



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Malacañang, Manila

LOCAL BUDGET CIRCULAR

No. 100-A

November 22, 2012

TO : All Provincial Governors; City and Municipal Mayors; Punong Barangay; Local Sanggunian Members; Local Treasurers; Local Budget Officers; Local Accountants, Heads of Local Economic Enterprises/Public Utilities, and Other Local Officials Concerned

SUBJECT: **Supplemental Guidelines on the Applicability of Local Budget Circular No. 100 entitled, Policy Guidelines on the Use of LGU Transfers/Advances to LEEs/PUs**

1.0 Section 318 of the Local Government Code of 1991 (Republic Act [RA] No. 7160) prescribes that the local chief executive shall submit the executive budget to the sanggunian concerned not later than October 16 of the current fiscal year.

2.0 Considering that Local Budget Circular (LBC) No. 100 was issued on October 1, 2012 (Policy Guidelines of the Use of LGU Transfers/Advances to LEEs/PUs) when the preparation of the proposed executive (annual) budgets of local government units (LGUs) is almost concluded in accordance with Section 318 of RA No. 7160, the local officials raised concerns that the proposed executive budgets for CY 2013 have not yet conformed to the provisions of LBC No. 100.

3.0 Accordingly, the following rules shall govern the applicability of LBC No. 100:

3.1 The limitation on the use of the LGU transfer/advance to local economic enterprises and public utilities (LEEs/PUs), which excludes Personal Services from the authorized use of the said transfer/advance (per item 3.3 of LBC No. 100), shall be applicable in the preparation of the budgets of LGUs for CY 2014 and years thereafter.

3.1.1 However, in the case of establishment of LEEs/PUs in CY 2013, item 3.3 of LBC No. 100 shall already apply.

3.2 The other specific guidelines under item 3.0 of the same Circular shall be applicable immediately.

4.0 For guidance.

FLORENCIO B. ABAD
Secretary