.
Secretary