



Republic of the Philippines
DEPARTMENT OF BUDGET AND MANAGEMENT
Malacañang, Manila

LOCAL BUDGET CIRCULAR

No. 105
Date October 29, 2014

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

SUBJECT: **Amending Local Budget Circular (LBC) No. 104 dated March 7, 2014, entitled, "Guidelines on the Release and Utilization of Funds Chargeable Against the Local Government Support Fund for FY 2014"**

1.0 Purpose

This circular is being issued to amend some items of the Local Budget Circular (LBC) No. 104.

2.0 Items 4.1.1 up to 4.5 of the General Guidelines is hereby amended to read as follows:

"4.1.1 The LGU request for release of the Fund shall be supported with Sanggunian Resolution and list of projects to be submitted by the Local Chief Executives (LCEs) to DBM Central Office through Budget and Management Bureau – G (BMB-G) or through DBM ROs which shall forward the same to BMB-G;

4.1.2 Projects to be funded under the LGSF shall be implemented by Local Government Units (LGUs) and shall be released to the DBM-Regional Offices (DBM-ROs) as conduit of the Fund;

4.1.3 LGUs may implement infra projects costing not more than P10 Million. Provided, that for infra projects costing more than P10 Million, the same can be implemented by LGUs with technical capability/expertise to, and who will actually implement the projects by themselves, as determined by the DPWH thru issuance of Endorsement Letter.

4.1.4 The amount shall be treated as a trust fund for the purpose/s identified by LCEs.

4.2 Projects shall be implementable within the short term (one year) and shall not need future commitments to render the project/s viable.

- 4.3 *The Fund 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).*
- 4.4 *The LGUs shall submit to DBM thru its Regional Offices (ROs) a report on the status of the project and utilization of the fund. Upon termination of the project/s, the LGU shall submit a completion report to DBM together with the following:*
- 4.4.4 *Certificate of Completion;*
- 4.4.5 *Certificate of Acceptance (if undertaken by contract); and*
- 4.4.6 *Disbursement report certified by the COA Field Office.*
- 4.5 *Utilization and disbursement of the fund shall be subject to existing accounting, budgeting and auditing rules and regulations and in compliance with provisions of R.A. 9184 (Government Procurement Reform Act)."*
- 3.0 Item 6.1 of the Modification/s of Program/s/Project/s is hereby amended as follows;
- "6.1 *Modifications of programs/projects may be allowed within the one-year validity of the allotment and under the following conditions:"*
- 4.0 Refer to Annex "A" for the revised Project Menu.
- 5.0 This Circular shall take effect immediately.

FLORENCIO B. ABAD

Secretary *fu*



REVISED PROJECT MENU (ANNEX A)

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