

## VII.

### Other related issues on barangay budgeting

152. Are Punong Barangays authorized to purchase transport and heavy equipment for their respective?

Yes. Pursuant to Administrative Order No. 339 dated June 6, 1997, Punong Barangays, among others, are authorized to purchase transport and heavy equipment for their respective barangays out of unencumbered local funds covered by an appropriation ordinance specifically authorizing/earmarking the appropriations for the purpose, subject to the specifications enumerated under the said Order.

153. What happens to the unexpended Calamity Fund of the barangay if there was no declaration of calamity during the current year?

Any unexpended balances in the Calamity Fund at the end of the current year shall revert to the Unappropriated Surplus for re-appropriation during the succeeding budget year subject to the following provisions;

- That the appropriation for capital outlays shall remain valid until fully spent or reverted; and
- That in cases as may be determined by the Sangguniang Barangay the unexpended balance of the maintenance and other operating expenses of the aforesaid funds in support for the relief, rehabilitation, reconstruction and other works or services undertaken during the year in connection with the occurrence of the calamities, the effective implementation of which may extend beyond the calendar year, may be used and made available during the succeeding year subject to accounting and auditing rules and regulations being observed for the purpose.

154. Can the barangay IRA shares be withheld by the DBM?

The DBM cannot unilaterally deduct or withhold the IRA shares of barangays in view of the provision of Section 286 of the Local Government Code and the Special Provision of the General Appropriations Act.

155. Can the barangay government create new positions like clerk, bookkeeper, etc. for the barangay?

Yes. The barangay may create additional positions other than its present statutory positions based on its service requirement and minimum standards prescribed by the Civil Service Commission provided they have complied to the following:

- Revised Compensation and Position Classification System under R.A. No. 6758;
- The 55% personal services limitation; and
- Provision for the mandatory and statutory obligations of the barangay.

156. Are barangays authorized to implement programs and projects under the Local Government Empowerment Fund (LGEF) as provided in NEDA-DBM Joint Circular No. 2-96?

Yes. As provided under NEDA-DBM Joint Circular No. 2-96, barangays are among the participating local government units identified as one of the implementing agencies/ entities of projects funded under the LGEF. Therefore, barangays are authorized to implement devolved activities supportive of major national government programs and projects implemented in the 19 priority provinces and/or in 5th or 6th class local government units, funded by the Foreign-Assisted Projects (FAPs) Fund.

157. Are barangay officials who lost in the barangay elections, or who voluntarily resigned, or are terminated from the government service entitled to separation pay?

No. Barangay officials who lost in the barangay elections, or who have voluntarily resigned and/or have been terminated from the government service are not entitled to receive separation pay benefits.

158. Can a barangay hire private lawyers in connection with suits filed against barangay officials in line with the performance of their duties and functions, chargeable against the funds of the barangay?

No. This matter has already been settled by the Supreme Court in the case of the Municipality of Pililia, Rizal, vs. Court of Appeals, et.al., G.R. No. 105909 promulgated on June 28, 1994 which decision in said case was adopted by COA in its Circular No. 95-011

dated December 4, 1995 (Subject: Prohibition against employment by government agencies and instrumentalities, including government owned and/or controlled corporations, of private lawyers to handle their legal cases).

159. **Is the physical inventory of properties of a barangay mandatory? Who will conduct this inventory?**

Yes. The Punong Barangay as chairman and the Barangay Treasurer as member of the committee shall undertake the inventory. Other members of the sangguniang barangay may be appointed as members.