



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management
Malacañang, Manila



LOCAL BUDGET CIRCULAR

No. 89
June 23, 2008

To : All Local Government Units, Local Budget Officers, Heads of Local Accounting Units and All Others Concerned

Subject : Guidelines on the Release and Utilization of Funds Chargeable Against the Financial Subsidy to Local Government Units for FY 2008

1.0 PURPOSE

- 1.1 To prescribe guidelines on the release and utilization of the Financial Subsidy to Local Government Units (LGUs) under Republic Act No. 9498, General Appropriations Act for FY 2008.

2.0 GUIDELINES

The following policy guidelines shall be observed in the release and utilization of funds from the Financial Subsidy to LGUs:

- 2.1 The Financial Subsidy to LGUs shall be used to fund priority sectors of legislative districts.
- 2.2 The fund will be released as financial subsidy to LGUs.
- 2.3 The Financial Subsidy to LGUs shall not be used for the payment of personal services expenditures (i.e. payment of salaries including honoraria, allowances, bonus and similar forms of compensation).

3.0 ACCOUNTABILITY

The implementing agency shall be accountable for the implementation of the program/s and/or project/s subject to existing budgeting, accounting, auditing rules and regulations.

4.0 EFFECTIVITY

This Circular shall take effect immediately.


ROLANDO G. ANDAYA, JR.
Secretary